CANADA

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HOUSE OF COMMONS

Monday, November 12, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

MISSISSAUGA DISASTER—TRANSPORTATION OF HAZARDOUS PRODUCTS—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, at 11.45 Saturday evening, November 10, 1979, a CP train derailed. This train was carrying a number of jumbo cars containing propane, butane, caustic soda, other petrochemicals and, most dangerous of all, chlorine.

As a result of the derailment, there were a number of explosions and severe fires, and these fires are still burning at the present time. The Peel regional police force and the Ontario provincial police, assisted by police officers from metropolitan Toronto and other neighbouring municipalities, together with the Red Cross and other emergency measures' people, including the Mississauga fire department, took command of the situation. Because of the danger of leakage of chlorine gas and the possible rupture of the chlorine tanker, all of the citizens from my riding and the neighbouring ridings of Mississauga North, to a large extent Oakville and Etobicoke-Lakeshore, were evacuated in a peaceful and well organized fashion.

Therefore, Mr. Speaker, since this emergency has been handled with such dispatch and confidence, I move, seconded by the hon. member for Mississauga North (Mr. Jupp) and the hon. member for Parkdale-High Park (Mr. Flis):

That this House does extend its commendation to all those directly involved in attending to the emergency arising from a CP Rail train derailment at Mississauga, Ontario, particularly since as a result of their actions, there has been to date no loss of life, and that this House does direct the Minister of Transport to assure this House and the people of Canada that a full and impartial investigation will be held concerning this accident and concerning the transportation of dangerous goods.

Some hon. Members: Hear, hear!

Mr. Speaker: The House has heard the terms of the motion. It can be put to the House for discussion at this time only with unanimous consent, pursuant to Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

AIR TRANSPORT

SALE OF DE HAVILLAND AND CANADAIR TO PRIVATE ENTERPRISE—MOTION UNDER S.O. 43

Hon. J.-J. Blais (Nipissing): Mr. Speaker, I rise on a matter of urgent and pressing necessity. I trust that perhaps the consent that was provided before will be provided to my motion. The House was astounded last Thursday to hear the President of the Treasury Board announce his intention to privatize de Havilland and Canadair without consultation with Parliament.

In view of the fact that "Sinc the Slasher" is preparing a further list of potential targets—

Some hon. Members: Oh, oh!

Mr. Blais: —I move, seconded by the hon. member for Davenport (Mr. Caccia):

That this House condemn the minister's wanton disregard of Parliament, and that a reference be given to the Standing Committee on Finance, Trade and Economic Affairs to review in depth this government's policy on the sale of Crown corporations.

Mr. Speaker: Is there unanimous consent for the presentation of this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HUMAN RIGHTS

CONDEMNATION OF TREATMENT OF POLITICAL PRISONERS IN ARGENTINA AND CHILE—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43. In view of the fact that Pope John Paul II appealed to Argentina and Chile recently to make good on their promise to clarify the situation of those in prison, and since Amnesty International has documented the seriousness of the so-called "drama of the missing persons," as well as the thousands of political prisoners in these countries, I move,

seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the external affairs minister make known to her Argentinian and Chilean counterparts our country's great concern for this form of violence to the human person perpetrated by these regimes.

Mr. Speaker: Such a motion can be presented for debate at this time only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

MANPOWER

CANADA WORKS PROGRAM—REQUEST FOR INCREASED GRANTS

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of urgent and pressing necessity.

In view of the fact that Roberval has known the highest rate of unemployment in the area, and considering that the funds obtained under the Canada Works program for 1979-80 have hardly paid for 30 per cent of the proposed projects, and before the Minister of Finance (Mr. Crosbie) completes the preparation of his budget, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the minister provide in his budget a substantial increase in funds earmarked for the Canada Works program to lessen the effect of unemployment announced for next winter throughout the province and elsewhere.

Mr. Speaker: Pursuant to Standing Order 43, this motion can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

POST OFFICE

MEASURES GOVERNMENT INTENDS TAKING TO IMPROVE POSTAL SERVICE—MOTION UNDER S.O. 43

Mr. Jean Lapierre (Shefford): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

In view of the fact that budget cuts have greatly reduced the supply and development of new postal services in Canada, which has resulted in serious deficiencies in the services provided to all Canadians, but more specifically to the people of Rock Forest within my constituency, I move, seconded by the hon. member for Rosemont (Mr. Lachance):

That the House recommend that the Postmaster General (Mr. Fraser) carry out a full and complete reassessment of the postal service in Canada, giving special attention to boom towns where quick development has resulted in rapid deterioration of the postal service, and to announce as soon as possible to the House the appropriate corrective measures.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

TRANSPORT

APPLICATION OF CROWSNEST PASS RATES—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a motion under Standing Order 43. It arises out of the fact that several prominent Conservatives, including the Minister of Transport (Mr. Mazankowski), are reported as saying that the Crow rate should be scrapped or else changed. In light of that, I move, seconded by the hon. member for Regina East (Mr. de Jong):

That this House expresses its disapproval that the government is bypassing the central recommendation of the Hall report, namely, that the Crow rate be guaranteed for the farmer.

Mr. Speaker: This motion can be introduced for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SMALL LOANS ACT

REQUEST LEGISLATION BE REPEALED—MOTION UNDER S.O. 43

Mr. John Evans (Ottawa Centre): Mr. Speaker, I rise on a matter of urgent and pressing necessity. In view of the fact that the Superintendent of Insurance told the Standing Committee on Finance, Trade and Economic Affairs last Thursday night that the federal Small Loans Act was creating serious problems for non-bank financial intermediaries such as credit unions and caisses populaires, and that in its present form the act had no redeeming virtues, and in view of the fact that information has been brought to the attention of the Minister of Finance (Mr. Crosbie) and the Minister of Consumer and

Corporate Affairs (Mr. Lawrence), I move, seconded by the hon. member for Vancouver Centre (Mr. Phillips):

That the government act immediately to repeal the federal Small Loans Act.

Mr. Speaker: Even with the greatest sympathy for the hon. member's position, I can scarcely find an element of emergency which is at least minimally required pursuant to Standing Order 43.

* * *

TRANSPORT

MISSISSAUGA DISASTER—TRANSPORTATION OF HAZARDOUS PRODUCTS—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, in view of the emergency created by the derailment of a train in Mississauga, Ontario, carrying propane, chlorine and other dangerous substances, in view of the fact that over 200,000 people have had to be evacuated from their homes, and in view of the continuing danger posed by this accident to the health and safety of tens of thousands of citizens in the Toronto area, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That this House calls upon the government to launch an immediate investigation into the causes and consequences of this derailment and to introduce immediately legislation concerning the transportation of dangerous goods which would provide for full and complete labelling of the dangerous substances, a program of special safety and precautionary measures and provision for the protection of the population from the transportation of these substances.

Mr. Speaker: There is a close similarity, of course, but not necessarily identity, with the earlier motion. The decision whether to receive and debate the motion ought to rest with the House. The motion can only be put with the unanimous consent of the House, pursuant to Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

TRANSPORT

MISSISSAUGA DISASTER—TRANSPORTATION OF HAZARDOUS PRODUCTS—SAFETY PRECAUTIONS

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, I have a question for the Minister of Transport of which I have given him notice. In view of the disastrous derailment which occurred in Mississauga this past weekend, in this instance can the minister advise the House what additional precautionary methods were taken in view of the fact the railroad was transporting combustible products and poisonous gases.

Hon. Don Mazankowski (Minister of Transport): In response to the hon. member's question, Mr. Speaker, I think he and other hon. members know that the Canadian Transport Commission has announced that a formal public inquiry will be held to investigate all matters concerning this unfortunate incident. I think we shall have to await the outcome of that inquiry to determine whether or not all rules and regulations were complied with in relation to this unfortunate incident.

● (1415)

Mr. Lumley: I am not concerned about what happened after the fact; I am concerned about what happened before the fact. I should like to know from the minister what his officials have advised him with respect to additional precautionary measures taken in all cases where transportation of hazardous products takes place.

Mr. Mazankowski: As the hon. member knows, responsibility for the surveillance of safety with respect to railways lies with the Canadian Transport Commission. Following their announcement of the inquiry, I have asked the CTC to focus particularly on the question of adequate safety standards, the ensurance of an appropriate level of maintenance and the adequacy of the inspection system: the suggestion was made in committee that the number of inspectors was insufficient. Evidence of this was adduced in the committee and provided by the president of the CTC.

I might say, as well, that we are in a position to introduce legislation with respect to the transportation of dangerous goods. This was announced in the House by the President of the Privy Council on October 11, I believe. The bill is in the final stages of preparation and could be introduced within the next week or ten days.

Mr. Lumley: In view of the fact that the government has not seen fit, to date, to introduce the legislation regarding the transportation of dangerous goods—

An hon. Member: Whose fault is that?

Mr. Lumley: —can the minister advise what objections he had, and still has, with regard to the previous legislation, the bill introduced by the former government?

Mr. Mazankowski: Mr. Speaker, the hon. member is suggesting we have not acted on that legislation. The former government introduced the legislation, but did not have the determination to bring it forward for debate other than one late Friday afternoon as "filler" legislation. We have examined that bill; we have had extensive consultation with the provinces and with the industry because there were some areas where there was less than agreement.

I am in a position, now, to state to the House that there has been general agreement on all elements of that piece of legislation; it is in its final drafting stages. I am pleased the hon. member wants this legislation brought forward, and I hope he will be disposed to deal with it in expeditious fashion when it is introduced.

Oral Questions

EMERGENCY MEASURES

MISSISSAUGA DISASTER—EMERGENCY MEASURES UNDERTAKEN BY NATIONAL DEFENCE

Mr. Jesse Flis (Parkdale-High Park): Mr. Speaker, my question is for the Minister of National Defence. I do not know who will answer in his absence. The calamitous derailment of the train in Mississauga could have led to many people losing their lives.

Could the minister please advise the House and the thousands of Mississaugans still sleeping in plazas, schools and community centres, why emergency measures and Department of National Defence facilities were not mobilized to expedite the evacuation of residents of this area?

Some hon. Members: Oh!

An hon. Member: One of the smoothest evacuations ever.

Hon. Flora MacDonald (Acting Minister of National Defence and Veterans Affairs): I should like to tell the hon. member that the Department of National Defence has been co-operating throughout this whole weekend to alleviate the difficulties caused to so many thousand individuals.

Some hon. Members: Hear, hear!

Miss MacDonald: They have supplied much in the way of material support—sleeping bags, blankets, and so on. They had gasmasks ready to be used if necessary, and some 250 military personnel have been on standby ready to assist at the request of the government of Ontario. No request for assistance was made of them, and they do not go into this sort of situation on their own. But the supplies which have been requested were made available and were used throughout.

Some hon. Members: Hear, hear!

Mr. Flis: My supplementary is to the Minister of Finance. Will the federal government agree to assist the province of Ontario and the city of Mississauga with the emergency funding which they are sure to request so as to pay for the evacuation of the 250,000 people and, possibly, millions of dollars for ambulance, fire, police and other emergency services resulting from this disastrous mishap?

● (1420)

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, as the hon. gentleman will know, there is a formula for this kind of emergency situation between the government of any province and the Government of Canada, and I am satisfied that upon receipt of the appropriate request, and in the appropriate circumstances having regard to that formula, the government would be very pleased to act.

[Mr. Mazankowski.]

* * *

TRANSPORT

MISSISSAUGA DISASTER—TRANSPORTATION OF HAZARDOUS PRODUCTS—INTRODUCTION OF LEGISLATION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I, too, have a question for the Minister of Transport arising from the serious threat to human life and health caused by the CPR wreck in Mississauga. One month ago today I was assured in this House by the Minister of the Environment that a bill concerning the transportation of dangerous goods would be introduced, and I quote, "soon". Not soon enough, it appears.

Is the Minister of Transport aware that on Thursday of last week the chairman of the Canadian Transport Commission indicated to the Standing Committee on Transport and Communications that the CTC budget was insufficient? It was not a question of maybe there were not enough rail inspectors; there were not enough inspectors for the proper carrying out of the CTC's responsibility for rail safety in Canada. In the words of the commissioner himself, there are only some 78 rail inspectors, when there should be 178.

Mr. Speaker: Order, please. Would the hon. member put his question.

Mr. Blaikie: Is the minister aware of that?

Hon. Don Mazankowski (Minister of Transport): Yes, Mr. Speaker, I am aware of the evidence which was presented to the Standing Committee on Transport and Communications. As a result of this incident and the inquiry which has been ordered by the CTC, and as I indicated to the hon. member for Stormont-Dundas, I have asked the CTC to pay particular attention to the adequacy of safety standards, the level of safety standards, the adequacy of maintenance standards and frequency of maintenance, as well as the adequacy in the number of inspectors to carry out this job. That is certainly part and parcel of this inquiry. We will await the outcome of the inquiry and the government will act on the basis of the forthcoming recommendations.

Mr. Blaikie: Mr. Speaker, hopefully the minister will indicate to the President of the Treasury Board that restraint ought to be lifted in this vital area. My second question is with regard to the fact that restraint with regard to rail safety is not the sole prerogative of government. Is the minister aware of the cutbacks in the area of rail safety initiated by the railroads themselves?

Will the minister tell the House what his department is doing about this in the ordinary course of its responsibilities, and has the minister indicated to the railroads the unacceptability of these cutbacks which have taken place, for instance, in the area of track and car inspection and maintenance?

Mr. Mazankowski: Mr. Speaker, I think it would be in the interests of this House and all hon. members to await the outcome of this inquiry, to establish whether there have been sufficient levels of safety and whether we have had adequate numbers of people engaged in safety surveillance. Simply because we have had an incident does not necessarily mean that the whole system has broken down. There has been an indication by the committee; we are acting on its recommendations and will continue to act pending the recommendations which will flow from the inquiry which will be undertaken very soon.

Mr. Blaikie: Mr. Speaker, is the minister saying that in the absence of the event in Mississauga this past weekend, nothing would have happened in the Department of Transport with regard to these things?

Some hon. Members: Oh, oh!

Mr. Blaikie: My final question, Mr. Speaker, and it is a very serious question, is: Will the minister consider broadening the emphasis of the suggested legislation in this area to include provision in the transport of dangerous goods legislation for the eventual rerouting of dangerous goods around residential areas, where that is possible, so that we do not have to face the kind of risk the people of Mississauga faced this past weekend?

Mr. Mazankowski: Mr. Speaker, I am glad the hon. member says he is going to be serious. I am not sure whether his suggestion is serious. I am sure this is a matter which naturally will be dealt with by the inquiry.

In so far as the government's position with respect to the transportation of dangerous goods is concerned, I indicated earlier that the legislation is in its final drafting stage. It will probably be introduced within the next week or ten days. Because of the complexity of the application of laws with respect to the movement of dangerous goods, this legislation will require the co-operation and concurrence of provinces, municipalities and the industry. We have undertaken to ensure that this bill will not only be supported by but also abided with by all components of the industry.

When the bill comes in, I can assure the hon. member that it will be acceptable to the provinces and to the industry. We hope the hon. member will support the legislation and co-operate so that it can be passed in an expeditious fashion.

● (1425)

MISSISSAUGA DISASTER—INSPECTION OF CARS BEFORE LEAVING LONDON, ONT.

Mr. Charles Turner (London East): Mr. Speaker, my question is for the Minister of Transport, but first I would like to tell him, "I told you it was going to happen."

Can the minister inform the members of this House if the car department carmen on the CPR inspected the train and the cars before leaving London, Ontario, and whether the train was given a running inspection by any operator or by the train crew at any point between London, Ontario, and the place of derailment; and, if not, why not?

Some hon. Members: Hear, hear!

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I know that all members of the House respect the hon. member who has just posed that question and I want to address it in as serious a fashion as I can. I think you will understand that because the CTC has called for an inquiry, it would be prejudicial for me to comment on the point that the hon. member has raised. I think he will have to wait until the inquiry concludes its findings and he should let them determine whether, in fact, adequate precautionary measures and safety inspections had been conducted prior to the incident.

Mr. Turner: The crews told me they are not willing to wait for an inquiry; they want more rail inspectors now, before more accidents occur.

Some hon. Members: Hear, hear!

Mr. Mazankowski: I can only assure the hon. member that—as he knows, I am sure—I have always taken his representations seriously and I will accept that one as a serious representation as well.

MISSISSAUGA DISASTER—ACTION TO AVOID SIMILAR ACCIDENT

Hon. Herb Gray (Windsor West): Mr. Speaker, while the inquiry to which the minister referred is going on, and while he is busy consulting with municipalities, provinces and shippers, the kinds of trains involved in the Mississauga derailment are running through some city or town in Canada every day. I ask him to make a commitment, and more than a commitment, to take action now to make sure that this kind of situation is not going to repeat itself. Why is he not willing to do that?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I have made a commitment. I have said that legislation pertaining to the transportation of dangerous goods will be introduced in this House within the next week or ten days. That is a more firm commitment than we got from the previous administration which used this bill simply as "filler" legislation and never brought it forth for debate.

Mr. Gray: Mr. Speaker, I want to ask the minister if he has forgotten, when he was replying, that during the introduction of this bill on second reading and speaking on behalf of the official opposition, he said:

—in our view, we should proceed with the amendments to the National Transportation Act before we proceed with this bill—

Is that a priority? It is just the opposite. I also want to ask him if he recalls that when he said, in speaking on second reading of the bill, that he approves of the objectives of the bill, he said:

—I must say that we insist that these objectives be met without imposing excessive costs or hardships, and with the minimum of restraint put upon the operations of the carriers and the shippers.

That is not consistent with priority. Why is he putting the interest of shippers ahead of the safety of people in areas like Mississauga?

Mr. Mazankowski: Mr. Speaker, the hon. member is simply reiterating the fact that the bill proposed by the former administration was a weak bill. We have undertaken to make amendments and to improve the bill, and it will be much better than the last edition; I can assure the hon. member of that. It will be a much better bill and it will be respected and honoured by all components of the industry, and by governments and municipalities.

Some hon. Members: Hear, hear!

FUNDS TO DEVELOP RAILWAY CARS THAT ARE ENVIRONMENTALLY SAFE

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, my question is also directed to the Minister of Transport. Considering the fact that everybody on every side of the House believes that prevention is the best answer, would the minister be prepared to direct his department to provide the necessary funds to design, develop and produce railway cars which will be environmentally safe; in other words, a container that would be more effective in preventing damage to the environment?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, that is a very good question. I want to assure the hon. member that such steps are taking place. As a matter of fact, some 10,000 cars are now being retrofitted to comply with the necessary safety precautions outlined by the hon. member.

Mr. Caccia: Also, in view of the fact that dangerous material is being shipped across the U.S. border, would the Minister of Transport consider initiating an agreement detailing preventive measures and improved standards of transportation techniques with his counterpart in the United States?

Mr. Mazankowski: It is through that collaboration that these steps have been taken. They have been undertaken in consultation with the United States and we have the same rules and standards pertaining to the improvement of such railway cars.

* * *

● (1430)

HEALTH AND WELFARE

MISSISSAUGA DISASTER—CONSULTATION WITH PROVINCES TO PREVENT SIMILAR ACCIDENTS

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Has the minister consulted with his provincial counterpart regarding the situation in Mississauga and, if so, what steps are being taken to protect the people of Mississauga and of neighbouring communities from the dangers of chlorine vapours?

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, indeed the ministry has been involved in discussions with municipalities and the hospital administrators. I should like to take the opportunity to advise the member that the evacuation of the two hospitals, in particular in Mississauga, was carried out extremely well—with the aid of the Red Cross and the Ontario provincial police. There were absolutely no difficulties with respect to either elderly patients or those otherwise disabled.

Also, in relation to the expansion or possible expansion of any activity of the chlorine gas, of course we are monitoring, along with the Department of the Environment, the provincial municipalities, health and environment.

Mrs. Appolloni: Mr. Speaker, I was asking the minister for some specifics as to what plans are being made to protect the people from possible chlorine vapours. I gather there is already a leak in the tank, so therefore the possibility is not too remote.

Mr. Crombie: Mr. Speaker, certainly I would not want to give any comfort to the suggestion of a rumour that there is a leak, because I have no such knowledge of that. I think that anyone who wants to suggest that ought to be very sure of the facts.

The fact of the matter is that, indeed, all of the resources of the Department of National Health and Welfare, as well as the ministry of health and the ministry of the environment for the province of Ontario, are at the disposal of the municipality of Mississauga and the emergency forces engaged in the activity. Every force that it is possible to offer, and every aid that it is possible to offer, is currently at their disposal.

CONSTRUCTION OF AIR-SEA EMERGENCY HOSPITAL FACILITIES—UNIVERSALITY OF MEDICARE

Mr. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of National Health and Welfare as well. It arises from a concern expressed to me last Friday by the mayor of Marystown, Newfoundland.

Considering that the government has not indicated that it will implement the previous government's commitment to build a badly needed air-sea emergency hospital facility at Marystown, will the minister now make such a commitment? Also, will he urge his provincial counterpart to live up to the provincial government's five-year old promise to build a hospital on the Burin Peninsula which at present has only 80 cottage-type hospital beds spread throughout the region where more than 30,000 people live?

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, I should like to advise the hon. member that I would be pleased to take the representation. I will be in touch with my provincial counterpart and be able to report back to him.

Mr. Broadbent: Mr. Speaker, I thank the minister and I look forward to an early response to the question. As the minister knows, it is the responsibility of the federal government to ensure that the first principle of medicare is implemented nationally, namely, the question of universal accessibility. Is he aware, quite apart from the Marystown example, that in the province of Newfoundland as a whole, health care delivery now is being jeopardized by a complete freeze on the construction of hospitals and the existence of deterrent fees charged to hospital patients? If he is aware of this activity by the present government in the province of Newfoundland, what does the minister plan to do now to ensure that the principle of universal accessibility is as available to the people of Newfoundland as it is to other Canadians?

Mr. Crombie: Mr. Speaker, with respect to the hospital construction, I am aware of the problem the hon. member raises. I have had some discussions with respect to the principle of universality in Newfoundland. I should like to assure the hon. member that the government of Newfoundland respects that principle as well. As the hon. member is probably aware, in fact they have joined with me in supporting the Hall commission report which will be making recommendations with respect to user charges in April.

* * *

[*Translation*]

MANPOWER

CANADA WORKS PROGRAM—REQUEST FOR ADDITIONAL FUNDS

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, my question is for the Minister of Employment and Immigration and concerns another subject. To follow up on my motion, I would like to ask the minister to advise the House whether additional funds will be allocated to Canada Works projects in the next budget.

[*English*]

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, the moneys for Canada Works for 1979-1980 have already been allocated. The deadline for applications was September 28—long passed. So the short answer to the hon. member's question is, no, there will not be additional moneys.

[*Translation*]

Mr. Gauthier (Roberval): Mr. Speaker, I want to draw the minister's attention to the fact that in previous years we have always received additional funds because of our high rate of unemployment. The rate of unemployment in my region this year is even higher than before and everybody is expecting the minister to grant additional funds. In my opinion, it is more profitable to make people work than to pay them unemployment benefits to do nothing. That is why I am pressing the minister for a definite answer.

[*English*]

Mr. Atkey: Mr. Speaker, I agree with the hon. member that it is far preferable to have people work than to have them on unemployment. I would ask the hon. member to wait patiently for the employment strategy of the new government, the details of which will be indicated in the course of the budget speech. The debate on the budget, hopefully, will be in the near future.

CANADA WORKS PROGRAM—EXPECTED APPROVAL OF PENDING APPLICATIONS

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, my supplementary question is directed to the same minister. In view of his statement just now that the deadline for applications for Canada Works grants was September 28, I would ask when we can expect his approval of the many worth-while applications which have been sitting in his office for six or seven weeks?

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, the approval process has taken some time. I can assure the hon. member that it will be very shortly when the announcements as to the successful applications will be announced in each area of Canada and in particular the province of New Brunswick.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, in view of the fact that one group took only two days because it involved an area in which a provincial byelection was concerned, will the minister tell us when the political laundry process will end and when he will get these applications out and get people to work?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for Leeds-Grenville.

* * *

ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION INTO ACTIVITIES OF PROFESSOR HAMBLETON

Mr. Tom Cossitt (Leeds-Grenville): Mr. Speaker, I have a question to direct to the Solicitor General and Minister of Consumer and Corporate Affairs. I am wondering if he could tell the House anything with regard to recent RCMP investigations into the activities of Laval University Professor Hugh George Hambleton, reportedly stemming over a period of ten years, including his connections with Russian citizen Lijana Galeva, of New York city, and why within the last few days the RCMP has seized Professor Hambleton's bank accounts and certain documents?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, in most RCMP investigations, but certainly with regard to a security matter such as this, I am inhibited from what I can inform the

House other than to say that an investigation is proceeding. Under those circumstances, I am sure members of the House can well appreciate that at this stage in the investigation, in any event, no further comment should be made than that.

POWERS OF RCMP IN MATTERS CONCERNING NATIONAL SECURITY

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, my question is also for the Solicitor General and Minister of Consumer and Corporate Affairs. Last week, he assured the House unequivocally that it was his policy to maintain the paramountcy of the rule of law. On Thursday night, he told the Standing Committee on Justice and Legal Affairs that it was his understanding that the Prime Minister's position was the same as his own. However, in his press conference on Friday morning, the Prime Minister reasserted his campaign view that the RCMP ought to be given extraordinary powers in national security matters.

In light of this statement by the Prime Minister, may I ask the minister what his understanding now is of his government's policy, or is he having as much trouble as the rest of us in understanding what it is?

Some hon. Members: Hear, hear!

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, if the hon. member has some difficulty understanding these matters, I can assure him that I do not.

Some hon. Members: Oh, oh!

Mr. Lawrence: I think the views of the Prime Minister and mine are exactly the same, namely, that at all times the police and everyone else should act under the law and pay close attention to the law.

Mr. Lalonde: Careful.

Mr. Lawrence: Certainly, those whom we all expect to uphold the law should be the very ones who should pay as much attention if not more attention to it than anyone else. I think, as well, the Prime Minister's views are exactly the same as mine, that under certain circumstances the law should be changed to permit the proper fulfilment of the duties and responsibilities we expect of law enforcement agencies in this country.

● (1440)

Mr. MacGuigan: Mr. Speaker, the Solicitor General and Minister of Consumer and Corporate Affairs knows, or ought to know, that his answer is entirely irrelevant because what the Prime Minister is talking about is not a change in the substance of the criminal law which might maintain the rule of law; it is a change in the procedure on an ad hoc basis. That is what the Prime Minister said.

An hon. Member: No.

[Mr. Lawrence.]

Mr. MacGuigan: He said so. Will the Solicitor General and Minister of Consumer and Corporate Affairs not join the hon. member for Peace River in upholding the rule of law?

Mr. Lawrence: Mr. Speaker, I think I know what the hon. member for Peace River believes, and I think what he believes is exactly the same as I believe and exactly the same as the Prime Minister believes, that in certain instances the present law that we have suffered under the previous administration should be changed.

* * *

ADMINISTRATION OF JUSTICE

MINISTER AUTHORIZING ILLEGAL ACTIVITY—POSITION OF PRIME MINISTER

Hon. J.-J. Blais (Nipissing): Mr. Speaker, the question I asked the hon. gentleman on Wednesday elicited what I felt was a commendable reply for a former attorney general of the province of Ontario, and one of great repute. When the question was asked, it was specifically with reference to the well publicized position of the Prime Minister to the effect that he would agree to a minister of the Crown authorizing illegal activity on an ad hoc basis. The reply of the hon. gentleman in this House to that question was that he was not considering that, and he was in fact respectful of the rule of law and would seek to have it implemented and protected.

My question to the hon. gentleman is, in view of the dispute there is between himself and the Prime Minister, what measures is he contemplating now in order to protect the rule of law, which is in dire need of protection now, having heard what the Prime Minister has said? Is he considering going to the ultimate position of resigning his position in order to protect that principle?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): If I was considering resigning my position, believe me, it would not be because of a dispute of that nature between the Prime Minister and myself, because basically we believe the same thing.

There is no question in my mind that the law, as it is written today, should be obeyed by everyone. There is also no question in my mind, and I believe no question in the Prime Minister's mind, that the law should be changed in certain instances so that law enforcement agencies of this country, not just the RCMP, would have better means and better armament legally to do some of the things they should be permitted to do.

Mr. Blais: Mr. Speaker, I would just like the hon. gentleman to review what has been said. If he will understand that what the Prime Minister is advancing is not really the rule of law or activity under the rule of law, but basically arbitrary decisions being made by a politician in a political context without any guidelines being enacted and identified in a given statute—and that is exactly what the Prime Minister was referring to—surely he will know that is not a position a man with the hon. gentleman's experience is able to support.

Mr. Speaker: Order, please.

Mr. Blais: Ten o'clock.

* * *

INTERNATIONAL TRADE

EXPORT OF POTASH

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I should like to direct a question to the Minister of State for International Trade. I should like to ask why, with our present trade deficit and with our huge surplus of potash—sufficient to supply the world for hundreds of years—and with Premier Blakeney touring the world to promote the sale of potash, it was that when Taiwan needed potash we did not submit a tender?

Was it because of our transportation system; was it because of the Saskatchewan government takeover resulting in curtailed production; or was it because of the political question—and I hope not—that Canada did not want to supply Taiwan and offend mainland China?

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, I very much thank the hon. member for giving me notice of this question. It is not the position of the Government of Canada to respond to a tender call with respect to this particular product. We are not in that business. As the hon. member knows, we do not have diplomatic relations with Taiwan and that does inhibit us in some way from responding, however, our companies can respond to tender calls.

I should also say that in the area of potash, Canada has been a major supplier to Taiwan over the years, supplying something like three-quarters of their requirements. As far as I am concerned, I hope that we will continue to do so. I have attempted to get in touch with the Canpotex people to find out whether there are any other reasons. I have not yet received an answer, but I will continue to seek one.

* * *

TRANSPORT

FERRY SERVICE BETWEEN NEWFOUNDLAND AND MAINLAND

Mr. Fonse Faour (Humber-Port-Au-Port-St. Barbe): Mr. Speaker, my question is directed to the Minister of Transport. It concerns the ferry service between Newfoundland and the mainland, which has been the subject of quite a few complaints for some time, both in letters to myself and to other members of Parliament, having regard to crowded vessels, poor and uncomfortable facilities for passengers.

Since the federal government has a responsibility under the Terms of Union with Canada to provide a good ferry service to the province, I should like to ask the minister why the government and CN Marine have not custom-built a ship for the service since the mid-1950s; and, further, why consideration has not been given, or why there has not been implementation in the service of new technology such as hydrofoils or hovercraft.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I thank the hon. member for his question. This is something that has been considered by my office, myself personally and by the president of CN Marine. We did have occasion to meet a week or ten days ago, when we discussed those very points the hon. member has raised. The hon. member has raised them in personal letters to me, and I want to assure him that the representations he has advanced in his letters and in the House here today will be treated accordingly.

Mr. Faour: Mr. Speaker, I appreciate the minister's remarks and I hope that the future service reflects his concern today. The area manager for CN Marine has stated, as one of the reasons for not providing better facilities on the new ferries to be constructed, that the company is not in the hotel business.

Does the minister accept this statement as justification for providing an inferior service in the Gulf and, if he does not, what steps is he prepared to take to ensure comfortable facilities for travellers on long night crossings or on potentially long winter crossings when ice can cause undue delays?

Mr. Mazankowski: As I indicated earlier, Mr. Speaker, it is those kinds of questions which we have been discussing with the president of CN Marine. He has given me a commitment to respond to representations such as those the hon. member has made. Perhaps at some appropriate time I might have an occasion to respond specifically to the questions raised when I receive a response from the president of CN Marine with regard to these very important matters.

* * *

NORTHERN AFFAIRS

SETTLEMENT OF ABORIGINAL LAND CLAIM

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Will he say whether it is correct that he is going to cabinet shortly—and I have heard November 19 mentioned—with proposals affecting the COPE aboriginal claim settlement? If that is correct, is he going to ask cabinet to approve the agreement in principle as signed by the previous minister, or will he be proposing changes to that claim?

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, having regard to the COPE agreement, the hon. member will recognize that an agreement in principle was signed approximately a year ago—in October last—with a target date having been established to have a final agreement settled by October 31 of this year.

I have received a number of representations from various native groups in the Northwest Territories, as well as representations from members of this House requesting me to review the COPE agreement. Having regard, specifically, to the hon. member's question as to whether I will present this to cabinet

at this stage, I would say that the cabinet is reviewing the comprehensive land claim.

Mr. Allmand: Mr. Speaker, if I understand correctly, the minister met with COPE officials in August and July and promised them he wanted to resolve any differences with respect to the claim they or the government had, and would be willing to meet with them again. Why will he not meet with COPE officials before he proposes any changes, or proposes an indefinite delay in respect of their claim? Does he know that they are presently in Ottawa and would like to meet with him to discuss any changes he might have in mind?

● (1450)

Mr. Epp: Yes, Mr. Speaker, I know they are in Ottawa. We have scheduled a meeting for November 14.

Mr. Allmand: That is not correct.

* * *

[*Translation*]

TRANSPORT

REQUEST FOR RE-ESTABLISHMENT OF PASSENGER TRAIN SERVICE BETWEEN QUEBEC AND SAINT JOHN, N.B.

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, my question is directed to the Minister of Transport. As the Canadian Transport Commission authorized, last summer, the discontinuance of an interregional service between northwestern New Brunswick and Quebec City—that is, the passenger service—while authorizing passenger service between Sherbrooke and Saint John, N.B., by way of the state of Maine, thus depriving the citizens of northwestern New Brunswick of any passenger service at all in that part of central Canada, can the minister tell the House whether or not he will ask the cabinet to overrule that decision, since it has the power to do so, and as soon as possible put an end to the relative isolation of the people of northwestern New Brunswick?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, it is my understanding that this matter is going to be reconsidered by the Railway Transport Committee of the CTC; in other words, that decision is going to be reviewed.

[*Translation*]

AIRPORTS

REQUEST GRANTS BE MADE FOR CONSTRUCTION OF LANDING-STRIP AT SAINT-LEONARD

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I doubt that the question will be reviewed since, if I understand correctly, the Canadian Transport Commission has exhausted all possibility of review as a result of the energetic protests of the citizens of that area and the matter now rests with cabinet. Still, Mr. Speaker, in view of the relative and serious isolation of the people of that area, compared with other parts of the country, can the Minister of Transport tell me on what date funds will be authorized so that work can continue on the construction of a 6,000-foot landing-strip at the regional airport of Saint-Leonard, with a view to giving that area the possibility of developing economically like all other parts of Canada?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the hon. member wants the government to reverse a decision which has not finally been taken by the CTC. The Railway Transport Committee has undertaken to review the decision, so I think we will have to await that outcome. As far as the other question is concerned, that matter is under review, Mr. Speaker.

* * *

FREEDOM OF INFORMATION

TABLING IN HOUSE OF TASCHEREAU PAPERS

Mr. John Gamble (York North): Mr. Speaker, my question is for the Solicitor General. Given the introduction of Bill C-15 and the dedication of this government to free access by the public to hitherto secreted information, and in light of recent efforts by the opposition to terminate the existence of this House without the passage of Bill C-15, will the minister file forthwith in this House the Taschereau papers and that series of documents which has been given the code name of "Featherbed File"?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, I think the hon. member is a little confused.

An hon. Member: Naturally, he's a Tory.

Mr. Lawrence: The "Featherbed File" of documents is something quite apart from the Taschereau royal commission documents. I have been attempting since early July to find the legal and statutory authorization for the rather arbitrary decision of the previous government that the Taschereau royal commission documents should be resealed and kept in the Archives for another 20 years.

I was getting evasive answers from officials at all levels of government, early in the game. I think I have finally got some people pinned up against the wall where they are either going to have to produce the documents themselves or at least give the statutory authority for keeping them.

I have as yet been unable to resolve the matter finally and to my satisfaction.

* * *

NORTHERN DEVELOPMENT

REQUEST THAT CANADIAN SHIPBUILDERS BE ABLE TO BID COMPETITIVELY FOR CARRYING MINERALS

Mr. Keith Penner (Cochrane): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development and it relates to the development side of his portfolio. In a recent press release, the minister indicated that one-half of the concentrates from the Polaris mine on little Cornwallis Island would be carried by a Canadian flagship, the m.v. *Arctic*. The minister said that preference for the other 50 per cent would be given by Cominco to Canadian ships if available and competitive.

I should like the minister to tell the House exactly what he had in mind that would make it possible for the Canadian shipbuilding industry to bid competitively on this project.

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, I appreciate the question. I want to indicate to the hon. member that the first 50 per cent of the concentrates from the Arvik mine will be carried by Canarctic. I want also to indicate to him that through the strong co-operation of the Minister of Transport steps have been taken and agreements reached with Cominco that, on the second 50 per cent as well, an attempt will be made to put Canadian shipping into place.

The point that has to be made is that this government is interested in developing further ice technology and shipping capability in Canada's north. We are a country with a great potential in the north and, therefore, I believe we should be leaders in northern ice technology. The Minister of Transport has agreed with that and he and I are working co-operatively to attempt to develop further merchant marine in order that our northern development can take place under Canadian flagships.

* * *

HOUSING

EFFECT OF MORTGAGE INTEREST DEDUCTIBILITY PLAN ON HOUSING STARTS

Mr. Arthur Phillips (Vancouver Centre): Mr. Speaker, my question is for the minister responsible for Canada Mortgage and Housing Corporation. There have been several questions from hon. members who are concerned about the lay-offs in the plywood and other parts of the B.C. forest industry, relating to what I think everyone now clearly recognizes as a collapse in the housing industry. I think what we have seen is just the tip of the iceberg.

In view of the fact that the mortgage interest deductibility plan has not had the effect the government expected, of stimulating a great increase in housing starts—

Some hon. Members: Oh, oh!

An hon. Member: Already.

Mr. Phillips: —what additional means—

Some hon. Members: Oh, oh!

Mr. Phillips: Remember that the mere promise of it was to do this.

An hon. Member: That's right.

An hon. Member: You are not on television now.

Mr. Speaker: Order, please. Would the hon. member put his question now.

Mr. Phillips: Mr. Speaker, yes, man!

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Phillips: I should not address the Chair as "Master", should I? What additional measures, other than the proposed one-year mortgages that the minister has mentioned, is he planning for Canada Mortgage and Housing to relieve what may well be a crisis in the residential construction industry?

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, all hon. members will realize that the present time, with the current interest rates, is not a good and feasible proposition for development to take place. We are studying methods that might alleviate the situation slightly but, frankly, as long as interest rates remain at their present high levels I cannot see any great improvement that would be possible to stimulate construction.

* * *

SHIPBUILDING

PROPOSALS TO INCREASE CANADIAN CAPACITY

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the junior Minister of State for Transport. In the Speech from the Throne, and during the election campaign, the Conservative party spoke in terms of building a strong Canadian shipbuilding presence. In the first five months of this year, the number of foreign-built ships brought into this country increased from 14 to 28. A spokesman for the Minister of Fisheries and Oceans stated two months ago that it would be financially disastrous to build fishing boats in Canada.

In light of those facts, would the minister explain to the House the immediate measures he would take to increase the shipbuilding capacity in Canada?

Hon. J. Robert Howie (Minister of State (Transport)): Mr. Speaker, the role of shipbuilding is the responsibility of the Minister of Industry, Trade and Commerce, and the role of transport is the development of a policy for a deep sea fleet for Canada. These are two somewhat related roles and are part of our attempt to move Canada forward again. I suggest, however, that the questions could best be put to the Minister of Industry, Trade and Commerce.

An hon. Member: He is not here.

* * *

[*Translation*]

INDUSTRY

STATUS OF CANADAIR AFTER SALE

Mr. Marcel Roy (Laval): Mr. Speaker, my question is for the Minister of State for International Trade and concerns the development of the aeronautical industry in Canada. I recently directed a question to the Prime Minister about the sale of Canadair to the private sector and the Prime Minister indicated that it would eventually be sold to a Canadian corporation. My question is this: Could the minister inform the House whether this private corporation would be Canadian-controlled, as defined by the Income Tax Act, or whether it would be a corporation made up of Canadian residents creating a Canadian association precisely in order to buy Canadair?

● (1500)

[*English*]

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): Mr. Speaker, the matter of the privatization of Canadair is under consideration by cabinet.

Mr. Chrétien: For the last five years!

Mr. Huntington: If you do not mind, I will just try to answer the question. It has been under consideration by cabinet and all aspects of it are being considered. It will not be sold other than to the benefit of Canada and Canadians: that can be assured. Whether it is in a condition at the moment to be privatized is still under consideration. It is in the process of developing substantial forward movement in certain aeronautical markets; we are all well aware of that. In the privatization process there will be no downside to it, as far as this government is concerned.

[Mr. Murphy.]

[*Translation*]

INQUIRY WHETHER PROVINCES COULD PURCHASE DE HAVILLAND AND/OR CANADAIR

Mr. Marcel Roy (Laval): I have a supplementary question, Mr. Speaker.

Could the minister tell the House whether a provincial government could be considered as a potential buyer of Canadair, and also whether the same treatment is kept in store for de Havilland?

[*English*]

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): Mr. Speaker, that is a hypothetical question. There is not much point in privatizing something if it is then turned over to another level of government.

* * *

TRANSPORT

CARRIAGE OF DANGEROUS GOODS

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I rise on a point of order. The hon. member for Windsor West (Mr. Gray) may have advertently or inadvertently left the impression with the House that I and my party were not supportive of the principle surrounding the transportation of dangerous goods. In the process of a question he quoted passages from a speech that I delivered in the House on February 16, 1979, as recorded in *Hansard* at pages 3330 and 3331.

In quoting those passages, he dealt with a section of my speech which concerned what I considered to be a deficiency in the transportation policy of the former government as well as deficiencies in the legislation.

Perhaps I might be allowed to put the position of my party, myself and the government—

Mr. Speaker: The minister, I am sure, will realize that he is entering into a disagreement with the questioner.

Mr. Mazankowski: Mr. Speaker, with the greatest of respect, there was an interpretation that did not accurately reflect my position—

Mr. Speaker: In one line, that is my description of a disagreement.

I am sure the minister will want to check words I addressed to the House only two days ago in which I indicated that at the conclusion of question period there has been a temptation on the part of members to raise matters of privilege of which notices have been sent to the Chair on the basis of disagreements that arise during question period. There has been a tendency on my part to take a rather generous attitude in allowing this kind of procedural intervention at the end of the question period, during which a member on either side of the House seeks to correct a disagreement or an inaccurate

appraisal by the opposite side of a position taken by that particular member.

In the interests of the House, I feel that if we do that we would be extending question period every day by invitation. I am saying to the minister that what he is expressing is a disagreement with the opinion or the description of his position or that of his party; whether it touches him or his party, it is still only a disagreement and not a question of privilege.

* * *

POINT OF ORDER

MR. ALLMAND—ALLEGED REFUSAL OF MINISTER TO MEET WITH COPE

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, in answering a question that I put to him today during question period, the Minister of Indian Affairs and Northern Development (Mr. Epp) said that he was going to meet with COPE this week. That is not correct. This morning I met with officials of the Committee for Original People's Entitlement, and they told me the minister had refused to meet with them and that he had further instructed his officials not to meet them.

Mr. Baker (Nepean-Carleton): Order. Try the adjournment debate.

Mr. Speaker: Order. Surely we cannot now get into the situation of a minister or a member misleading the House as to a future event. The minister tells the House that he intends to do something in the future. Surely under privilege we cannot suggest that somebody could get up and make an argument out of that. If I were to allow that, I would have to allow the last intervention by the Minister of Transport (Mr. Mazankowski).

Mrs. Appolloni: Mr. Speaker, I rise regarding an answer given in this House today to a supplementary question.

With your permission, I would like to be recognized tomorrow on a question of privilege, by which time I will have had a chance to check the records to see exactly what was said.

* * *

PRIVILEGE

MR. GAMBLE—RECOGNITION OF MEMBERS DURING QUESTION PERIOD

Mr. John Gamble (York North): Mr. Speaker, my question of privilege arises out of the practice which has been established and acknowledged by yourself in recognizing speakers in the House during question period, and also the practice that has developed in allowing supplementaries.

It is my view that compliance with Standing Order 5 for all members to attend the service of the House is surely not sufficient. In order to discharge their duties, members of the House must not only be seen but also be heard.

On Thursday last the hon. member for Yorkton-Melville (Mr. Nystrom) on two separate occasions when commenting upon an approval which had emanated from this side of the House of some comments he had made used the expression "backbencher" in designating certain members of the House, myself included, since I was involved in the commendation of some of his remarks.

I believe that designation carried with it a concept of a lesser or a greater degree of right to participate in proceedings. In the month that I have sat in this House I have recognized that there is most certainly a distinction between those who sit in the front benches and are recognized during question period and those who sit in the rear benches and stand without recognition. I consider that it is absolutely vital for all members in discharging their obligations in this House to be dealt with in a similar manner.

My comments most assuredly are not directed at Your Honour in the exercise of your judgment. I realize that this issue comes close to the issue of the order of the House. However, it is fundamental to my rights as a member in discharging my obligations to my constituents and to breaking down any distinction between those members of this House who may be first class and recognized speedily and those who may be second class and may or may not be recognized at all or at some future or remote time. That is why I draw this matter to the attention of this House.

It cannot be reasonably suggested that because I happen to sit as a member of the government the questions I intend to pose are cream-puff ones for ministers of the Crown. I submit that I am entitled to pose those questions which I believe are urgent, to the same extent as members who pose questions from the other side of the House.

I would urgently request that the issue of recognition be a matter to be referred to the Standing Committee on Privileges and Elections for determination.

Mr. Speaker: Of course, I cannot let this go further. The hon. member gave me notice that he would raise a question of privilege. He will realize at once that he has no question of privilege, and I cannot hear further contributions to a non-question of privilege.

The hon. member will have to realize that the discretion of the Chair is entire in the matter of recognition of members. There is, of course, a fundamental difference, not so much in rank or importance, because all members have equal importance, but in the nature of members who support the government and members who are in opposition to the government when it comes to the functioning of question period. There is a completely different process involved, one of a very fundamental nature, when those who are putting questions are in opposition to the government compared with when those same questions are put by members in support of the government. That has long been recognized, not only by this Parliament but by every Parliament, in terms of their fundamental difference. To suggest that the time during question period ought in any

way to be equally divided among all members of the House—except those in cabinet who are therefore charged with the responsibility of answering the questions—is a suggestion that is not in keeping with the fundamental difference between those in opposition and those in government.

● (1510)

I have recognized as a matter of principle from the very first day that government members equally have a right to ask questions. However, I have never granted supplementaries to government members because to grant a supplementary is, in my opinion, to recognize that the question contains in it an attack on a minister that has not been completed and that deserves further clarification. It is fundamentally erroneous to suggest that government members in putting questions are attacking in the same way as opposition members. There is a difference of very fundamental nature.

The hon. member put a question today which I think the member and the minister involved will agree, as he says, was certainly not handed to the minister as any "cream puff", to use his description. That, if he will examine the record, is the exception rather than the rule in our experience in the last four weeks, and not only in the last four weeks but during the last five years. There is no fundamental change between one Parliament and another.

I have from the very first day always recognized a government questioner during question period as an acceptance of that right, which lies with members like himself as of right, to participate in the question period. Today when the proportion of opposition members ready to ask questions was not as high as it has been on other days, I recognized three members from the government side, which is a recognition that in certain circumstances the proportion from the hon. member's side of the House can be increased. His question was one of them, because he tried two or three days ago.

I hope the hon. member will realize he prevailed over some of his colleagues today because a couple of days ago he was trying to get recognized and failed. That is precisely the same criteria applied to the other side of the House. Members who got up today were those who have been trying for a day or two without success and therefore ought to be favoured today. I follow the same practice for both sides of the House.

The hon. member will also realize there are very severe limitations on all of us in this exercise and we have to do the best we can with the time available.

* * *

ADMINISTRATION OF JUSTICE

STATEMENT OF VIEW ON BREACH OF LAW

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I thank hon. members on both sides of the House who strove to make my position clear for me on this very important issue. I want to say that my view with regard to the question of breach of law is very simple, that no person be he ever so great shall be above the law. I am glad that the Solicitor General (Mr. Lawrence) and the Prime Minister (Mr. Clark) seem to agree with that.

I would vigorously oppose any attempt to change that particular rule. It is a position I took some years ago when the then prime minister and members of his cabinet were in breach of the law in that they broke the Temporary Wheat Reserves Act. I took very strong measures to try and have them impeached at that time. Unfortunately I was unsuccessful. That was a previous Speaker. Who knows, Your Honour may have different ideas about impeachment.

* * *

POINT OF ORDER

MR. COSSITT—S.O. 43 MOTIONS—RECOGNITION OF MEMBERS

Mr. Tom Cossitt (Leeds-Grenville): Mr. Speaker, I rise on a point of order concerning Standing Order 43 and ask for clarification from the Chair with regard to a certain aspect of that Standing Order.

I have always assumed, rightly or wrongly, and I assume many other members have as well, that Standing Order 43 existed for the purpose of enabling any member, regardless whether he was in government, official opposition or whatever party, to raise a matter of urgent and pressing necessity either pertaining to his constituency or to the country as a whole, and that therefore as many people in the government as in the official opposition, the NDP and so on could be recognized. I raise this point to gain clarification from the Chair as to whether there is a quota system of any kind with regard to the right of any member to raise a matter that concerns him and which he feels is of urgent necessity.

Today there were only two members in the House from the Social Credit group and they were recognized for a motion under Standing Order 43. There are over 130 on the government side.

Mr. Knowles: They were not all here.

Mr. Cossitt: There were more government members present in the House than there were in the official opposition, but there were not as many chances given to this side to raise matters. I stress the fact that I say this with all due respect to the Chair; I am not in any way being critical because I realize you must have good reasons for the procedures being followed. I simply ask that the matter be clarified for the benefit of all members, especially for those on this side.

Mr. Speaker: The hon. member raises a point I am sure the House will want to hear about. The matter of Standing Order 43 poses to a certain extent a problem similar to the one just raised by the hon. member for York North (Mr. Gamble) concerning questions, although not to the same extent. Therefore, I would perhaps not be as strict in trying to maintain a different ratio with the members on Standing Order 43 motions that I would with questions.

Today the hon. member's colleague was given the floor first over any other member of the House in order to move his rather important motion related to the recent train derailment. He was, and I think the record might clarify this, given a pretty generous share of the time allotted to Standing Order 43. In turn, because the motion carried, it took a bit more time, all of which was quite appropriate.

It would therefore not be my tendency to go back to the same side of the floor the second time until I assured pretty generous treatment to the opposite side. That was the factor that influenced me today. Had it been another kind of day in which perhaps the hon. member's colleague had put a more routine question which was set aside by the House and not received, the likelihood of two or perhaps even three members from that side being recognized for applications under Standing Order 43 would not be out of the way. I do not say that is assured, but it is more likely.

The fact that it was put today had more to do with the single motion in which preferential treatment was quite properly given to the hon. member's colleague from Mississauga South (Mr. Blenkarn) with respect to the very urgent and serious matter that happened there rather than to any long standing policy to receive perhaps only one such application from the government side on any given day.

ROUTINE PROCEEDINGS

[*English*]

CRIMINAL CODE

RIGHT TO DEMAND TRIAL IN LANGUAGE OF CHOICE

Hon. Erik Nielsen (for the Minister of State for Federal-Provincial Relations) moved for leave to introduce Bill C-24, to amend an act to amend the Criminal Code.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 34, 36, 38, 44, 50, 186, 294, 342, 346, 361 and 400.

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

[*Text*]

TELEGLOBE CANADA—EXECUTIVES

Question No. 34—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of Teleglobe Canada?
2. What is the annual salary in each case?

Mr. Scott Fennell (Parliamentary Secretary to Minister of Communications): In so far as Teleglobe Canada is concerned, the answer to the above question is as follows:

1.		2. Range:
(a)	Jean-Claude Delorme	$55,600—$72,400
(b)	Norman T. Byrne	$50,000—$55,000
	Yves Langlois	" "
	André Lapointe	" "
	Robert Séguin	$45,000—$50,000
	John S. Crispin	" "
	Marcel Perras	" "
	Atherton Wallace	" "
	David Pilley	" "
	Donat J. Lévesque	" "

PACIFIC PILOTAGE AUTHORITY—EXECUTIVES

Question No. 36—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of the Pacific Pilotage Authority?
2. What is the annual salary in each case?

Hon. J. Robert Howie (Minister of State (Transport)): 1. (a) Mr. P. V. O. Evans; (b) Position not filled.

2. (a) $30,000—$35,000; (b) No salary attached to the position.

ATLANTIC PILOTAGE AUTHORITY—EXECUTIVES

Question No. 38—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of the Atlantic Pilotage Authority?
2. What is the annual salary in each case?

Hon. J. Robert Howie (Minister of State (Transport)): 1. (a) Mr. A. D. Latter; (b) Position not filled.

2. (a) $35,000—$40,000; (b) No salary attached to the position.

FISHERIES PRICES SUPPORT BOARD—EXECUTIVES

Question No. 44—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of the Fisheries Prices Support Board?
2. What is the annual salary in each case?

Hon. James A. McGrath (Minister of Fisheries and Oceans):

1. (a) Mr. A. Maloney, Chairman
   (b) Mr. K. F. Harding, Vice Chairman

2. (a) Mr. A. Maloney is a senior officer of the Department of Fisheries and Oceans and as such his salary range is $38,300 to $52,100. Mr. Maloney's duties include chairmanship of the Fisheries Prices Support Board in addition to other duties for the department.

(b) Mr. K. F. Harding receives a per diem allowance of $75.00 while on board's business.

SCIENCE COUNCIL OF CANADA

Question No. 50—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of the Science Council of Canada?

2. What is the annual salary in each case?

Hon. Heward Grafftey (Minister of State for Science and Technology): In so far as the Science Council of Canada is concerned, our reply to question No. 50 by Mr. Orlikow is as follows:

1. (a) Dr. Claude Fortier, Chairman

(b) Vacant—One position.

2. Chairman—½ time—$48,500—$65,500 per annum; Vice Chairman—½ time—$48,500—$65,500 per annum.

COMMUNICATIONS—NUMBER OF EMPLOYEES

Question No. 186—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Department of Communications' payroll on March 31, 1979?

Mr. Scott Fennell (Parliamentary Secretary to Minister of Communications): In so far as the Department of Communications is concerned, the above answer to the above question is as follows: (a) permanent 2,028 employees; (b) term 191 employees.

CANADIAN COMPANIES—DEDUCTION OF CAPITAL LOSSES

Question No. 294—**Mr. Herbert:**

1. Does the government intend to discontinue allowable taxable capital losses on Canadian companies?

2. Will such losses continue to be deductible for foreign holdings?

Mr. Ron Ritchie (Parliamentary Secretary to Minister of Finance):

1. One of the objectives of the tax system is to encourage equity investments by Canadians in Canadian companies. In this context, a review is underway of possible measures that would make such investments more attractive to more Canadians. The treatment of capital losses is an integral part of our capital gains system and the discontinuance of a deduction for allowable capital losses would reduce rather than enhance the attractiveness of investments in Canadian companies. Accordingly, so long as gains are taxable, losses should remain deductible.

2. The recognition of capital gains and losses on foreign property is an integral part of the capital gains tax system. Since the gains on foreign property are taxable, it would be inequitable to deny the deduction for losses. There is no intention to restrict the existing deduction of capital losses on any property from the gain on any other property, domestic or foreign.

CANADIAN INSTITUTE OF CULTURAL AFFAIRS

Question No. 342—**Mr. Cossitt:**

Does the Canadian Institute of Cultural Affairs have a Department of National Revenue taxation number permitting persons to claim a donation to the organization as an income tax deduction and, if so (a) on what date was the number granted and who granted it (b) what are the names of the persons applying for a deduction and on what grounds was it granted?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue):

The Canadian Institute of Cultural Affairs was granted the status of a registered charity effective January 15, 1976, and it is therefore entitled to issue receipts for income tax purposes to its donors. Its registration was granted by officials of the department acting on behalf of the then minister, in accordance with the Income Tax Act and Regulations.

Registration was granted to the institute because, on the basis of information available, it qualified as a charity in accordance with common law principles and met the requirements of the Income Tax Act for registration as a charity. An officer of the institute signed the application for registration. The secrecy provisions of the Income Tax Act prevent me from supplying the name of that officer.

BANK OF CANADA—PENSION PLAN

Question No. 346—**Mr. Herbert:**

1. What is the vesting period in the pension plan for employees of the Bank of Canada?

2. Is the automatic annual escalation of pensions paid to retired employees in an amount equal to the rise in the cost of living?

Mr. Ron Ritchie (Parliamentary Secretary to Minister of Finance): I am advised by the Bank of Canada as follows:

1. Full vesting is granted from the date of the employee's entry into the plan i.e. there is no qualifying period. A contributor to the plan whose service terminates for any reason other than death, normal retirement on pension, or retirement on account of disability is entitled to a deferred annual pension commencing at age sixty computed in accordance with the normal retirement benefit formula. Such a contributor may elect to receive instead a refund of his contributions with interest (4 per cent compounded), if he has not attained age forty-five with ten years of service.

2. Pensions paid to retired employees are escalated annually in accordance with a pension index calculated, with respect to a year, as the per cent by which the average of the monthly consumer price index figures for Canada for the twelve-month period ending on the thirtieth of September in the immediately preceding year, exceeds the average of the monthly index

figures for the previous twelve-month period ending on the thirtieth of September.

CORPORATIONS—ALLOWED TAX EXEMPTIONS

Question No. 361—**Mr. Herbert:**

How many corporations were allowed exemptions by order of the governor in council under the November 1978 budget provision that disallowed the tax-free status of certain types of preferred shares and what was the value in terms of lost tax revenue to the government of all exemptions granted?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): None.

HIGHWAY SUFFERANCE WAREHOUSES

Question No. 400—**Mr. Dick:**

1. How many Class B Highway Sufferance Warehouses were there in Canada in each of the following years (a) 1971 (b) 1972 (c) 1973 (d) 1974 (e) 1975 (f) 1976 (g) 1977 (h) 1978 (i) 1979?

2. What are the names and municipal locations of sufferance warehouses which first received their permits allowing them to open for operation in each of the following years (a) 1975 (b) 1976 (c) 1977 (d) 1978 (e) 1979?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue):

1. (a) 143
   (b) 148
   (c) 155
   (d) 156
   (e) 158
   (f) 161
   (g) 164
   (h) 166
   (i) 168

2. (a) 1975 Archibald Truck Sufferance Warehouse
   Amherst, Nova Scotia.
   Newfoundland Transport Limited
   Corner Brook, Newfoundland.

   (b) 1976 Day & Ross (Nfld) Ltd.
   Grand Falls, Newfoundland.
   Veillette Transport Co. Ltd.
   La Tuque, Quebec.
   Canada Packers Limited
   Moncton, New Brunswick.
   (Fruit and Vegetables only).

   (c) 1977 Tyee Moving & Storage Co. Ltd.
   Courtenay, British Columbia.
   Doc's Cartage & Storage Co. Ltd.
   Kitimat, British Columbia.
   Atlantic Wholesalers Ltd.
   Charlottetown, Prince Edward Island.
   (Fruit and Vegetables only).

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   (d) 1978 Burge Brothers Transfer & Storage Ltd.
   New Glasgow, Nova Scotia.
   Winders Storage and Distributors Ltd.
   North Battleford, Saskatchewan.

   (e) 1979 Transport d'Anjou Inc.
   Edmundston, New Brunswick.
   Renfrew Sufferance Warehouse
   Renfrew, Ontario.

[*English*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BRITISH NORTH AMERICA ACTS, 1867 TO 1974

REVIEW OF RULES BY STANDING COMMITTEE ON PRIVILEGES AND ELECTIONS

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue) moved:

That the Standing Committee on Privileges and Elections be authorized pursuant to section 7, chapter 13, Statues of Canada, 1974-75-76, to review the rules provided by subsection 51(1) of the British North America Acts, 1867 to 1974, as amended by the British North America Act (No. 2), 1974, and to make recommendations with respect to any amendments, alterations or modifications thereto that appear to the committee then to be necessary or desirable.

● (1520)

He said: Mr. Speaker, as you probably know, the reason I am rising today to move this motion is the existence of a provision in the Representation Act of 1974 which obliges me to propose to the House, not later than the twenty-fifth sitting day after Parliament has been summoned, that an order be made along the lines of the motion Your Honour has just read.

I would emphasize that this does not involve the boundaries of particular constituencies but it is, nevertheless, of fundamental importance to members of the House of Commons because it would affect the number of seats in the chamber. I was interested today, as we moved toward this point in our proceedings, to notice that hon. members do raise questions as to their ability to catch the eye of the Chair; I am talking about the period of time in which members, under our rules, can question ministers. We are now up to 282 members in the House of Commons and one of the fundamental questions a committee would have to consider is whether or not membership has grown to the extent to which it ought to grow, whether, indeed, it has already gone beyond that point, and

whether there ought to be some limit placed upon the size of the membership. Considerations of this kind could have a profound effect on the lives of members in terms of the question period, their ability to take part in debates, the staffing of committees, their ability to deal with the public and handle the ombudsman role which they play, and so on.

As you know, Mr. Speaker, the British North America Act of 1867 gave Canada its present legislature. The upper House was to consist of 24 non-elected members for each region, Quebec, Ontario and the maritimes, and this representation was to remain constant regardless of changes in the population. The House of Commons, on the other hand, was established on the basis of representation by population and there have, from time to time, been changes in the size of the House as statutes have been amended. Another change was considered necessary when the 1971 census became available, mainly because several provinces would once again return fewer members. That seems to be part of the history of the debates on this subject that take place from time to time.

Under the Representation Act of 1974, Parliament adopted a new set of rules which attempted to compromise between conflicting goals by letting the House grow while setting different rates of increase in the representation of small, intermediate and large provinces. The 1974 rules were applied in the last general election and resulted in a House of 282 seats. Even at the time the rules were being adopted in 1974 there was concern that, depending on the way in which Canada's population grew, the new rules might cause a very rapid increase in the number of seats in the House, and a provision was therefore inserted into the act calling for the referral of the rules to a committee of the House in 1979 in order to permit the examination of the effects of the changes as they would be applied to the 1981 census.

I do not intend to say any more about this motion than I already have, Mr. Speaker. I know there are other members who wish to speak with regard to this proposal. Today will not be the only day upon which this matter can be considered, there will be other occasions. But by rising today and proposing this motion I have complied with the law and begun the discussion of what I believe to be a fundamental question for every one of us here, that is, whether or not the House is to grow continually, as it has in the past, or whether there is a limit to its size that we ought to consider in terms of its function, the work of its membership and the ability of the membership to carry on their duties in this chamber.

With those few words I will subside and allow others to take part in the debate to the extent that it is possible this afternoon.

Hon. John M. Reid (Kenora-Rainy River): Mr. Speaker, I welcome the remarks of the President of the Privy Council (Mr. Baker). The bill he spoke of was one of those I worked on when I was parliamentary secretary to the then president of the privy council, the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen) and, later, to the former member for Eglinton, the Hon. Mitchell Sharp.

[Mr. Baker (Nepean-Carleton).]

We had serious difficulty in arriving at formulas that would be acceptable to the House of Commons because of the dilemma we face in this country posed by the distribution of population between provinces. There are ten provinces and two territories with tremendous differentials in terms of population, and tremendous differentials in terms of embedded rules. The oldest and perhaps the most important in some respects is the Senate rule which provides Prince Edward Island, for example, with four seats because the rule states that a province cannot have fewer parliamentary seats than it has senators. Consequently, what has happened is that some provinces have maintained their populations while others have grown to the extent that, had a system been in place with a set number of seats, there would need to be a net transfer of seats from some provinces and regions to others.

Consequently, when the first series of proposals was brought down, beginning with one in 1971, the House determined that this was not the best way in which to proceed to the redistribution of parliamentary seats between provinces because those original proposals would have meant certain provinces losing seats. After considerable debate a decision was taken to suspend the operation and new proposals were advanced by the then president of the privy council, the hon. member for Cape Breton Highlands-Canso, which resulted in the present situation.

As I said earlier, we have a problem in that there are parts of the country which are not growing and parts which are growing rapidly. Moreover, we must face the fact that certain implied guarantees have been given to the regions of this country as to the number of parliamentary seats they would have and as to the influence of those seats. While representation according to population has always been the battle cry of certain groups, it has never been a principle which was fully accepted as being unalterable.

If one goes over the history of the distribution of parliamentary seats in Canada one discovers that the formula of representation by population has never been followed precisely. It has always been the feeling that those areas with large geographic areas and small populations ought to be given more representation in order to compensate. If one goes back over history, one will find that that in fact is what has happened, and that has been carried on with a fair amount of non-partisanship by the members of the political parties in the House of Commons and also with a certain degree of concern as to what happens to those areas which are not growing as fast as other areas.

● (1530)

Since these proposals were developed—the so-called amalgam method—we have had a substantial shift in demographic population development which had been taking place at that time. In those days of 1974-75 it was the province of Ontario which was growing the quickest and, according to what we knew then and to what all the data indicated, it would continue to grow most rapidly. We now know that growth in Ontario has levelled off and that growth in the province of

Alberta particularly, but also British Columbia and Saskatchewan, has increased at an extraordinarily rapid rate. We know that growth in Quebec has levelled off, as it has in the province of Ontario.

We know also that if we do not look at the amalgam method, we will have a substantial increase in the number of members of Parliament in the Parliament after this one, and we have to look at what that means to this particular chamber. In comparison with the other place and in comparison with the House of Commons in Great Britain, our chamber is virtually a barn, and it may well be that one of the things we should examine in any event, whether we increase the number of members of the House of Commons or not, is whether this chamber is appropriate to the kind of performance we now put on. I speak of performance because one cannot overcome the feeling in walking on to the floor of this House that we are walking on to a brightly lit theatrical stage, and I think to some extent that brings out the worst in all of us. The fact is that the kind of image that is transmitted by the television cameras is not the kind of image that those of us who practice our magic on the floor of the House of Commons have. There is a discrepancy between what goes on here and what goes out.

I look at it from the point of view that perhaps we should go and look at the way the British have organized their chamber with a view to getting rid of these desks and moving to a more sensible approach—going on to benches and allowing for the fact that we do not need to have space for all the members of the House of Commons, although we do have to have space here for those who want to participate in the debates. If we would like to go to a cosier system than the kind of system where we are spread all over this large barn, I think that is one of the aspects we would have to examine regarding the expansion in the number of members of the House of Commons.

We have absorbed, through the amalgam method, an additional number of members, and if my recollection is correct, after the next redistribution of parliamentary seats as between the provinces we will end up with a total of seats slightly under or slightly over the 300 mark. That would mean a substantial increase in the number of people absorbed into this system in a very brief period of time.

I am not certain that that kind of change would deal adequately with the problems of those of us who represent very large constituencies. In my own case, my constituency was already large before the last redistribution of parliamentary seats, encompassing some 55,000 square miles, but it suddenly blossomed into a monster of 150,000 square miles. What we have seen taking place has been the movement of population from rural areas into cities. We have seen substantial growth in the physical size of rural constituencies, and members of Parliament have extreme difficulty in providing adequate representation to people who in many respects are receiving less representation now than they did before, even though the Canadian public as a whole may in fact be receiving more and better representation as a result of the expansion of the numbers in this place.

So I agree with the President of the Privy Council that the question of numbers is very important. But not only is the question of numbers important; so is the question of the quality of representation for individual Canadians which will flow out of changes we make to this formula. I think that point has to be our bottom line. What kind of a system of representation do we want for the Canadian people?

The second point I want to make deals with changes in the system we have developed. Whenever we bring in a new system of any nature, some kind of examination is required to discover what in fact happened, and one of the things about the remarks made by the President of the Privy Council which disappointed me was that he did not indicate whether the government would be prepared to provide the committee with the necessary data and breakdown as to the results of what actually happened. We are not interested here in the results of an election. What we are interested in are what the results in terms of the representation of Canadians in general are going to be.

I do not know whether the government has yet appointed a representation commissioner, but I believe that office is still vacant. I think it is one which the government should give some consideration to filling before this investigation goes on, because it strikes me that the committee will be in need of the advice and research capability which that office has. That office has been vacant for about a year, but it does strike me that the committee should undertake to examine whether we should proceed until in fact there is a representation commissioner. I urge upon the President of the Privy Council that consideration be given to that aspect.

The last point I want to make is contained in the presentation which was made by the previous president of the privy council when he made a statement to the Standing Committee on Privileges and Elections on April 9, 1974. I should refer this document to the President of the Privy Council because it was a cabinet document, and cabinet documents often were released in the form of ministerial speeches and papers released to committees and what not; it is not as if they were always kept secret. The fact is that by and large the bulk of the advice and data contained in these papers were made available to members of Parliament and the general public, although not in the form of a cabinet paper. I think many people's concept that they should have access to cabinet papers is that they would like to get into their hot little hands papers stamped "top secret—for the eyes of cabinet ministers only".

I want to refer to this paper, and I suggest to the President of the Privy Council that it be duplicated and made available to the members of the committee. The reason for that is that the paper not only goes into the historical development of how we got to where we are in terms of the redistribution of parliamentary seats as between provinces, but it also suggests a variety of formulae—in fact, another four formulae in some detail—along with calculations as to what the end result will be in terms of the number of members of this chamber and in terms of what would happen to the various provinces in terms of their representation. I think it would be useful for members

of Parliament to have the advantage of those formulae in their contemplation of our existing one to give them an idea of what the consequences of almost any formula man can devise are.

It is not clear, when we look at the formulae, as to the results we will reap. The fundamental difference I have with those formulae is that they are all based on projections by Statistics Canada as to population trends. We know what has happened in the last five years. Those population trends have been completely thrown out of any match with reality today. The reasons are simple enough. Population is flowing westward, Canadians are not having babies and we have slowed down our intake of immigration. The consequence of that has been to throw into the ashcan all of the Statistics Canada demographic projections. This is not to be critical in any way of Statistics Canada; it is simply an indication of the way in which what appeared to be at the time rather fixed demographic characteristics of a country or region can be changed overnight, and that is what has happened.

● (1540)

The last point I want to raise is the question of what happens after we go through this process. We will have to deal at some point with the redistribution of parliamentary seats within provinces. I think we have had a general agreement that the formula which we had developed and accepted, the amalgam method of redistribution of parliamentary seats among provinces, was a broadly accepted formula the last time, but what was not accepted by a large number of Canadians and a large number of members of Parliament then and now was what happened when we redistributed those seats within provinces. What happened then was the grossest kind of distortion, the grossest kind of misappropriation of parliamentary seats that I have ever seen. No account or little account was taken of communities and of interests, no account was taken of the sheer geographical size of constituencies, and no account was taken of like interests.

Having gone through the very painful experience of having been one of those whose constituency was changed out of all recognition, sacrificed on the altar of a principle almost as repugnant to most of us as proportional representation—but this one is called equality of representation within a province—I feel most strongly about that. What is so bothersome about it is that when that original act was passed in 1964-65, a formula was inserted to allow the redistribution commission in each province a lot of latitude. There was the possibility of a 50 per cent differential between an urban constituency and a rural constituency, and if you look at the map of Ontario you will find that in almost no case at all was the formula utilized.

One of the biggest mistakes I personally made was when I combined with the hon. member for Edmonton West (Mr. Lambert) to pass a private member's bill through the House of Commons—I point that out to the President of the Privy Council—in which we asked the commissioners to give reasons for their decisions so that we could have an opportunity at the public hearings to dispute them, because if we did not have that right there would be no opportunity to challenge their findings. The bill was passed and my good friend, the hon. member for Cochrane (Mr. Penner), who was then member for Thunder Bay and whose riding was destroyed by the commissioners, tried to take the matter to court on this point. The result was that because the commissioners had put in a one sentence reason, which in effect said "In our best judgment, this is the best thing with which we can come up", the courts refused to hear the case. It seems to me that we have to do something to ensure that the commissioners carry out the will of Parliament, not what their own interpretation of that will is.

I would ask the President of the Privy Council if he would be prepared to accept an amendment to this motion to ensure that we do not deal with the issue of redistribution of parliamentary seats by only taking half of it but that we deal with the whole bag, that we deal with the redistribution of parliamentary seats among provinces and that we deal with it also within provinces. Because it is as important to ensure fair representation to the public of Canada as it is to ensure that the workload of members of Parliament with respect to their constituencies is as equalized as it can be. I can tell the President of the Privy Council and the House that right now those members who represent larger constituencies carry a heavier burden than those who represent smaller, more compact interest groups and constituencies, and this is simply not fair.

The hon. member for Ottawa-Carleton (Mr. Pepin) mentions that there are other factors, and of course there are, but I say that the system under which we operate forces many of us into courses that are not desirable or healthy for the people we represent.

So I want to make that plea to the President of the Privy Council and ask him if he would accept an amendment at this stage to include the other act, or if he would give us a guarantee that, at a later time, he would bring down a motion to refer the other act to the standing committee. I think it would be healthy, if we must examine one half of the problem, to examine all of the problem. As I said, I do not think we should go at it in a half-baked way. I think we should look at the whole problem, because we cannot escape the reality of the dimensions of the problem. The two are intertwined and therefore must be examined on that basis.

I think we must examine also one other factor, which is the question of how we should determine in the future what kind of a formula will be most apt. The dilemma that we have when we undertake this examination is that if we should decide to change it, it means that the basis of the representation in the House will have been changed very substantially within a five-year period of time. This means that the continuity which has been built up in constituencies and in areas can be destroyed because in many cases constituencies become used to being referred to as a constituency and they work within the boundaries that the provincial constituency imposes upon them.

What concerns me is that while I welcome the opportunity to re-examine the formulas, I have some concern about what we might bring forward as alternative. We might destroy that

kind of continuity which, in a political sense, I believe is a very important thing. What makes a political system acceptable and workable and what gives it credibility with the electorate is the fact that people know what to expect. What happened in the last redistribution is that people did not know what to expect, and a great deal of concern was expressed in that sense. I recognize the dilemma we are imposing on ourselves, but I belive it is worth exploring this point in second reading debate.

So on that basis I would like to see the President of the Privy Council proceed with the search to find a representation commissioner; that the government produce a fairly substantive paper, perhaps much along the lines of the paper which was produced by his predecessor on April 9, 1974; that consideration be given to expanding the role of the committee to deal with the redistribution of parliamentary seats within provinces; and lastly, that the committee itself give some consideration to the need for continuity.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I intend to speak for only a minute or two. I say that because there have been discussions about this debate and I believe a measure of agreement has been reached that instead of carrying it on at great length today, we might adjourn it and resume it on another day. I say quite openly that I made that request on behalf of my leader, the hon. member for Oshawa (Mr. Broadbent), who finds it impossible to be here this afternoon and yet would like to take part in this debate.

I saw a couple of other hon. members rising, and if there were a consensus to delay the adjournment until they have spoken I would have no quarrel with that, but I propose to make the motion which I suggested to the government House leader I would make. But before I do that, may I say that I feel I must not pass up the opportunity to congratulate my friend, the government House leader, for keeping the law. This is a red letter day. The British North America Act, in section 7, chapter 13 of the Statutes of Canada for 1974-75-76, says that not later than the twenty-fifth day of this session the President of the Privy Council shall propose to the House this reference. This is the twenty-fifth sitting day, so he is doing what the law requires him to do. So often we complain about the errors made over there. I think we should applaud this strict observance of the law.

Some hon. Members: Hear, hear!

Mr. Knowles: Another comment I should like to make is to my friend, the hon. member for Kenora-Rainy River (Mr. Reid). I always enjoy his discussions of these matters and his references to history, but there is one little point of history which I think he should check. He said early in his remarks today that one of the oldest rules respecting redistribution is the rule which says that no province shall have fewer seats than it has senators. I remind the hon. member that that rule did not come into effect until 1915. I suppose that for a young man of his age 1915 is just as far back as 1815, but this country was 48 years old before that change was made.

• (1550)

Mr. Nystrom: Stanley was here.

Mr. Knowles: No, I am sorry, I was here in this life but I was not in Parliament.

An hon. Member: I thought you were born here, Stanley!

Mr. Knowles: There are comments that I am not getting, but at any rate I do not mind them.

The only other comment I want to make is to the effect that for all the changes and corrections we might make, I still want to confirm my belief that we did the right thing in this Parliament when we took the drawing of the boundaries out of the hands of parliamentary committees and put it into the hands of independent commissions. There may be times when certain members are dissatisfied with what those commissions do, but if I may again draw upon my experience, having been around here for a while, I can tell hon. members that the sorriest experiences we used to have were with the drawing of constituency boundaries by parliamentary committees.

As for the suggestion made by the hon. member for Kenora-Rainy River that the motion before us might be amended to include a broader reference, it seems to me that it is pretty wide as it is. The committee has the power to make recommendations with respect to any amendments, alterations or modifications thereto which appear to the committee to be necessary or desirable. It strikes me that that goes pretty far.

I indicated that it was not my intention to make a speech, and falling in line with what I think is the general understanding, that we move on to something else today, I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That the debate be now adjourned.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion (Mr. Knowles) agreed to.

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BORROWING AUTHORITY ACT, 1979-80

SUPPLEMENTARY BORROWING AUTHORITY FOR 1979-80

Hon. Walter Baker (for Minister of Finance) moved that Bill C-10, to provide supplementary authority for the fiscal year 1979-80, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

Hon. Walter Baker (for Minister of Finance) moved that the bill be read the third time and do pass.

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to raise a couple of points briefly with reference to this bill. First

I want to raise a matter which perhaps I could have raised as a point of order, but which I think could well be brought forward in the course of my general remarks at this time. It is my understanding that it is customary, before the House proceeds to report stage and third reading of a bill, that there be available to members the printed proceedings of the committee hearings on that measure. As far as I am aware, this is not the case with respect to Bill C-10. When I did not see the printed proceedings of the Standing Committee on Finance, Trade and Economic Affairs in my office, I checked with the clerk of the committee and she informed me that the proceedings setting out the verbatim transcript of the discussions in committee on Bill C-10 have not yet been printed. This information from the clerk of the committee came to my attention approximately half an hour ago.

I am not certain that the rules of the House, or the interpretation of the rules of the House, are so precise that a bill cannot be proceeded with if the printed proceedings of a committee, once it has held hearings on a bill, are not available. However, I think one could agree that certainly it is difficult for members of the House generally to give proper attention to a bill at report stage or third reading without the benefit of the final version of the proceedings of the bill. There may well be members of the House who would like to speak on a bill and who would like to address their minds to the full picture regarding the bill, before making up their minds as to where they stand on it, yet they may not have been members of the standing committee which considered the bill, or even if they were members, they may not have been able to be present to take part in its deliberations.

Frankly I do not think it is consistent with the pledges of the new government in the Speech from the Throne, namely that it would show greater respect for Parliament and enhance the role of Parliament, in particular through increasing the role of parliamentary committees, to proceed as it is doing with respect to Bill C-10. At the very least it shows some degree of contradiction of the high-minded words of the Speech from the Throne, with respect to enhancing the authority of Parliament, to ask the House to proceed to take a final decision on Bill C-10 without members of the House having before them the printed proceedings, the only complete transcript generally available to members of the discussions on Bill C-10 before the Standing Committee on Finance, Trade and Economic Affairs.

There were some very interesting and useful exchanges in committee between members of the committee, particularly those on the official opposition side, and the Minister of Finance (Mr. Crosbie) with respect to the purpose of the bill and the justification for it. It does not make it easy to debate the bill at this time when one does not have the actual transcript in the form of the final written proceedings. While I am not going to interrupt the proceedings of the House on this bill by raising a formal point of order, I want to say that I and members of the official opposition disagree most strongly with this course of conduct. In my view, it flies in the face of the alleged commitment of the new government to enhance the role of Parliament. If a similar occasion arises, speaking for myself, I can say that I will object most strongly in terms of a formal point of order.

I should like to speak briefly on some of the considerations connected with this bill. In my view at least, and again speaking from my general recollection rather than from the printed transcript of the committee proceedings, the Minister of Finance was not able to give a more convincing justification before the committee for the amount of the borrowing authority he is seeking in this bill than he was able to give in winding up debate on second reading. As the House knows, the bill calls for borrowing authority in the amount of $7 billion. However, in his economic statement of last July, the Minister of Finance said that cash requirements for the period to which this bill relates would be in the amount of $10 billion. The figures given by the minister, both at the end of second reading debate and, more particularly, in committee hearings on this bill, indicate that he is asking for anywhere from $3 billion to $5 billion more than he needs to achieve the borrowing authority necessary to meet the cash requirements he predicted for the current fiscal year.

We pressed the Minister of Finance in committee as to why he needed the very sizeable amount of anywhere from $3 billion to $5 billion more than what appeared to be required. Of course, it depends on how one adds it up—that is, the existing borrowing authority and the new borrowing authority being sought—but he said only that he would need something for contingencies. Those are pretty wide-ranging contingencies, especially coming from a government and a minister which say that they have embarked upon a course of providing more information to Parliament about financial requirements than the previous government, and of being more definite and open with the public and Parliament about the manner in which they handle the financial affairs of the country.

• (1600)

I want to say to the House that I recall nothing from the committee proceedings which would cause me to change my mind in respect of the conclusion I reached on second reading, that there were several billion dollars worth of what I call padding in this borrowing authority bill—moneys being sought for which there was no adequate or convincing explanation.

Of course, one can speculate on what the Minister of Finance had in mind when he spoke of contingencies. One possibility is that his department's own most recent forecast recognized that the economy is going to slow down to such an extent during and before the end of this fiscal year that government revenues will decline sharply, so that additional borrowing authority will be required for the government to borrow in order to meet the gap between revenues and expenses for the current fiscal year.

Another possible explanation for the reference by the Minister of Finance to contingencies is that the government may feel that at some point in the period covered by Bill C-10 it will have to go to international financial markets to borrow extensively to support the dollar. The government may have a view on the value of the dollar. After all, the previous minister of

finance said in the House of Commons, if I am not mistaken, that he thought the Canadian dollar should be worth 90 cents. It could be that the minister under the guise of squirrelling money aside, putting it away for contingencies, has in mind some substantial borrowing effort required to support the dollar.

Another possible explanation for the substantial sum the Minister of Finance is seeking to cover contingencies is that if the government proceeds with its misguided intention of breaking up Petro-Canada, our national oil company, giving the money-raising or profitable parts to the public while at the same time keeping not only the money-losing but necessary national interest parts in government hands, and having the government assume the present debt, this would in effect mean, in a technical sense at least, a borrowing by the federal government of the amount of some $2.5 billion, the existing debt of Petro-Canada. This is an additional burden on the taxpayer, for which the taxpayer is getting nothing in return, which would have to be covered by additional borrowing authority.

I would also bring to the attention of the House still another possible explanation for the additional borrowing authority which the Minister of Finance spoke about as being required to cover contingencies which he declined to identify or explain. Because of the high interest rate policy supported, believed in and agreed to by this present government, a policy which has raised interest rates in Canada since May 22 to record high levels, the government itself will have to pay more money to people from whom it has borrowed money in the past, and from whom it is borrowing money now, in the form of increased interest on those borrowings. This would obviously be a lot more than might have been foreseen a year or so ago, and this also has to be covered by the borrowing authority. What is involved in the payment of additional amounts for interest on the government's debt is an additional burden on the Canadian taxpayer. The interest burden is already unfortunately, in my view at least, too high on the Canadian taxpayer in view of the taxpayer's capacity as a consumer, farmer or small business person.

This additional burden will have to be paid in due course by the taxpayer through his or her taxes to cover additional interest expense on government borrowing. There may have to be borrowing to cover this interest in the short run, and this also will have to be covered by the additional borrowing authority sought by Bill C-10.

Even though, as I have said, the Minister of Finance both at second reading and at the committee stage on this bill failed to give a completely convincing response to my questions as to exactly why this borrowing authority is required, particularly the portion that seems to be anywhere from $3 billion to $5 billion more than the cash requirements he said would be required for the current fiscal year, we do not intend to prolong unduly the taking of a final decision on this bill.

I presume the government takes the view that it knows what it is doing. We do not think that is the case. If we let more time go by, this will be demonstrated to the public even more fully than the mistakes, the flip-flops and the lack of action we have seen from this new government in the almost half a year it has been in office to this point in time.

As a result, it is our intention, as I say, not to prolong the debate on this bill unduly, but we do want first of all to protest again that this government, which claimed to be committed to showing greater respect for Parliament and, in particular, for the work of its committees, is asking us to proceed without having available to all members of this House the complete official transcript of the committee proceedings on this bill. This means, as I have said, that those members who were not on the committee, or who perhaps do not have a form of recollection at the level or to the extent they would like, are not in the position they should be in order to direct their minds to the issues in connection with this bill. Some of us who were there and were very interested in this bill feel ready to discuss the issues and the gaps in the government's approach to it. However, certainly what the government has done in respect of this bill is not consistent with the way its members say they want Parliament to be treated.

Finally, Mr. Speaker, I think we have put enough on the record to indicate that this government, when it was in opposition, complained strongly that the previous government was asking for authority for which it had given no detailed explanation, yet this government is proceeding along the same course of action it criticized in the past. In fact, in my view it is going further in some ways, and I think it should be on the record that there are serious gaps in the justification attempted for this bill by the Minister of Finance.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, I am always somewhat bemused when I listen to a speech by the hon. member for Windsor West (Mr. Gray) on matters of finance. I think the only question the Canadian people should ask themselves when they listen to that hon. member is, would things have been any different had there not been a change as a result of the election of May 22? If that hon. member can honestly go before the Canadian people and say they would have done anything different in respect of Bill C-10 or in respect of interest rates, I suggest he would be asking the Canadian people to buy a bill of goods they are not prepared to accept.

Be that as it may, the hon. member did make one particular point toward the end of his remarks which I think is absolutely true, and that was when he said this government is proceeding in the same direction as the previous government. I am glad he has finally come around to that point of view as that is precisely what we have been saying since the election. There is no difference in the policies followed by the two governments, either from the point of view of the way in which this bill was presented, or in terms of the substance of the government's economic policy which this bill gave us an opportunity to discuss on second reading and again in the committee, albeit during a one-day sitting of that committee.

From the point of view of the way in which this bill was presented, I think the best criticisms were made by the Prime Minister (Mr. Clark) in a speech he made on October 25,

1978 when he was leader of the opposition. He was most critical of the government at that time for coming before Parliament asking for authority to borrow billions of dollars before the minister of finance of that day had presented a budget. We are now presented with exactly the same situation and exactly the same problem, as an opposition, of looking at a supplemental borrowing authority bill without, at the same time, having the opportunity to discuss the reasons and the objectives of the government's spending program and the reasons and objectives of the government's revenue collecting program.

● (1610)

I think the Minister of Finance (Mr. Crosbie) knows full well our concern with respect to tax spending. We have made that clear over a period of months and years. We are looking forward to the budget in which something will be done about that.

We also look forward, Mr. Speaker, to seeing the government's economic intentions outlined in the budget. When the government brings in a bill requesting supplemental authority to borrow substantial sums of money, I think it should done in conjunction with a budget and not before a budget. That would give us the opportunity to look at the economic situation as a whole.

There is a discrepancy between the good intentions of the government, as expressed from time to time, on freedom of information and the answers we get to some of our questions. The Minister of Finance, for example, was not willing to commit himself to changing the practice with respect to a bill of this nature. When we raised with the President of the Treasury Board (Mr. Stevens) the other day the question concerning privatization and the selling off of certain Crown corporations, we did not get from him a ringing declaration that Parliament would reign supreme in this matter. We did not get a statement from him that he would be glad to debate his objectives with any other member of Parliament in a committee, so that the matter would be discussed. He did not give us an opportunity to bring members of the industry before a committee of the whole House or a committee of the House. No such commitments came from the President of the Treasury Board. All we got was the kind of evasive, arrogant answer that we got from the previous Liberal administration.

It is quite understandable that the President of the Treasury Board is frustrated. Finally he is in government after so many years, but now he says to us, "Why do you expect from us a different standard of behaviour than you got from the Liberals?" That is really what he was telling the people of Canada on Thursday. "Why do you expect anything better from us?"

As a member of the New Democratic Party, I can only nod and ask, "Why indeed?" We do not really expect a diffrent standard of behaviour. It is only that they told us they were going to give us a diffrent standard of behaviour. I suggest to those members of the Conservative party who are present that they might care to bring their alleged desires with respect to the authority of Parliament in matters of this nature in line with their conduct, which still has a long way to go. Of course, it is difficult to do this. It demands a change in government and a change in attitude on the part of the civil service, but I think we expect a little more indication from ministers of the Crown at this time of the direction they intend to take.

Two or three other interesting things were said during debate on second reading and the committee discussions which I think are worth commenting upon. For the first time, we had in that committee a new language coined by the Minister of Finance. For example, he said that the Conservative party does not have a high interest policy; that the Conservative party inherited a high interest condition for which it accepts no responsibility. That was an interesting, rhetorical attempt by the minister to avoid taking responsibility, a natural psychological move on his part. It was a very clever, rhetorical trick.

Then he tried something else. He told us that previously a stimulative deficit, temporary or not, had meant a larger deficit and that he was now defining a stimulative deficit as meaning a smaller deficit. That is a very interesting idea. It was an effort to ignore the albatross which had hung around his neck since the election. One can only admire the minister's efforts to get around the difficulties created for him by his colleagues.

In this party, however, we are not going to allow the Minister of Finance to invent this new language in order that he and the Government of Canada can avoid responsibility for the economic policies now being followed. I think we have seen an interesting, psychological game being played since the recall of Parliament. On the one hand, we have an official opposition which has yet to accept its role as an opposition. Psychologically it still sees itself as the government. It cannot get used to the fact that other people are acting as ministers, going to cabinet meetings and taking responsibility for the direction of the country. After 16 years of power you get used to it, so there is a certain complacency built into the arteries of members of the Liberal party. One can understand their withdrawal symptoms, which are expressed in various forms.

The hon. member for Windsor West, for example, expresses his withdrawal symptoms by acting as if he were not a member of the Liberal party prior to May 22. According to him, the Liberal party sprang immaculate from his loins on May 23, and everything in place before then was out of some movie in which he played no part.

Mr. Breau: Where did you come from?

Mr. Rae: My origins are a matter of history.

Mr. Breau: Where is all the Max Saltsman philosophy?

An hon. Member: He is a test tube baby.

Mr. Rae: I do not think it will wash with the people of Canada. They remember seeing the hon. member for Windsor West on television when he was minister of consumer and corporate affairs. They remember him very well when he was minister of national revenue and they vividly remember his role as chairman of the finance committee in the dark days of

1969-70. The hon. member for Windsor West has a history. He cannot pretend he came here on May 23 and invented the Liberal party. It has a history too, and that history is precisely the condition out of which we are trying to emerge with the new government which sits across the way.

If the Liberal party has its psychological problems, I suggest to members of the Conservative party, and particularly to the Minister of Finance who is not here this afternoon, that they, too, have their psychological problem. They still do not see themselves as a government. Every time the Minister of Finance gets up to answer a question, all he can say is "We cannot do 'X', we canot do 'Y', we cannot do 'Z' because of the Liberal party, because of the Liberal party, because of the Liberal party." He will not even admit that when he raises interest rates, that is a policy; he says it is a condition. When he does something it is a condition; when anybody else does it, it is a policy. It is interesting blarney, interesting rhetoric, but I suggest it will not wash. It just is not good enough.

We are waiting eagerly for the budget, Mr. Speaker. We are waiting eagerly for the time when we no longer have "Crosbie's complaint" or "Crosbie's lament", but when we have "Crosbie's budget". He has indicated that this week he will announce the date of the budget. At that point the Conservative party will no longer be able blindly to blame somebody else for the problems of the country. They have to take some responsibility for what happens. They are slowly building themselves a record—in my view an uneven record—and at some stage the Minister of Finance is going to have to take responsibility and recognize that he cannot blame high interest rates on somebody else forever. Neither can he blame large deficits on somebody else forever. The Minister of Finance will have to recognize that he has the ability to cancel or change whatever government program he wants, that he has full authority to raise whatever money he wants to deal with whatever budgetary deficit he sees. The Minister of Finance has that power. We in Parliament have that power.

● (1620)

Just as the whole of "Portnoy's Complaint" was a prelude to serious analysis and rebirth, I suggest that "Crosbie's complaint" and all the falderal that we have heard from the government with respect to high interest rates and economic policies is merely a prelude to what we hope will be the government's coming to accept responsibility and to recognize that it has the reins of power. It is up to the government to act in the way they want, to do the things they want and to address themselves to the problems of the country.

With respect to Bill C-10, I suggest that this demands two things. First, that we no longer have requests for borrowing which are completely unrelated to any existing government program. We do not know what the government intends to do with Petro-Canada. We do not know what the debt will be that the government will assume when it sells off the profitable parts of PetroCan. We had no indication from the minister at that time. He said that it was hypothetical and purely speculative.

We know the government intends to go ahead with the mortgage interest plan. We know how much that will cost, or what the government thinks it will cost, but again we do not know what other measures the government intends to enact, so how can I say yea or nay to a bill requesting $7 billion?

If debate on this bill has seemed rather empty, shallow and short as it has gone on, there is a simple reason for it. We do not have the material, the economic planning or effort from the government telling us in which direction to move.

On the substantive side as opposed to the procedural side, we hope the government will take some responsibility also. As I said before in all sincerity, there is a contrast—and I will put it no higher than that because this is a young government, and governments and ministers can learn and respond to criticism which I am sure they are getting from members of their own party and from us. It is no longer good enough to come into this House and say that something that was good enough for the Liberal party is good enough for them. If the Liberals did the same thing, we on this side of the House have no right to complain.

I simply point out to the President of the Treasury Board that we complained along with him, when the Liberals were in power. We intend to do exactly the same thing with respect to information, debate, the fundamental authority of parliament and its committees for questions of supply and economic policy, just as we did then. We look forward to working with the government. We look forward to the budget when it comes, and we look forward to providing the government with constructive criticism, which I hope its members will agree we have attempted to give since the beginning of Parliament. We have set high standards. We have standards which were set in a sense by the Conservative party and by members such as the hon. member for Peace River (Mr. Baldwin) when in opposition. Those standards are: that a government minister will answer questions directly when asked, that he will not attempt to slough them off and that before we are asked to approve billions of dollars of borrowing authority we will have greater financial information on which to base our assent or dissent.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: On division.

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

Supply

BUSINESS OF SUPPLY

APPROPRIATION ACT NO. 1—1979-80

The House resumed, from Friday, November 9, consideration in committee of Bill C-23, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1980—Mr. Stevens—Mr. Scott (Victoria-Haliburton) in the chair.

The Assistant Deputy Chairman: When the committee rose on Friday, November 9, 1979, schedule D of the bill was under consideration. Clauses 2 to 6 inclusive, schedules A, B and C, were allowed to stand.

On schedule D—

Mr. Breau: Mr. Chairman, we agreed today that we would discuss regional development policy with the Minister of Regional Economic Expansion. I believe this is the first opportunity that the minister has had to be here, apart from the standing committee, although I am not sure of that. The Minister of Finance has participated and he was, of course, a most competent replacement. However, we welcome the opportunity of being able to discuss regional development and the matter of DREE with the minister.

We are very happy that a member from Nova Scotia was appointed minister of DREE. Our only regret is that he is not a member of the inner cabinet. As he knows, we sympathize with him in that respect. As a matter of fact, I moved a motion under Standing Order 43 not long ago in that regard. I am sure he would have agreed with my motion, but someone on his side disagreed. Therefore, he cannot be a part of the inner cabinet. Nevertheless, we are sure he will be a good member of the economic development committee or whatever it is called.

My speech will not be long because other colleagues want to speak before five o'clock, after eight o'clock tonight, tomorrow and possibly the day after.

There are a few questions I would like to raise with the minister having to do with my own area. My colleague, the hon. member for Matapédia-Matane, on another occasion will speak on behalf of our party.

Can the minister tell us whether his department has initiated discussions with the province of New Brunswick on a highways agreement to continue the work started by the previous government and the province of New Brunswick? When I say with the province of New Brunswick, I must mention that the province has not done that much. It was mostly federal money that went on routes 11, 8 and 17 in northeastern New Brunswick. To sum up my first question, it is this: Have discussions been initiated on a new highways agreement with the province of New Brunswick covering routes 11, 8 and 17?

Second, regarding the DREE northeast New Brunswick agreement, if the minister does not have the figures with him, could he give us a commitment to give the House a report as to the disbursement of funds under that DREE northeast agreement? Up to July or August of this year funds were not being spent as fast as contemplated. There were goods reasons at the time for that. Some had to do with problems regarding the shipping and marine museum. That was delayed for reasons outside policy decisions of both governments. Another reason was major projects by municipal and industrial infrastructures in Bathurst. Again there were delays because of engineering on the part of the city and so on.

[The Acting Speaker (Mr. Scott, Victoria-Haliburton).]

● (1630)

I would like the minister to attempt to give an assessment now and for the rest of this fiscal year as to whether there will be a catch-up in the spending of funds that has been agreed to by both governments, because the government will end in 1982. That means there are two full fiscal years after this year. I am concerned. I would not want any projects foreseen in the agreement to be abandoned.

I know it will be said that Treasury Boards, federal and provincial, could agree to extend the agreement so that the funds can be disbursed. I remind the minister that because of inflation, if something is not gone ahead with before the end of the agreement in 1982, unless it is for ongoing projects, tenders called or projects already under construction, it would be difficult to get an extension of the agreement. They would not approve enough money to cover all the projects. That concerns me.

I will wait for the minister's assessment. I want his assurance that he will do all he can to approve projects as quickly as possible. I hope he will press the New Brunswick government to go forward with projects and ensure that this money will be spent. Before continuing, I would like the minister to answer those two questions.

Mr. MacKay: Mr. Chairman, I am happy to make myself available to the hon. member and do the best I can to respond to his questions. According to my information, the highway subagreement to which he refers expires March 31, 1980. We have been talking to the province of New Brunswick about extending it. Implicit in this is an additional $5 million or $6 million to be advanced, as I understand it.

I should tell the hon. member that I had an opportunity during the summer to meet with Premier Hatfield and his cabinet and to discuss a number of matters, including the vital forest industry which is important for the entire province of New Brunswick. I believe there is approximately half a billion dollars directly or indirectly involved in the New Brunswick economy with the forest industry.

The New Brunswick minister, Mr. Merrithew, was recently here and I met with him outside the chamber. They are still evaluating the various considerations that will eventually, and I think soon, enable them to come forward with some precise proposals so that we can use our pulp and paper agreement to help them rationalize and modernize some of the facilities there.

Another project the hon. member asked about was the shipping and marine centre. That was mentioned in his first question. He knows that a New Brunswick firm, A. C. Mallet

& Sons, were awarded a contract. It came in over cost. Negotiations are going on to see how we can best handle it in view of the fact it is a good project. However, the project may require some modifications because of the cost variations between what was envisioned and the tenders.

Something else the hon. member was referring to in northern New Brunswick was the possible zinc reduction plant at Belledune. As he knows, there is an agreement involving this with, as I remember, DREE paying $1.6 million, the New Brunswick Mining and Smelting paying approximately the same amount and the New Brunswick government contributing a percentage as well.

As the hon. member knows, the various subagreements in New Brunswick are extensive. They are all under negotiation. We hope that in the not too distant future we will be able to extend the mandate and rationalize the basis of regional development. We will be bringing legislation forward. At the present time, the province of New Brunswick is showing a great deal of interest in all of these subagreements. I am not aware of any serious problems in disbursing funds. There may be.

As the hon. member knows, under the general development concept of DREE which his government brought forward in 1974 there is a fair amount of flexibility with regard to priorities under the general umbrella agreement. We certainly would not object to the province changing some of its priorities if it felt it would be best to expend some of the funds on one subagreement as distinct from another. I want to assure the hon. member that I am not aware of any problem with funds lapsing or not being properly utilized. If there were, I would be concerned about it. I would want to get more information and to ensure that the funds were spent as envisaged.

Mr. Breau: Mr. Chairman, the minister referred to two projects under the DREE northeast agreement. Under the northeast subsidiary agreement, funds are not being disbursed as was foreseen. I can well understand that the minister would not be aware of every detail in these matters. After all, it is administrative and he is still relatively new to the department. I assure him that has not been a problem up until now in the sense that no projects that were foreseen have been abandoned. However, it will become a problem. As of last July, I received an assessment from officials of his department to the effect that if the trend continues and there is not a speed up of the administration of the agreement, projects that were foreseen could not begin and be completed by March 1982 or July 1982 when the agreement expires. That is the DREE northeast agreement which is different from the highways agreement.

I would like the minister to inquire from his officials as to the present status and to provide me with a report. I do not expect that report in this debate, but I would like it on record that he will ask for it.

[*Translation*]

Mr. Chairman, the minister stated that there was now a subsidiary agreement with respect to New Brunswick roads under which major projects have been undertaken on highway 11, highway 17, and highway 8. In addition, funds have been made available for other secondary roads. This agreement, as the minister said, will be ending on March 31, 1980.

I would like to ask the minister to make sure in his discussions with New Brunswick that priorities for federal funds will be highway 11, highway 17 and highway 8 for the simple reason that the entire economy of northern New Brunswick from the northwest, the link between Maine, northwest New Brunswick and northeast New Brunswick and the link between the northeast and the Fredericton area, that is highway 8 and the link between the northeast and the Moncton area, for the economy of northeast of New Brunswick, it is extremely important because highway 17, as I said a while ago, provided a link between Maine and the northeast for the tourist industry but it also helps make more effective the transport of our goods coming from central Canada.

As for highway 8 which links northeastern New Brunswick from Fredericton with the whole northeastern part of the United States, that is the Boston area, our lumber especially, our fish and our peat all travel on it by truck. That highway is in terrible shape at this time, which makes the transportation of our goods less efficient than that in other parts of the country which sell the same products.

So I should like to ask the minister to ensure first of all that additional credits are authorized, as he mentioned a while ago, to supplement the present agreement and project, because it is extremely important for the economy of northeastern New Brunswick, the Miramichi area and that part of New Brunswick, to have an adequate network of highways, because we cannot bank on the province to supply the funds required; it simply does not have the financial capacity to supply the $200 million required in 1979. In addition, and my colleague for Northumberland-Miramichi (Mr. Dionne) will have more to say about this later on this evening, the province of New Brunswick does not give any priority to road building in that area.

We find that they are building a bridge in the city of Fredericton at a cost of some $25 million to $30 million, who knows? That is more than the province spent on building highways 11, 17 and 8 together. So we cannot expect the province of New Brunswick to do that work. I therefore urge the minister to see to it that the federal government signs another agreement after March 31, 1980, for the construction of roads in that part of the province, making sure that, in its negotiations with the province of New Brunswick, highways 11, 8 and 17 are given some priority in the allocation of federal funds.

● (1640)

[*English*]

Mr. MacKay: I can assure the hon. member that I shall get an updated report on the northeastern agreement and send him a full reply to the questions he has raised particularly, in

addition, with regard to highways 11, 17 and 8, which he finds in such need of repair.

I wonder whether he or his colleagues might wish to comment, in the context of regional development and the benefits for New Brunswick—or the lack thereof—on a matter which has interested me and other hon. members in the past, namely, the advantages or otherwise of a corridor road through the state of Maine. I realize there are various opinions held on the subject and I would welcome contributions from New Brunswick members.

[*Translation*]

Mr. Corbin: Thank you, Mr. Chairman. I do not intend to express my views right now on the remarks just made by the minister regarding a corridor road through the state of Maine. Eventually I would like to discuss this question, but I have other major concerns which in my opinion should be given priority. I will discuss later the question of the corridor road through Maine.

Today, I had the opportunity, when putting a question to the Minister of Transport (Mr. Mazankowski), to complain about the fact that the Canadian Transport Commission will subsidize the VIA Rail to provide a passenger train service through the state of Maine at the very time when they are taking away what was left to us in terms of passenger trains between Edmundston and central Canada via Quebec City. There is something wrong there.

So I will deal with the matter of the corridor road later on. For the time being, I would like to congratulate the minister. First, I wish to congratulate him on the honour bestowed on him by being appointed Minister of Regional Economic Expansion. I appreciate that honour because, like him, I come from the Atlantic region. My first loyalty is to Canada and then to the area I represent in the House. I wish him every success in his heavy responsibilities which, I am sure, he has already tackled resolutely.

Now, Mr. Chairman, the specific matter I wish to raise with the minister is that of the developing regions sub-agreement entered into by his predecessor, the hon. member for Lac-Saint-Jean (Mr. Lessard), and the premier of New Brunswick, Mr. Richard Hatfield. Some last minute changes were made to that agreement to comply with certain requirements, which I find excessive, made by the president of the treasury board of New Brunswick who is also the member for the city of Edmundston which I represent in this House. It was understood that the federal government would provide some funds, namely an amount of $1 million, within the framework of that developing regions subagreement, to further upgrade and extend the regional airport landing strip which has been under construction for the past few years in St. Leonard in northwestern New Brunswick. The provincial premier replied that if the agreement did not include moneys for a parking lot in the city of Edmundston in relation to the development of a downtown complex including government offices, a hotel and a shopping centre, he would not let the province share on a 20 per cent basis the ongoing development of the St. Leonard airport. Faced with that situation, the former minister, the present member for Lac-Saint-Jean, had to agree with the province that if the amount of $1 million could not be allocated to extend the airport it would not be spent either on a parking lot related to the development of the downtown complex. Such was the situation during the election. But I want to remind the minister that the agreement was indeed signed some ten days before the election was held.

You know what happened, and the minister's party is now in power. However, the municipalities in the area which were to be the first to benefit from this agreement, an agreement which provided large amounts of money mainly for water and sewage systems, suffered throughout the summer, because during that period they were told that it was not possible to implement the agreement. It was alleged that the necessary funds were not available this year. I therefore ask the minister to confirm whether this is the case, although I have been told that over $1 million could be spent this year to implement the agreement.

Of course, the northwestern area of Madawaska-Victoria was not the only one which was to benefit from this development agreement, because the Northumberland-Miramichi constituency of the hon. member who is listening to me now was supposed to benefit also from the economic windfalls provided under this agreement.

As far as I know, in spite of the urge of Mr. Simard, president of the treasury board for the province of New Brunswick, to sign this agreement right away and sooner if possible, for all practical purposes it has been shelved for the five or six months since it has been signed. And now I am told that some deals were made to withdraw from the agreement the $1 million provided for accelerated construction of the airport and that this sum will be allocated to other projects. Of course, it is quite an embarrassing situation for a minister who inherits a portfolio whose problems were not specifically caused by his own lack of goodwill. My second question to the minister deals with the remarks he has just made in answering my colleague for Gloucester (Mr. Breau). He said that he would not object if the province changed its priorities. I agree with that because certainly the province has the right to modify its priorities and as much as possible the federal government should respect them. But I wonder, Mr. Chairman, what is more important in the global approach of a regional plan concerned with the well-being of a population and its economic progress.

Is it more important for this region to have a city parking lot or the airport facilities it has been requesting since time immemorial? That is where the province's priorities have gone. Since the minister's predecessor had clearly established that the airport was more important than a parking lot it seems to me that any minister should feel compelled to intervene and remind the province that we also have initiating powers. We

have the right to initiate projects, the right to say that in our view one project has priority over another which the province might want to sell us. If we do not reserve this prerogative, Mr. Chairman, it seems to me that we are completely distorting the very meaning of federal-provincial negotiations. It is the very spirit of development agreements which is at stake here and which could disintegrate. I would like the minister to say whether he agrees with me that the federal government has initiating powers. If not, Mr. Chairman, I think that a number of us have wasted our time over the last few years. I believe the minister will say that in many cases we do have not only the right to inspect but also the right to criticize. But since we bear 75 per cent or 80 per cent if not more, if not 100 per cent of the cost of those agreements, at some point we must reserve the right to close the gate and say that is our final decision, we want you, our provincial partners, to accept our priority this time, since we are asking you to contribute only 20 per cent.

Before resuming my seat, Mr. Chairman, I would like to deal briefly with another development sub-agreement, this one on agriculture. I was happy to see the recent opening of an agricultural information centre in the riding south of mine. Mr. Chairman, that will doubtless be very beneficial to agriculture, but in my view, it will not solve a vast number of basic agriculture-related problems in New Brunswick. That agreement provided for the development—funds were even allocated to that effect—for the creation of an agricultural school for the French-speaking people of New Brunswick.

Though new studies have been made on that matter, as far as I know nothing, absolutely nothing, has been decided so far and I understand that if the whole project seems to be in limbo it is because there seems to be disagreement on the specific nature and the site of that training school for young French-speaking farmers.

Well, I for one want not only to express my view in favour of that school for young French-speaking farmers but also to urge the minister to consider that matter as soon as possible, provided he has had no occasion to do it yet, in order to hasten the development of that institution. If that is not done, if the implementation of the project is further postponed, then it is the over-all agricultural sector of New Brunswick which is going to suffer from such failure. Agriculture is not exclusive to the southern part of the province. It is a trade on which hundreds of people in New Brunswick depend, no matter which region they live in.

So I must insist now on the extremely urgent nature of that problem, given the difficult situation in which potato farming has been plunged in recent years, a situation which has not been caused only by the potato industry itself but also by external factors. I have talked enough for the moment, Mr. Chairman, and I will give the minister an opportunity to answer my questions.

• (1650)

[*English*]

Mr. MacKay: Mr. Chairman, I welcome the opportunity to respond to these questions and to assure the hon. member that I will have extensive inquiries made and give him more information later.

On the point regarding the airport to which he refers at St. Léonard, if my memory is not playing tricks on me, I remember having a discussion with Premier Hatfield about this earlier this summer. As I recall, the premier was concerned as a matter of principle about the use of DREE funds to construct or help construct an airport of this type. I remember that he made the proposition that this perhaps would be more appropriate for the portfolio of my colleague, the Minister of Transport, which has in it a fund which is designed to help construct small airports.

Mr. Breau: Have you seen how much he has left?

Mr. MacKay: I have not asked him, but I do not think there are enough funds set aside to make a worth-while contribution for projects. That is the problem. I believe there were only $5 million or $6 million in the fund, and I remember that DREE funds were used in the Strait of Canso area to upgrade and improve an airport. So there is no problem with the precedent involved, but I think it was a philosophical problem the premier had, who wanted these funds to come fom the Department of Transport rather than DREE.

I will look into this matter and see what can be done. I gather the premier's concern was that if the Department of Transport could do it, there would be more funds left for DREE to do other things which he felt would be more closely related to regional development. As the hon. member knows, there is always a philosophical debate at a certain point as to how much good funds do in building certain types of roads or parking facilities as opposed to projects which are oriented more toward the direct creation of jobs. I agree with him that since the federal government pays the lion's share of the DREE projects, the federal government should certainly have a considerable amount of power to initiate or change some of the objectives.

What I was trying to say—perhaps in a clumsy way—is that with respect to the options available to change priorities within the umbrella of general development agreements in my own province of Nova Scotia I know of one subagreement which was put together without very much input from that sector and that department of the province, and as a result it has not been too satisfactory and perhaps ought to be renegotiated.

In the meantime, some of the funds might best be used in—

The Deputy Chairman: Order. It being five o'clock it is my duty to rise, report progress and request leave to sit again later this day or at the next sitting of the House.

Progress reported.

● (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. McCain): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Notre-Dame-de-Grâce (Mr. Allmand)—National Unity—Government policy on sovereignty-association with Quebec; the hon. member for Davenport (Mr. Caccia)—The Environment—Agreement with U.S. on reduction of air pollution; the hon. member for Madawaska-Victoria (Mr. Corbin)—Unemployment Insurance—New Brunswick—Inquiry whether minister will conduct investigation into suspension of certain benefits.

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

PRIVATE MEMBERS' MOTIONS

[*Translation*]

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I think it is well known that we are going to be discussing notice of motion No. 8 in the name of the hon. member for Ottawa-Carleton (Mr. Pepin).

Could notices of motions Nos. 3 and 5 be stood by unanimous consent?

[*English*]

The Acting Speaker (Mr. McCain): The parliamentary secretary has asked for unanimous consent to stand motions Nos. 3 and 5 to proceed immediately to motion No. 8 in the name of the hon. member for Ottawa-Carleton (Mr. Pepin). Is that agreed?

Some hon. Members: Agreed.

* * *

[*Translation*]

HOUSE OF COMMONS

REQUEST FOR ESTABLISHMENT OF SPECIAL JOINT COMMITTEE TO STUDY PARLIAMENTARY REPRESENTATION

Hon. Jean-Luc Pepin (Ottawa-Carleton) moved:

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider proposals which would have the effect of allocating a number of additional members of Parliament at large to each party on the basis of the total number of votes received;

That 15 members of the House of Commons, to be designated at a later date, be members on the part of this House on the Special Joint Committee;

That the committee have power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of their powers except the power to report directly to the House;

That the committee have power to report from time to time, to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the quorum of the committee be 12 members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the joint chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when 7 members are present so long as both Houses are represented; and

That a Message be sent to the Senate requesting that that House do unite with this House for the above purpose, and to select, if the Senate deems it to be advisable, members to act on the proposed Special Joint Committee.

[The Deputy Chairman.]

He said: Mr. Speaker, the pleasure it gives me to rise in this House for the first time in a pitched debate since my return after an absence of seven years is all the greater as this subject is closely related to my previous occupation of co-chairman of the Task Force on Canadian Unity.

On November 5, in reply to my question about the approach to constitutional reform and the action needed to define and achieve a renewed federalism, the Prime Minister (Mr. Clark) said:

I hope he—

—the hon. member for Ottawa-Carleton—

—intends to release—

—he meant "to make"—

—positive and concrete proposals during the coming months, as he has done in the past—

That was very nice of him. As a matter of fact, the proposal I am making today aims at achieving greater unity among Canadians. It is therefore at the request of the right hon. Prime Minister himself that I rise today, and I would like to warn his Progressive Conservative colleagues that he will be furious if he learns that my motion was rejected.

As hon. members will know, this is not a new idea. It even appears among the recommendations made by the Task Force on Canadian Unity in its first report entitled *A Future Together, Se retrouver*. Several concrete formulas have been submitted in the last ten years by well known political experts like Fox, Cairns, Irvine and others, and by at least one politician, the present leader of the New Democratic Party (Mr. Broadbent).

The whole philosophy and mechanics have just been combined in a most useful small book by William P. Irvine under the title: "Does Canada Need A New Electoral System"? I would like to quote the first sentence in the foreword to that book:

[*English*]

Canada's central institutions face a crisis of representation. This has led to a marked loss of legitimacy and hence authority of the federal cabinet, the federal Parliament and the federal judiciary. They are less able to carry through the kinds of accommodation necessary if the country is to survive.

[*Translation*]

This is proof enough of the importance of the issue. I also note with pleasure that the press is increasingly interested in the issue, which indeed is now more or less in. I shall not insist on the details of the formula for selecting members of Parliament over and above those now elected under the majority rule, one per constituency. The subject is more complex. I would simply like to indicate my preference, and in my view the detailed work, the discussion and research should be made in committee, where I suggest we should be guided by experts. I have no intention either to bore the House with statistics. Everything is in Irvine's book, including a preliminary analysis of the 1979 elections in terms of the effects of the current act. I shall mainly and mostly limit myself to a review of the implications of the current electoral system for this country's unity, and the advantages of the measure I am proposing.

I do not feel, Mr. Speaker, there is any need to recall at this point the importance of political parties in the process of arriving at a consensus over a country's objectives and the major ways of attaining them. I mention this because I would like to put on record some comments by my friend Ron Watts, principal of Queen's University and my colleague on the Task Force on Canadian Unity, one of Canada's leading experts on federal institutions. Dr. Watts stated in an article and I quote:

[*English*]

—in those federations where a parliamentary executive has been adopted, as in Canada, the major responsibility for generating a consensus among the diverse linguistic and cultural groups falls upon the political parties. It is true that in other federations political parties play a fundamental role in aggregating the varied internal interests but, in such federations as the United States and Switzerland, the separation of powers between different central institutions provides a framework of checks and balances which require the majority to take account of minority viewpoints. In the parliamentary system, however, all central power is concentrated in the majority which commands both the legislature and the executive. It is within the parties themselves, therefore, that minority viewpoints must make an impression if they are to have any impact on central policy at all. Apart from the desire to capture the majority of seats in the popular house, there is little in the parliamentary framework of the institutions that forces politicians to look for compromises.

Mr. Watts gives an illustration of federations where this role of the parties has failed. He mentions a number of them, such as Nigeria, Rhodesia and Nyasaland as well as the West Indies. He gives a number of countries where, in his opinion, it has been a success, namely, India and Malaysia. But the importance of the point he is making should be obviously, namely, that in a parliamentary system in a federation, political parties have a tremendous role to play in fostering and massaging the consensus that is essential to the unity of these countries.

[*Translation*]

It is therefore incumbent upon Canada's political parties to create, as I said, the necessary compromises on duality, and regionalism in particular. Do they do this? Does the electoral system help or hinder them? Such is the theme I would like to deal with this afternoon. It is still too early in my view to conclude that Canadian political parties have failed to look for and invent these compromises. Personally this is not my belief. Irvine has this to say, and I quote:

[*English*]

It is not the case, in Canada, that conflicts of interest between English and French Canadians are so intense that parties cannot get votes from both camps.

[*Translation*]

And I think that the same conclusion applies to regionalism. There still is regional representation in the larger parties, in the three parties I have in mind. The two larger parties still have a Pan-Canadian basis and the third is making progress at the regional level. However, and I call on the patriotism of my colleagues and their intelligence, this dualistic and regional representation basis has shrunk in the last election at least in the case of the two main parties. And particularly the result of the last election in terms of the geographic location of the seats gained by the political parties implies a significant polarization of the vote according to regions and languages.

Yet, it is not the vote which is polarized as much as the distribution of seats.

Those are the facts. I do not have time to quote everything but the situation of every party is very well analysed by Mr. Irvine. However, the blunt fact of which my colleagues are perfectly aware is that with 14 per cent of votes the Progressive Conservative Party obtained only two seats in Quebec which is only 2.3 per cent of the representation. In 1974, with 19.5 per cent of the vote in Quebec it obtained three seats which is 4 per cent of representation. This is an abnormal, regrettable and dangerous situation. At the same time in 1979, the Liberal party obtained only three seats west of the Ontario-Manitoba border, which is 4 per cent of the seats, even though it got 22.6 per cent of the vote.

Consequently, a part of the public believes that our political parties have already lost their national dimension and you often find those words in newspapers and on the lips of otherwise very intelligent people. And the concerned public fears that the process has already started. Then, Mr. Speaker, maybe this is becoming true or at least this is an impression that should be corrected as soon as possible for the sake of our survival as a nation as impressions are extremely important in that area.

Then, whatever the importance of the other aspects of the constitutional reform—the distribution of powers, the Senate, the Supreme Court, the amending formula, the repatriation,

the protection of basic rights and so on—the reform of our election legislation might be even more urgent than all the other aspects I have just mentioned.

● (1710)

[*English*]

What is this reform? What is this notice of motion which I am introducing today? People know that our plurality single member system, our "winner in each riding takes all" system which has obvious advantages, particularly in terms of executive stability, tends to over-represent the largest party in each province and countrywide. We all know that this system tends to under-represent the second party and seriously under-represent third parties with dispersed popular support. That does not apply to our friends in le parti Crédit Social du Canada.

I have already indicated in national unity terms how dangerous this was, but the task force on unity said it in so many words. At page 105 the first report reads as follows:

> The simple fact is that our elections produce a distorted image of the country, making provinces appear more unanimous in their support of one federal party or another than they really are.

It continues, a few lines later:

> Under our current electoral system, which gives the leading party in popular votes a disproportionate share of parliamentary seats in a province, the regional concentration in the representation of political parties is sharply accentuated. This makes it more difficult for a party's representation in the House of Commons to be broadly representative of all the major regions.
>
> In a country as diverse as Canada, this sort of situation leads to a sense of alienation and exclusion from power.

Adequate representation for some provinces, some regions, or one of the two main cultural groups is denied to some political parties—that should be deplored strongly—in spite of the fact that these parties attracted substantial numbers of votes in these provinces, regions or cultural groups. The whole thing downgrades the representative capacity of caucuses and the whole process of party policy formulation. Also it downgrades the representative capacity of cabinet for the party which is in power, and the legitimacy and credibility of the central government itself. In my view it might lead to an over-decentralization of federation which otherwise might have been avoided. With respect to cabinet, the present situation forces the government in some ways to use means to correct this system which puts most parliamentarians ill at ease. Of course, I am referring to inter-party transfers and to appointment to cabinet from the Senate. More generally, parties with truncated caucuses are prevented from doing their jobs as consensus developers, and to me that is tragic.

What is the remedy? The perfect system does not exist. Irvine said it very well, that no system is perfectly even-handed to all parties. The best system is the one that best suits the particular needs of a country at a particular time in its development, as Aristotle would say. At this particular moment national unity is a major preoccupation. Among academics in particular and some politicians, it is generally believed that a mix of the single member plurality system which has the advantages of simplicity, tradition and, as Irvine stated, "cements the link between constituent and representative" and produces a more effective government, with a proportional representation list system which would ensure fairer representation to regions and minorities, is what Canada needs. I repeat, it would be a combination of constituency members of the House of Commons and at-large members, or national or provincial members. That is what is referred to as "dual representation".

Various proposals have been made. Some add at-large members to the present composition of the House. Other propositions reduce the present number, in order to make room for a greater number of at-large members. The at-large membership would have a great number of advantages. As I said, it would ensure a more adequate representation from all regions and the two main cultural groups in party caucuses and cabinet. Consequently it would increase the sensitivity of parties to regional and minority views. It could help parties develop links with interest groups which are important provincially and nationally. It could encourage parties to campaign everywhere, instead of concentrating on some ridings in order to obtain more seats with fewer votes, which is done sometimes.

Also it could improve the diversity, the specialization and the stability of political personnel and help develop a cadre of experienced politicians. It could help to broaden leadership professionally and geographically. It could contribute to the efficiency and the morale of party organization. It could ensure a better control of bureaucracy. I could go on; the advantages are quite numerous.

There is friendly opposition to my motion; they will oppose it. I expect that. Generally speaking, the arguments invoked will be those against proportional representation, encouragement of ideological dispersion, multiplication of parties, formation of regional parties, more power to third parties, formation of minority governments or that sort of thing. That is what I expect. For those of you who will, would you kindly allow me to recommend that you think about this further and that you also read Irvine, because these consequences are not necessarily so—"they ain't necessarily so", as the song goes.

● (1720)

I want to emphasize also that my recommendation would be for a rather small number of at-large members. As you may know, the task force on unity recommended 60. When members attack the proposition in the motion I hope they will not feel too pleased with themselves because it may be that a further reading, and some of my colleagues have admitted this, will convince them that my motion "ain't" that crazy.

Professor Irvine mentions four conditions that would bring members of this House to change their minds, and this is going to be my last paragraph. They would shock them into it, as he suggests. These four elements are: a sustained period of minority government, and we have had that; the NDP holding the balance of power; substantial erosion of the Liberal vote in Quebec by third parties; and a heightening of the English-French polarization in the House of Commons. I suggest that we have already experienced conditions one and four at least.

May I also suggest that we do not wait until we have experienced all four because it might then be too late.

Mr. Irvine suggested it is possible that the situation might require political parties to rise above self-interest. I will end on that note, Mr. Speaker, because that is a good quotation. I hope my colleagues will do that. I offer now the possibility of sending the matter to the committee where these matters would be discussed and experts heard. It seems to me that the motion is in the national interest, Mr. Speaker.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I notice that other members would like to get into this debate, so may I say to them at the outset that my remarks will be very brief.

One of the reasons for my brevity, but also for my wanting to say what is on my mind, is that my leader, the hon. member for Oshawa (Mr. Broadbent), supports very strongly the principle placed before this House this afternoon by the Hon. member for Ottawa-Carleton (Mr. Pepin), and on an appropriate occasion will present the case as he sees it.

Indeed, as my friend the hon. member for Ottawa-Carleton will recall, my leader appeared before the Pepin-Robarts task force and presented this very idea, namely, that we should have in this House of Commons a mix of the single member plurality system and a dose of proportional representation. As I say, my leader will develop this on a later occasion, so it is not necessary for me to do more now than say to the sponsor of this motion that his idea is not as crazy as some of its opponents may suggest.

We in this country quite frankly do have quite a problem in achieving a balance among the regions and the various groups. We have a very difficult problem in connection with proportional representation as among the provinces where we have two, three or four provinces that are large and growing, the other six or seven provinces being smaller. As the hon. member has pointed out, every election produces a result in which the party that gets the largest number of seats has a percentage of the seats in the House much larger than its percentage of the votes. It works down so that the second party may come out fairly close to its percentage, though even it can be short, and the third party and the fourth party can be way down. As a matter of fact, to put it in precise terms, if we had the number of seats in this House that our percentage of votes in the last election warranted, we would be about twice as many as we are. I hope that does not put it into the minds of some members that they should oppose this motion. Certainly we support the general idea that neither a House completely on the basis of single member plurality nor a House completely on the basis of proportional representation would work in Canada. What we need is a mix of the two.

There are many countries, especially in western Europe, that have mixes of this kind. We have experimented at times with this a bit in provincial terms, both in Manitoba and in Alberta. I strongly support the suggestion of the mover of this motion that this should be studied very carefully and very thoroughly.

As I say, I am going to sit down now so that other members can speak, but I did want to remind my friend that this idea was proposed, no doubt by others, but certainly to the Pepin-Robarts task force by the hon. member for Oshawa. He also proposed it in this House in the context last session of the debate about the Senate. In fact, it was his suggestion that instead of replacing the Senate we have now with the kind of "House of the Federation" proposed by the former government, it might be better to abolish that place and bring in to this House a number selected on a regional and proportional basis. At any rate, that case will be made later by my leader. In the meantime, I indicate our support of the principle of this resolution and I express the hope that the hon. member has the support of his own party as well.

Mr. Alex Jupp (Mississauga North): Mr. Speaker, I would like to begin by mentioning that the mover of the motion, the hon. member for Ottawa-Carleton (Mr. Pepin), was kind enough to send me a monograph of the book "Does Canada Need a New Electoral System?" by Professor Irvine. I have taken the opportunity of reading through it and of considering the arguments that Professor Irvine puts forward. As the hon. member will know, he sets out as well some of the traditional arguments that have been posited against his eventual recommendation, and I want to address some of those during my time today.

I also appreciate that as one reviews the various motions and bills which have been put before this House, one will see that very few of them are designed to improve and have the purpose of improving Parliament as an institution. I think that is a shame because I am persuaded that Canada's institution of Parliament very much needs improvement in terms of representation, in terms of effectiveness and in terms of efficiency. I am not so sure this motion addresses those particular shortcomings of this Parliament, but I want to mention a little more about that as I go on.

In addition, I have been distressed in this House at the exceedingly high degree of partisanship which is exhibited, no matter what issue is under discussion, and I have a feeling that the effect of the motion could be to exacerbate the degree of partisanship which prevails from time to time. Many members I think are more interested in scoring political points than addressing the issues at hand.

When we consider Parliament, we must, as the hon. member for Winnipeg North Centre (Mr. Knowles) has pointed out, and whether we like it or not, include the Senate, which is an integral part of the parliamentary system in this country.

● (1730)

While the motion addresses the House of Commons alone, I want to say a word about the other place as a part of the parliamentary process. It seems strange to me that no one ever seems to be very happy with the situation of the other place. As one looks over historical documents, it seems strange as well that no one, other than, maybe, the incumbents of the other place, has been happy with it. Throughout the 11 years of the previous administration the then prime minister, now

the Leader of the Opposition (Mr. Trudeau), spent a considerable amount of time talking about ways and means of reforming the Senate. Despite all the discussions, all the papers and all the propositions put forward, the position at the end of his tenure was the same as it was in 1968 when he became prime minister.

Prior to the last election, the various parties presented papers on the question. This party, now the government, presented a paper entitled "The House of the Provinces", the Liberal party presented a paper entitled "The House of Federation", and, of course, the New Democratic Party called for the abolition of the other place and proposed that it be replaced by adding 100 members to this House.

On October 25 *The Citizen* published an interview with Professor John Crispo, an expert in economics, politics, business, journalism and parliamentary procedure, if you accept his word for it. In his new book entitled "Mandate for Canada" Professor Crispo proposes to reform the political process and Parliament. He proposes to do it in much the same way as has been advocated by the New Democratic Party. New members of Parliament would come from party lists made up of candidates selected by their party and elected on the basis of proportional representation. He said that the party-list members would campaign nationally, along with the party leaders, to free them from parochial constituency concerns. He said that this means "you wouldn't have only one Liberal member west of Winnipeg."

In his book Professor Crispo goes on to say that if he were prime minister he would take steps to increase the salaries of federal members to $100,000 per year. I assume that while there may be some things about his book that the hon. member for Winnipeg North Centre might support, he certainly would not support that proposal.

Mr. Knowles: You are absolutely right about that.

Mr. Jupp: Professor Crispo went on to say that higher salaries would attract better people, and parliament would become more effective. I would share the view of the hon. member for Winnipeg North Centre that Professor Crispo is not any more accurate in that assessment than he is in any other.

Some hon. Members: Hear, hear!

Mr. Jupp: In fact I would say that when one considers the various recommendations that had been made to improve the other place, they cannot help but make the Senate look good. Unfortunately, this has led us back to the status quo—to say that the other place does not really need to be reformed because all the proposals of the various political parties seem to have more disadvantages than advantages when subjected to the scrutiny of public opinion.

We need to ask ourselves if there is room, in a democracy, for an appointed upper house. If the answer is yes, then we must address the system of appointment. Many distinguished men and women who have made great contributions in business, in the trade unions, in agriculture, education, and the social services, are presently excluded from the political process, primarily because they are not actively partisan.

Let me return to the motion, Mr. Speaker. I think motion No. 4 provides hon. members with an opportunity, to pursue the matter when it is referred to the Standing Committee on Privileges and Elections. The motion deals with the need for redressing the regional imbalance in the House of Commons. That seems to be the essential point of the rationale and the essential basis for the suggested changes.

Two major parties have been referred to, but I would suggest that we now have three national parties in Canada. I consider the New Democratic Party a national party. All three parties are represented in Canada from coast to coast and, in five provinces, all three parties are represented. It is true they are variously weak in different parts of Canada and I appreciate that the motion is intended to redress that imbalance.

There is little argument with the contention that a more balanced representation would lend a more national focus to national party perspectives. I agree it would give the government an improved perspective on the problems and issues in Quebec if we had more representation from that province. As well, it would give the official opposition a better perspective if they had more representation from western Canada.

Not too long ago the Leader of the Opposition went to Calgary and Edmonton to put the cause of his party and his position before audiences there. It is interesting that just after this, *The Globe and Mail* ran an article with the headline "Trudeau Just Doesn't Get the Message". In the 11 years he was prime minister, the Leader of the Opposition never understood western Canada and that was the main reason for the poor showing of the Liberal party there, the party that once had such a solid hold in the west that it was almost unchallengeable. I speak as one who was born and raised in western Canada, Mr. Speaker. At different times in my life I have lived in the maritimes, British Columbia, Quebec, and now I live in Ontario.

The question is whether the problem of regional imbalance can be addressed by adding 60 or 100 members to the House of Commons, as is proposed by the New Democratic Party. I think the President of the Privy Council (Mr. Baker) touched on some of the logistic problems today. He mentioned the frustration that members of Parliament experience through being unable to put a position forward in the House. Under the proposed solution, more problems might be created than we could ever hope to solve.

Had 60 members been added in the recent federal election on the basis of proportional representation, the breakdown would have been along the following lines: The Liberal party would have 24 more members, the Conservatives would have 22 more members, the New Democratic Party would have 11 more, and the Social Credit party would have three more. I can only point out that had those members been in their places last Tuesday night, the government would have been defeated by a vote of 173 to 165.

Some hon. Members: Hear, hear!

Mr. Jupp: I would interpret that differently. I would say it is one undesirable consequence of this motion.

I think there are other consequences equally undesirable, Mr. Speaker. One is that two classes of members would be created within the House of Commons—one class representing constituencies and the other representing the population at large. One thing that all members of Parliament have in common at present is that they each represent a constituency. We must keep in touch with the grass roots and be responsive to public opinion. There are other reasons as well.

I think there would be an inclination, if the motion were adopted, for the parties to draw their leadership from the lists rather than from those who seek office in a particular constituency. That would be a normal reaction. It would free the leaders of parties from having to campaign within their constituencies, but it would have undesirable consequences. It would made the leadership of the parties less responsive to public opinion. Nothing brings a member of Parliament down to earth more quickly than going back to the constituency and learning what the constituents have to say about what he or she has been doing.

Those at the top of the list would be assured of election and the system would lead to a stagnation of the political elite, as the established party leadership protects its own position at the top and frustrates the political newcomers.

It would encourage the formation of new parties. In my opinion there is no doubt about that, because their leadership would be assured of a seat in the House of Commons if the party obtained even less than 2 per cent of the national vote. This would have the consequence of creating single issue parties. We would see national political parties created across this country that would have as their purpose nothing further than the possible introduction of capital punishment. Another political party might call for the repeal of the abortion lows. Another might call for the repeal of the gun laws. And, heaven forbid, another political party might call for the restitution of prohibition. This conveys to hon. members some of the dreadful consequences of what could happen were the motion eventually followed through and accepted by the government.

Despite the lofty motivation by the mover of this motion, I believe that the negative consequences would outweigh the advantages to Canada's political system. We do, however, need a dialogue in the debate on how some of the advantages might be achieved within the context of our present system of direct representation.

● (1740)

In giving my maiden speech in the throne speech debate, I discussed the desirability of introducing changes to the elections act in order to provide for prescribed election dates, that is to say, every four years we would have an election in this country at a time ideally suited to Canada, subject to the government always maintaining the confidence of the House of Commons. In the event it did not and the government fell, and a new election was called, we would then return to the four year rotating basis. This would enable all political parties to play the same rules. It would enable candidates in those provinces in which their parties are not normally in favour to be able to get into the field early enough. They would know precisely the date of the next election. They could then work hard to overcome the disadvantages which their national party might have in the particular region. Candidates could organize themselves so as to increase the likelihood of success because of the institution of prescribed election dates.

The last election which resulted in this Thirty-first Parliament was a ghastly experience for many candidates. We were geared up for an election several times. Parties lost some of their best candidates as the result of the prolongation of election periods. The proposals that I have made which I think would have the effect of mitigating some of these circumstances outlined by the mover, would be superior in terms of its consequences.

In conclusion, I commend the mover for putting forward his idea for public debate. I hope he will pursue it in the standing committee. However, I would argue that it does not address the real problems of parliamentary representation or effectiveness.

Members of Parliament should enter this chamber through the front door as elected members of constituencies rather than the through the back door because they have been able to get their names on the top of party lists.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, first I would like to congratulate the hon. member for Ottawa-Carleton (Mr. Pepin) for presenting this motion designed to allot to each party a number of seats proportionate to the number of votes they get. I regret, however, that the Liberal group that had been in power for 16 years did not find time to introduce a bill of that nature. It would certainly have received considerable support in the House.

I shall be brief, Mr. Speaker. For a few months now the Liberals have been in opposition; they have had time to think things over and now they come with a motion to place democracy at its proper place. Mr. Speaker, it is obvious, as our leader, the hon. member for Beauce (Mr. Roy), said on October 11, that the Social Credit party does not have enough members in the House to adequately represent the high percentage of votes received compared to any other party in the House of Commons. And on that matter, I think the previous speaker and myself do not have the same figures, because we do not obtain the same results in our calculation. At all events, we will surely have the opportunity to come back to that matter.

The hon. member for Beauce had then taken great care in his remarks on the Speech from the Throne to enlighten us as to the professional representativeness of members. Indeed, an analysis of the outcome of the last general election shows that

a Progressive Conservative member represents 32,000 voters; a Liberal member, 40,000 voters; a New Democrat member, 78,800 voters, and a Social Credit member, 105,000 voters. Mr. Speaker, these figures are from the report of the chief electoral officer. I am not making up anything. I am just looking at the results. In light of these figures, comparing the representation of Canadians who voted for the Progressive Conservatives and that of those who voted for the Socreds, we would have 15 members in the House if proportional representation did exist. If we compare ourselves with the Liberals, we should have 13 members in the House. Those are the two oldest parties in the House. They are very much alike and they would be happy if there were no other political group in the House. But I want to tell the House that if there are others, it is because those two have been running the country ever since confederation. Had they been judged satisfactory, there would be no other political party. That is democracy. We should not complain about the fact that some Canadians get together to defend the same principles and express their beliefs in the House of Commons.

Mr. Speaker, as we can see our struggle for the protection of the rights and privileges of the Social Credit Party of Canada was fully justified. I would like to underline the words of the hon. member for Papineau (Mr. Ouellet) who, last week, as can be seen at page 1054 of *Hansard*, said, and I quote:

> Since the waning political party led by the member for Beauce (Mr. Roy) was not even in a position to run candidates in every Quebec constituency and had no candidate in any other Canadian province—

—while we had fielded 74 candidates out of a possible 76, it was only because of a mishap that we did not run the full 76. But we did have candidates in six Canadian provinces. The hon. member therefore had not verified his facts too closely before saying that we had fielded candidates only in the province of Quebec. As to the "waning" bit, Mr. Speaker, I rather like it. As a former farmer for many years, I used to watch the beautiful sun setting in the evening, which would encourage me to get up in the morning to make hay. Those who say that our party is waning should not forget that it has met with severe mishaps over the past few years. They should pray the Almighty to protect them against such misfortune. We were forced to get organized at the very last minute and we did the utmost to try to offer the Canadian people some other alternative to the traditional choice. Under these circumstances, Mr. Speaker, I do not want to hurt the feelings of the hon. member for Papineau, but I suggest to him that, when he deals with this issue, he should make comments which are more in line with the facts. I am not asking him to be more charitable, merely to be more just, because justice and charity are two different things. But we have the obligation to practice both virtues.

For all these reasons, Mr. Speaker, I should like to give another member of the Liberal formation the chance to deal with this motion. Although I want to speak very briefly, I want to say not only that I support the principle of the motion, but that I should like this motion to be really considered in a committee, in order to find a way to eliminate the shortcomings of our election system and thereby improve the democratic process in our country. As for me, I am all for democracy, but the real democracy I like to live by daily in the House in our discussions and our relations between Canadians. I want that democracy to be really in our minds. We should live by it as perfectly as possible. That is why I support the motion as does my group here in the House, like the Liberal group, and I do hope, as was expressed earlier by the group of the New Democratic Party, that we all agree on that and the sooner it comes the better.

Mr. Speaker, if you wonder why I am always speaking in terms of "groups", it is because in his statements in the House the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen) always refers to us as the Social Credit group, whereas we form part of a party, the Social Credit Party of Canada. If they want to speak with different words, I am prepared to go along, but I will keep on speaking in terms of "groups" when referring to other political denominations. And I do hope that one day the Speaker will have his say and straighten out the record in that respect, for it will be in the best interest of democracy.

● (1750)

[*English*]

Hon. John M. Reid (Kenora-Rainy River): Mr. Speaker, if we were sitting down to design an electoral system for Canada, one of the things we would like to do is work out a system where one candidate in a constituency would get at least 50 per cent of the votes, that whatever combination of individuals or parties form the government they would have at least 50 per cent of the votes in the country, and that when we come to make decisions in the House of Commons those decisions would be taken by representatives at least representing 50 per cent of the votes in the country. However, what do we have?

We have a system that permits, in a three-way race, a member with as many votes as 33.1 per cent to be elected as representing that region. It has happened. We have a situation in the House of Commons where the government was elected with 36 per cent of the votes cast by Canadians, while Her Majesty's Loyal Official Opposition received 40 per cent of the votes. We have a government coalition made up of the Progressive Conservative Party and the Social Credit party which represents about 41 per cent of the votes cast in the last general election.

To draw the analogy even further and to be honest about it, when we formed the last majority government elected in 1974, we only had between 43 and 44 per cent. I believe there has only been one government in Canada that has been elected with more than a majority of the votes cast, that being the government of the Right Hon. John Diefenbaker in 1958.

When you put on the table what logically ought to happen and what in reality happens, you get a considerable gap. When

I was a backbencher on the government side, it used to worry me that we were the government with 42 to 44 per cent. We did not have a majority in the public at large, but we did have a majority in the House of Commons.

What we have now is a system that, in effect, elects minority governments by popular vote, even though the way those votes are allocated in a purely artificial and historical way results in a majority of seats in the House of Commons. When you examine the situation, you have to agree there there is no logic or rationale to it. Like Topsy, it is something that has "just growed." We have a system that is not satisfactory.

Why is it not satisfactory? I will make the argument that it is not satisfactory because it is a system with which the Canadian people are becoming less and less content. That is because the way it operates ensures that their wishes are not represented in the House of Commons. The will that they express in casting their votes is distorted. Therefore, what we have in the House of Commons is a distorted image of what the electorate has actually said.

I want to demonstrate that by using some statistics that are easily accessible. I will use a number of years, commening with the year 1968. I will give the percentage of votes for three provinces which I have deliberately selected to show the variations.

In the province of Quebec in 1968, the Liberals received 54 per cent of the vote but 76 per cent of the seats, a tremendous distortion. The Progressive Conservatives had 21 per cent of the vote but only 5 per cent of the seats, an even greater distortion. The NDP received 8 per cent of the vote and no seats. The Social Credit party had 16 per cent of the popular vote and received 19 per cent of the seats, a distortion. In no case was anybody remotely close in terms of their seats with respect to the percentage of votes they received.

I will give the comparable figures for Manitoba. In Manitoba the Liberals received 42 per cent of the votes and 38 per cent of the seats, not a bad fit. The Progressive Conservatives received 31 per cent of the votes but 38 per cent of the seats, a distortion. The NDP was right on, 25 per cent of the votes, 24 per cent of the seats.

Let us look at Alberta. Alberta gave the Liberal party 36 per cent of its votes, and 21 per cent of the seats, under representation. The Progressive Conservatives got 50 per cent of the votes but 79 per cent of the seats, and the NDP received 9 per cent of the votes and no seats.

Let us look at the same figures for 1972. In Quebec the Liberal vote was 49 per cent of the votes and 76 per cent of the seats, a drop of 5 per cent in the popular vote but no difference in the percentage of seats. The Conservatives received 17 per cent of the votes, 3 per cent of the seats; the NDP 6 per cent of the votes and no seats, and the Social Credit 24 per cent of the votes and 21 per cent of the seats.

In Manitoba the figures were more interesting; the Liberals 31 per cent of the votes and 15 per cent of the seats; the Progressive Conservatives 42 per cent of the votes and 62 per cent of the seats, and the NDP, 26 per cent of the votes and 23 per cent of the seats. In Alberta the Liberal party received 25 per cent of the votes and no seats; the Progressive Conservative party 58 per cent and 100 per cent of the seats; the New Democratic Party 13 per cent of the votes but no seats; and the Social Credit 5 per cent and no seats.

I think the point is clear. If you examine carefully what actually happens in elections, Canadians in Large regions of the country are being discriminated against because their votes do not show up in the political results of those elections. The distortions we have built in totally wreck any kind of valid exchange.

There are about two minutes remaining. The government wants to change private members' hour to allow votes to go through and to allow private members' hour to have an effect. I appeal to the government whip and the parliamentary secretary to show their good will by allowing this motion to pass.

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, there were a number of points I was hoping to make, but most have been made by the hon. member for Mississauga North (Mr. Jupp). However, I would like to stress the point regarding the two classes of members, those who come through the front door and those who come through the back door. That is extremely important. We are not all equal; we do not get here the same way. The hon. member was absolutely right in that. I ask the hon. member for Ottawa-Carleton (Mr. Pepin) why he thinks this should be a joint committee of the House of Commons and Senate? By what virtue do Senators have any right to take part in a matter of democracy in this country?

The Acting Speaker (Mr. McCain): Order, please. The hour appointed for the consideration of private members' hour having expired, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

APPROPRIATION ACT NO. 1—1979-80

The House resumed consideration in committee of Bill C-23, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1980—Mr. Stevens—Mr. Scott (Victoria-Haliburton) in the chair.

The Assistant Deputy Chairman: When the committee rose at five o'clock, schedule D was under consideration and the Minister of Regional Economic Expansion had the floor.

Mr. MacKay: Mr. Chairman, I was in the midst of replying to some pertinent questions which the hon. member for Madawaska-Victoria had asked. The one I was about to deal with involved an agricultural institution which had been talked about and which has not yet become operative. I have had an opportunity to look into this matter over the supper break to refresh my memory about it, and I will put on record some of the data I learned.

The provincial minister of agriculture has stated his intention to put into place Francophone agricultural training by the fall of 1980. DREE agreed with the province to follow up the recommendation of the provincial agricultural study by considering ways and means of making agricultural training available to Francophones in New Brunswick, and it is my understanding that the provincial government is considering the establishment of a facility in northwest New Brunswick. I believe the province will seek federal assistance from DREE in particular for the purpose of establishing this facility, and when DREE negotiated the current agricultural subsidiary agreement with New Brunswick the possibility of such assistance was contemplated. Should it be requested I am certainly ready to consider additional federal aid. As I understand the hon. member's reference to $1 million—

Mr. Corbin: For the airport.

Mr. MacKay: —I understand there was no specific basis for that proposed educational facility. I also understand that there has been a real problem, as one so often finds in connection with this type of situation, in finding the ideal place for such a facility, and that a former deputy minister of Quebec, Mr. Mercier, was brought in to help evaluate the situation, also, that there was at one point a question as to whether existing institutions might be able to provide that kind of training, which would avoid having to build a school or college for that purpose. However, as I said earlier, I understand the province intends to go ahead with it in northwestern New Brunswick, and my department is very sympathetic toward the idea of assisting in this regard.

[*Translation*]

Mr. Corbin: Mr. Chairman, I would like to thank the minister for his replies. They will shed some light on the matters I inquired about before recess. However, I would like to come back to the issue of the airport and the comment, which he quoted, made by Premier Hatfield when they met a short time after the hon. member became Minister of Regional Economic Expansion. Premier Hatfield implied that he was not in favour of using funds from a federal department concerned mostly with regional economic development for airport facilities or buildings. This is the whole essence of the question, Mr. Chairman. My constituents and myself were told by officials of the air services section, airport facilities, of the federal Department of Transport that it was difficult, if not impossible, to justify the construction of a 6,000-foot runway for jets to link northwestern New Brunswick with the service already provided in Charlo, in the northern part of the province, and in Chatham, in the east. We were told that it was impossible to justify such an allocation of funds, and we were told this by the officials and the advisers of the then minister, the Hon. Otto Lang. We then thought that the Department of Regional Economic Expansion should have a role to play in such situations when other departments do not feel justified in doing the things that need to be done. This should be the basic and the major role of the Department of Regional Economic Expansion, namely, to take action when other departments cannot or will not under the law. Otherwise, who needs a Department of Regional Economic Expansion? And what does Premier Hatfield find to say about this when the federal government is paying 100 per cent and 110 per cent of his road building costs as well as legal and engineering fees? He has the gall to tell the Minister of Regional Economic Expansion that his department should not involve itself with airports while we are defraying the entire cost of his roads. This is completely ridiculous! If there is one thing that the Department of Regional Economic Expansion should do, it is to intervene in such cases and to do so vigorously and energetically, Mr. Chairman. I simply can not accept this. I respect the minister very much and I know that he wants to promote the development of the region that we represent in the House of Commons. However, I do not accept the arguments attributed to him to the effect that his department should not get involved in such projects. This is quite inaccurate. And I implore the minister to re-examine this case, to consider it especially in light of the wants of the local population. I have here a letter sent to Premier Richard Hatfield on May 15, 1979, by his predecessor, the hon. member for Lac-Saint-Jean (Mr. Lessard), which says, and I quote:

● (2010)

[*English*]

Dear Mr. Hatfield:

I have received your telex of May 9 and your letter of May 8, 1979, concerning the proposed developing regions subagreement.

[*Translation*]

I must emphasize at this point that the agreement had not yet been signed and that the point of contention was precisely the funding for the airport project. Minister Lessard goes on to say:

[*English*]

My support for the airport project was based upon the unanimous views of municipal and industrial development groups, that the airport was the number one development priority.

[*Translation*]

By what right can a provincial government come by the back door and suggest to the minister that the airport development project is not the number one priority in northwestern

New Brunswick, and that a parking facility for a small downtown complex in Edmundston comes before the development of an airport and hence economic development? That is totally beyond me, Mr. Chairman. I therefore implore the minister tonight, I will not beg him on my knees, but I do urge him to re-examine this case and give justice to the people of northwestern New Brunswick. If the Minister of Transport (Mr. Mazankowski) wants to change his policy, he will first of all have to come before the House of Commons to tell us that he indeed has the funds necessary to expand the airstrip from its present 4,000 feet to 6,000 feet. But I have news for the Minister of Transport and for the Minister of Regional Economic Expansion (Mr. MacKay), news which is not very encouraging but which reflects the sorry state in which the eastern provinces find themselves when it comes to getting their share of the pie. We have a regional carrier called Eastern Provincial Airways (1963) Limited. This regional carrier which has held service rights since 1967 for the Atlantic region is interested in acquiring Nordair with other partners and yet the chances of its succeeding in a bid are virtually nil to the extent that when questioning the Eastern Provincial Airways officials at a private meeting, I was told that it is not very likely now that in the foreseeable future their company will be able to provide us with a jet passenger service as is the case for Charlo and Chatham. Worse than that, the company is considering a reduction in the level of services offered to these two other locations. I hope that officials from the Departments of Transport and Regional Economic Expansion will be able to advance arguments to justify building a 6,000-foot runway at a time when the regional carrier is no longer interested in it at least for the next few years to come. There has got to be something going wrong some place, Mr. Chairman, and I will gladly give full credit to the government members who sit across the floor, if we can extend the Saint-Léonard runway to 6,000 feet. I will be the first to congratulate the government for it but what is important is that it must be done without partisan considerations whatsoever. This was the point I wanted to make this evening, Mr. Chairman.

[*English*]

Mr. Allmand: Mr. Chairman, last week we had a visit from the chiefs representing the bands in the Qu'Appelle Valley area of Saskatchewan who were here to voice serious grievances about the implementation of the DREE agreement respecting the Qu'Appelle Valley. This is an agreement which was, among other things, to straighten out the Qu'Appelle River, control water levels, purify the water system, and improve tourism and recreation opportunities along the Qu'Appelle River. This agreement—and I am trying to reach the Minister of Regional Economic Expansion in bringing up these grievances—affects eight Indian bands representing 6,000 registered Indians and 176,000 acres of Indian land.

The difficulty is this: the authority administering this DREE agreement in Saskatchewan on the Qu'Appelle River has been operating with little consultation with these Indian bands. The Indians get very short notice one day that parts of their lands are to be flooded and that they must remove their cattle from the land so that work can take place, and because of this what I would call very blatant disregard of individuals and peoples who are along the territory subject to the DREE agreement, they came to Ottawa to voice their grievances.

They told me that they tried to see the Minister of Regional Economic Expansion to explain to him how they were being treated by officers of both the Saskatchewan government and the federal government who administer this agreement, but that the minister could not or would not see them. I hear that the Minister of Indian Affairs and Northern Development saw them, but not the Minister of Regional Economic Expansion. If he has seen them, that is well and good, but I hear that he did not at that particular time. If he did, what I was shocked by was not that the minister treated the Indians this way, but that the officials who implement and administer this agreement would have so little consideration for such a large group of people who have such important rights in the riparian lands along the Qu'Appelle River. What can the minister do, or what does he intend to do to make these officials more accountable to him, one of the political authorities in this agreement?

I see that the agreement is a $44 million agreement. Of that from the minister's department is a contribution of $18 million, and there are other moneys contributed by other departments of the federal government. However, the minister's department is the principal department. I would like to know what might be done by our Minister of Regional Economic Expansion to make these officials more accountable to his authority and perhaps to an authority in Saskatchewan. Further, will the minister instruct these officials to take a more enlightened approach to consultation with these eight bands, the 6,000 registered Indians in that area? Knowing the minister's approach to these matters, I am sure that if he knows about these things he would try to correct them. I would like to hear his response to these particular problems.

Mr. MacKay: Mr. Chairman, I will certainly pay close heed to what the hon. member has said. I want to assure him that it is my intention and that of my colleage, the Minister of Indian Affairs and Northern Development, to improve the situation by giving the Indian people representation on the Qu'Appelle board, which they never had before under the hon member's government.

Mr. Allmand: I never had these complaints. This is the first time they have come to Ottawa.

Mr. MacKay: I respect the representation the hon. member has made, and I certainly regret that if those people wanted to see me they did not have an opportunity to do so, and I will undertake to meet with them. However, my colleague assures me that he has met with them, and we will check to see whether there is any insensitivity or any lack of regard for the legitimate rights of these people. I am grateful to the hon. member for bringing this to my attention.

[*Translation*]

Mr. Roy (Laval): Mr. Chairman, first I would like to congratulate the Minister of Regional Economic Expansion (Mr. MacKay) who is also responsible for the Canada Mortgage and Housing Corporation. Tonight I shall dwell on the activities of the Department of Regional Economic Expansion and I will tackle the question of the Canada Mortgage and Housing Corporation constructing homes for elderly people when we study Bill C-20 which, although sponsored by the Minister of Finance (Mr. Crosbie), is indirectly related to the activities of the Minister of Regional Economic Expansion.

Mr. Chairman, the report published by the Department of Regional Economic Expansion at the beginning of 1977 stressed the critical state of the economy in the province of Quebec, especially in greater Montreal. Following this study, the department had decided to create a special zone in Montreal to develop the economy, to develop the industry with a view to creating jobs in Montreal itself as well as in the metropolitan region.

● (2020)

Mr. Chairman, that agreement signed in July, 1977, covered a period of three years due to end soon. I would like to know from the minister what the intentions of the government are. Does it intend to continue to consider Montreal and its suburbs as a special area as a result of the many requests that have already been made by members from that area, which were also endorsed by the Montreal Chamber of Commerce at its annual meeting? Then I think it would be important that the minister say to the House how he intends to continue this program and whether he intends to amend the grant structure and selection standards.

Mr. Chairman, after two years of operation the grants that were distributed or handed out by the Department of Regional Economic Expansion totalled $47 million, which means a total investment of $275 million in the metropolitan area. But because of circumstances that might not have facilitated investment in Quebec, particularly in the Montreal area, the anticipated success was cut by nearly half, and it seemed to me that the requirements for approval of the projects that were submitted were such that we had to eliminate quite a number of industries which might have qualified, which might have contributed to the economic sector. But because of overly stringent selection standards several of these projects had to be turned down. I know that in the area I represent, Ville-de-Laval, several industrialists wanted to take advantage of this federal program of assistance to industry, but precisely because of the standards, they were unable to qualify for a grant. So I would ask the minister whether he intends to recognize the Montreal area as a special area, how much the grants would be, does he intend to increase those amounts, and what will be the selection standards for industries to qualify for those grants?

[Mr. MacKay.]

My second comment, Mr. Chairman—and I believe this is rather important in the present context—is that we received requests from certain industrialists who have already had their programs approved but who, while carrying out their projects, had to change the design or structural plans with a resulting increase in the total investment cost.

In view of the changes made in carrying out the construction, would the minister consider increasing or extending the amount of the grant which was about 15 per cent on investments, considering the projected addition as a result of those changes and adding the 15 per cent grant to the one already approved? My last remark, Mr. Chairman, is that the public is very much concerned about a project which was the subject of numerous representations in this House and in several departments, and which was discussed at the meeting of Canadian government ministers with ministers from the government of Quebec. And that is where my comments echo those of my colleague from the "Republic of Madawaska" who stated that the government should also have power to take initiatives when it comes to accepting huge amounts of federal government funds in provincial government projects.

We had a project which had been approved, a contribution from the Canadian government through the Department of Regional Economic Expansion for extending highway 13A between Mirabel and Montreal, which should encourage the development of cargo in Mirabel. And we are waiting, Mr. Chairman. These funds have been approved, have been deposited for the benefit of the province of Quebec, and they have been there for two years. We do not know what will happen. We heard this money would be used for improving commuter trains in Montreal, and yet this was not the original purpose of these funds which had been approved by the Department of Regional Economic Expansion for extending highway 13A. It amounted to $30 million. So, Mr. Chairman, I wish to know if the minister will wield his power of initiative in his meetings with provincial governments so that these priorities also reflect the priorities of those who made the application and not necessarily the priorities of a province. I also express my disappointment concerning the meeting of federal ministers. The Minister of Supply and Services (Mr. La Salle), who is here tonight, took part in that meeting where they discussed the priorities about the famous package of almost $100 million set aside for establishing the General Motors plant in the province of Quebec.

That amount was available for the Department of Regional Economic Expansion under the previous government and we urged that these funds be used to reduce the deficit at Mirabel international airport through the improvement of a rapid transit system between Montreal and Mirabel aimed at giving better ground service to passengers. If we cannot improve the service, the airlines will choose to land in Toronto or elsewhere. Because of that, the deficit is always increasing at Mirabel international airport. And I remember perfectly that

some members of the opposition questioned the deficit at Mirabel when we had the possibility to use that amount of almost $100 million set aside for the General Motors plant. You know what the result was.

I had asked the then minister of supply and services in this House if he considered as a priority the improvement of the rapid transit system between Montreal and Mirabel. The minister said that he would follow the priorities of the Quebec government. I had much reservation at the time of the adjournment when I mentioned my concern about the attitude of the ministers of the Parti Quebecois government who never showed any interest in the development of Mirabel international airport, as they always said that it was a federal project and that it was up to the Canadian government to improve its ground transportation system between Montreal and Mirabel to reduce the deficit which is increasing every year.

Mr. Chairman, I conclude by asking the Minister of Regional Economic Expansion to use his power of initiative to study the development of the Montreal area and to discuss with his colleagues of the Department of Transport and the Department of Supply and Services not only the use of the $30 million for the extension of highway 13A but also the construction of a ground transportation system between Mirabel and Montreal.

● (2030)

[*English*]

Mr. MacKay: Mr. Chairman, if I can deal with some of the important questions the hon. member for Laval raised, first of all he is quite right in saying that there has been a substantial benefit to the Montreal area by virtue of the agreement signed on July 1, 1977. Also he is quite right in suggesting that this present issue as to whether we will be expanding and giving increased benefit to this area is of great current interest. Indeed, it was one of the main topics discussed when we were recently in Quebec, in the city of Montreal, meeting with some of the cabinet of Mr. Lévesque.

As the hon. member and his colleagues well know, it has been suggested that the area be expanded to include three additional counties. I believe they are Vaudreuil, Soulange, and Huntington. Also it has been suggested that the criteria be changed in order to facilitate a more flexible approach. At the present time the categories which are eligible, just to put them on the record, are industries dealing in prepared and quick frozen food, metal fabricating, machinery, transportation equipment, electrical products, chemicals and chemical products, scientific and professional equipment, sporting goods and toys, which tend to be rather compartmentalized. Also he knows that the present criteria for the Montreal special area is for projects with a minimum investment of $100,000, that it is for capital costs, and that no other allowance is made.

I do not want to get into too great detail at the present time, because I know the hon. member will understand it would not be proper at a time when this very important subject is before the economic development committee of our cabinet. It received a positive response on the first occasion recently when it was presented.

Mr. Breau: Who is the chairman of that committee?

Mr. MacKay: The chairman of the committee is the Minister of Industry, Trade and Commerce. I happen to be the vice chairman. I feel very honoured in that respect.

Mr. Breau: Where is he from?

Mr. MacKay: The member asked some very important questions, but he knows the answers. I know he would not want to divert me from responding to a very serious question by his colleague.

Mr. Breau: I am sorry.

Mr. MacKay: The matter of improving the transportation links to Mirabel is something about which my colleague, the Minister of Transport, and I had some important discussions. Also we discussed the matter with the Minister of Supply and Services. It is a question of consultation as well with the city of Montreal, as the hon. member well knows, because a project of this nature must have a very broad understanding and co-operation from all levels of government. It is very much on our minds. We have not forgotten the necessity of improving the transportation links to Mirabel. Despite the criticism of that airport, that it is incurring substantial deficits and so on, the fact is that it is there. We must exercise the responsibility we have to improve its utilization. I can assure the hon. member that we are looking at that.

Some hon. Members: Hear, hear!

Mr. MacKay: I am not so certain I recall with precision the other questions which the member asked, but I want to say to him, and in partial response to the hon. member for Madawaska-Victoria, that one of the things we hope to do under our cabinet structure is to try to get a greater degree of co-operation from the line departments. It is quite true, if the line departments were exercising a great ambition in recognizing all aspects of regional development, that there would not be that great need for DREE. However, now that we have this department which, as the hon. member knows, was created about ten years ago, the challenge is to make certain that the line departments do not forget their own particular interest simply because DREE is there.

I realize it is a fine line, but we must do the best we can to maximize the kind of co-ordinated approach which will give us great leverage and expand the budgetary prowess of DREE by enlisting the resources of other departments. I am sure that is what the premier of New Brunswick had in mind. As I mentioned before, I can assure the member that a similar airstrip was completed in the Port Hawkesbury area of Nova Scotia.

These types of airstrips, if they are to be useful, and if they are to justify the money spent on them, must be utilized for the type of air carrier service to connect some of the points he has

mentioned, and indeed some of the points in Nova Scotia, with a low cost, frequent, and convenient air service which will help us in the entire maritime regions. The hon. member can be assured that I am interested in getting that airport built. Whether we do it with funds from the airport development fund through the Department of Transport, whether we do it from DREE funds, or whether we can persuade the Department of Industry, Trade and Commerce or some other department to help us, the important thing is to develop the airport. I share his dedication in that respect.

Mr. Taylor (Bow River): Mr. Chairman, I should like to say a word or two about DREE also. One item which irked me no end when I was in the provincial government, and which I believe irks other provincial governments, is the fact that DREE is applicable only in certain areas within a province. It does not matter whether the raw materials are there, whether there is housing there or the other necessities to make that industry successful; it has to be done within the boundaries of that particular area.

A year ago a matter was brought to the attention of the then minister in charge of DREE. He was sympathetic to a project in the Drumheller area where there was a need for the repair of oil well equipment. The expertise was there in the form of a farm machine company which had been selling and repairing farm machines for years. The factory was there, the old Prowler plant which had been left vacant for several years. Everything seemed to be there to make a successful and highly profitable operation, except the capital that was required. To borrow $500,000 at 13 per cent or 14 per cent made the item prohibitive. Approximately 16 to 30 people would have been employed in that particular area.

I would suggest to the minister if economic expansion is going to be real in this country, that it should be done where there is a need for that expansion; not applied to a certain part of a province only. This was only applicable in northern Alberta. There are several places. Southern Alberta had the opportunity of employing several men and women, many of whom came from other provinces in Canada. It was denied because it did not happen to be sitting in the right location. I suggest to the hon. minister that the economic expansion division should deal with expansion wherever and whenever, and particularly wherever the opportunity presents itself, and not be made applicable only to certain areas within each province.

Mr. MacKay: Mr. Chairman, I will take the representations of the hon. member for Bow River very seriously. But I should like to point out to him and the House that it is the Department of Regional Economic Expansion. If we accede to the constant requests for expanding into other territories and making it a uniform program across the country, as laudable as that may be, we will have to take the "Regional" out and just call it the department of economic expansion, which has a certain appeal. Since it is geared at this particular point in time to provide the maximum amount of aid where it is most needed and where certain provinces have more resources than others, then I think we must be very careful in expanding the territory to make this possible until we have the budgetary resources to do it. But I will certainly take that representation and have my officials study it.

[Mr. MacKay.]

• (2040)

Mr. Hogan: Mr. Chairman, I have been talking with the minister since the House opened, but I want to take this opportunity to congratulate him officially on his new job. All members here from Nova Scotia and, indeed, all Atlantic members, regardless of their party affiliations, are looking forward to the minister giving the leadership that is so badly needed at this time in Canada's history.

I do not think anyone at this time should be prepared, after a ten-year period, to wipe out the Department of Regional Economic Expansion until we are damned sure that we have something better with which to replace it. During the committee work I have done, along with the minister, during the last four or five years I have naturally been interested in my own area which is one of the hardest economically hit areas of the country. We have always tried during this work to keep in mind the larger picture and how we might improve the Department of Regional Economic Expansion. I hope that under this minister we can give consideration to the ideas he brought to the committee as a member of it while in the official opposition.

I know that the minister is a good listener, and that he realizes there is not one definite theory regarding regional development, but rather a whole mélange that has been brought from western Europe and incorporated into various aspects of the development of the institutions which we have experienced, all the way from the area development agency through to the Atlantic Development Board, and now the Department of Regional Economic Expansion.

Regional development needs to be improved, and we will all be making our contributions having regard to new ideas that have been and are coming in the field of theoretical and applied development. In this way we will try to make this important department of government even better, at a time when the nation is obviously suffering great economic constraint, just as are many countries in the western world. This country is going to go through the wringer, it appears to me, to a very much greater extent than some other countries. We will need this department because those areas that suffer most from national monetary and fiscal policies are the poorer areas, including the Atlantic provinces. These are the areas that always suffer most from the application of fiscal and monetary policies designed for the central provinces and the richer provinces such as Alberta.

I am talking about the application of tight monetary policies in the fight against inflation, for example, when combined with fiscal restraints that are very severe. The Atlantic provinces have always suffered and will continue to suffer from the application of such policies unless and until the Department of Regional Economic Expansion receives help in co-ordinating the efforts by all departments involved.

I agree with the minister that even if the funding that is provided is increased, and it must be increased even in a period of restraint if the emphasis is to be on helping the poorer regions, there has to be greater co-ordination, along the lines he talked about, between certain departments, whether they be transportation, supply and services, or public works. This must be the case in order that we will have in this country a sort of new co-ordinating institution, and it will naturally involve provincial input. If we obtain that co-ordination we will be going a long way toward using the funds allocated to DREE and other institutions for the maximum benefit of those regions that require this development assistance.

These efforts should be made at a first stage in this type of co-ordinating committee. We would then see better returns for our bucks, which seems to be the obsession of the department of the treasury at this time. We do not need a great many cutbacks in order to do this type of job. What we need are more efficient spending and better uses of the money through co-ordination.

Since we have the Department of Regional Economic Expansion it seems to me that this co-ordination should be done by that department, particularly in areas such as parts of Quebec and the Atlantic region, just to mention two. This co-ordination must be done through the Minister of Regional Economic Expansion. Unless and until the Prime Minister and the rest of the cabinet bring themselves to this conviction, we will not see the greatest benefits. The Prime Minister and his cabinet must realize that there is only one way to help the Atlantic region and that is by not only making the necessary bucks available in order to improve the earned per capita income rather than just the per capita income, but by co-ordinating the spending of those funds.

We want jobs. We want creative jobs. We want ten-year plans. If that sounds socialistic or communistic, I do not care. We must have this if we are going to re-establish the balance in this country.

It is kind of ironic that Ontario is getting worried now because of price increases. I do not make light of that, but we in the Atlantic provinces have been suffering and have had this grievance for many, many years, as many of us have pointed out in the House. We who come here from whatever walk of life know what the game is here before us. We know about the small population we have in the Atlantic provinces. We know we do not have very much clout, and many times we have to go begging for the crumbs that come from the central provinces, and now from a rich province like Alberta.

Mr. Baker (Nepean-Carleton): Mr. Chairman, I rise on a point of order. There has been some discussion among representatives of all parties this evening, and I think there is general agreement to permit the Prime Minister to make a report to the House on the outcome of the first ministers' conference today. I think that is the upshot of the agreement. With the agreement that this should take place, sir, I wonder if the committee could rise, report progress, and request leave to sit again later this day?

The Assistant Deputy Chairman: Shall I rise, report progress, and request leave to consider the bill again later this day or at the next sitting of the House?

Mr. Breau: Mr. Chairman, before we give our agreement, let me say that we are always happy to hear from the Prime Minister when he has anything to say. If he has something to say on energy, we would be very happy to hear him.

Progress reported.

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, subject to the arrangement that has been made I wonder if it would be appropriate for the House, by unanimous consent, to revert to statements by ministers for the purpose of allowing the Prime Minister (Mr. Clark) to make a statement to the House?

Mr. Speaker: Is the House agreed that we should revert to routine proceedings, specifically statements by ministers?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

ENERGY

REPORT BY PRIME MINISTER ON FIRST MINISTERS' MEETING

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, perhaps at the beginning I might have the permission of the House to lay on the table two copies of "An Outline of Proposed Initial Stage of National Energy Strategy," a background paper that was published earlier today in both official languages.

Some hon. Members: Agreed.

Mr. Clark: I would like to take the opportunity to express my apology to opposition spokesmen on the other side in that it was only recently that we were able to get a copy of my statement to them. This had to do with the relatively short time between the conclusion of our discussions and my desire to come and report as directly as possible to the House of Commons. I want also to indicate, sir, how much I appreciate the courtesy of members on both sides in providing unanimous consent so that I might report to Parliament on my meeting today with other first ministers.

● (2050)

As hon. members know, today's discussion centred on the proposals put forth by this government to achieve our goal of making Canada self-sufficient in energy by 1990. Those proposals previously had been the subject of extensive consultation between Ottawa and the provinces, and I believe the positive tone of discussions today reflected the value of frank

and extensive consultation in a federal system. Sir, that is a pattern we intend to continue.

I am pleased, for our country, to be able to report substantial agreement among first ministers on the major outlines of a comprehensive energy policy for Canada. The first ministers unanimously endorsed our central goal of energy self-sufficiency. We agreed it is dangerous to the economic future of our country to ignore a situation where so many Canadians, especially in Quebec and in Atlantic Canada, are dependent on unreliable foreign oil supplies.

The important element of price remains to be negotiated. As I told the conference, that is, jurisdictionally, a decision for the producing provinces and the national government, but we wanted to take the pricing decision only after we had the opportunity to hear from other parts of Canada, and know how price increases would affect those regions. I was impressed by the realism of first ministers in recognizing that, while price increases are never easy, the consequences of failing to act would be much more serious for Canada. They would expose us to supply interruptions which could devastate the economy of Canada and could leave Canada relying upon unstable foreign sources of oil—sources which simply cannot be counted on. Against that background we will be meeting representatives of the producing provinces this week to seek a pricing régime for oil and natural gas, designed to increase Canada's ability to supply our own oil and gas, to encourage conservation, and to encourage substitution of alternate fuels.

Sir, today we proposed a special tax on incremental oil company profits to help finance Canadian energy development. Officials of our government will be consulting with provinces and the industry to design the most effective tax.

We proposed a Canadian energy bank to help Canadians invest in long term and essential Canadian energy projects. Several provinces, I am pleased to report, have agreed to take a look at contributing equity financing to that bank. The federal government itself expects to contribute about $1.5 billion to equity, over the next four years, to help build Canada's energy potential.

Officials will also meet to identify conservation projects where work can begin immediately. I indicated our intention to propose a co-operative program to help individuals retrofit oil-burning furnaces. We would be prepared to contribute to an industrial energy conservation program in Atlantic Canada. Regarding home insulation, several provinces have indicated that local needs would be better served if the Canadian Home Insulation Program, CHIP, were under provincial control, and we are prepared to work out arrangements under which CHIP would be transferred, together with increased federal funding.

[*Translation*]

First ministers strongly supported the need for new initiatives to encourage increased substitution of more plentiful energy sources for oil. Particular attention was given to the opportunity for expanded natural gas markets in Ontario, Quebec and perhaps the maritime provinces, but there was also recognition of the other sources available in particular regions, for example, greater use of wood waste in British Columbia, increased coal production in Nova Scotia, further hydro development in Manitoba, Quebec and Newfoundland, and expanded development of renewable energy sources across the country. Officials of federal and provincial governments are beginning work immediately to identify areas where substitution can start in 1980.

[*English*]

We have also discussed with first ministers means to help Canadians who will be least able to deal with price increases, and to deal with other specific problems. Those measures will be dealt with either in the federal budget, or in connection with the next first ministers' conference which has been rescheduled for December 17 and 18. That change in date will allow officials to conclude the work flowing from today's conference, and will allow first ministers to also deal with other matters.

[*Translation*]

Leaders of 11 governments met to discuss a complex and difficult subject on which there are some legitimate differences of view. Those differences were aired honestly and openly—but without acrimony and within an over-all spirit of partnership. I want to express my appreciation publicly of the positive spirit in which provincial premiers came together.

[*English*]

As I said at the conference, Mr. Speaker, Canadians have a choice. We can ignore realities, or we can face them.

We have before us the opportunity to provide Canadian industry with a permanent cost advantage over American competitors. We have before us the opportunity to ensure all Canadians reliable and secure energy supplies "made in Canada." We have before us the opportunity to launch a major new era of energy development and a major new commitment to energy conservation in which all Canadians can share.

On the basis of today's discussions, Mr. Speaker, I believe Canadians have every reason for confidence that their governments will choose to seize the energy opportunity that is ours.

We have further discussions to continue; we have further negotiations ahead of us, but I wanted to come directly from the conference to report to the House of Commons upon the progress that was realized today.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Marc Lalonde (Outremont): Mr. Speaker, I would like to thank the Prime Minister (Mr. Clark) for having forwarded us at the last minute a copy of his text even though he was unable to do so any earlier. I saw he had the advantage of having a French copy and I would have appreciated getting one too. I hope next time they will have the courtesy to give me one in French.

[*English*]

We have heard the Prime Minister summarize, in rather glowing terms, the discussions of today. I am afraid that I have to take a different view from what has happened today and in

the last three weeks. There is an old saying in this country that "Tory times are hard times".

Some hon. Members: Hear, hear!

Mr. Lalonde: I must say that Canadians are getting it in spades since last June, Mr. Speaker. Not only are we facing the highest interest rates in our history, but we are going to face the highest prices for energy in our history. We are going to be faced with the highest increases in the price of energy that this country has ever known, over the next few months, if the Conservative government has its way with its present plans.

This morning I followed the conference with great attention and with great care, and listened to the various proposals put forward, particularly the proposal put forward by the federal government. It was clear, after reading that proposal, that the federal government was being taken care of. I could see the Minister of Finance (Mr. Crosbie) in the background, licking his chops, as the debate was going on. If the federal government was being taken care of, the governments of the producing provinces were also reasonably well taken care of and they were reasonably happy, we have to say.

I might even add that the governments of some consuming provinces appeared to be given hope that they would be taken care of. I am referring particularly to some Atlantic provinces that were concerned about the price of oil for production of electricity. But, Mr. Speaker, in the Conservative policy, the average Canadian, the Canadian consumer, was being completely ignored.

Some hon. Members: Hear, hear!

Mr. Lalonde: We heard some perfunctory comments about the necessity to help those in need. But nothing specific was put forward that was not already planned under the existing price agreement with the provinces. In effect, under the guise of an oil price negotiation, the government is planning a highway robbery of unprecedented magnitude on the Canadian taxpayer.

● (2100)

The cost to the Canadian consumers of the present government's plan has been estimated by the government of Ontario, not by us but by another Conservative government, in 1980 to be $5.4 billion. That is going to be the cost of that so-called policy. Under the federal excise tax alone that the government is planning, the federal government would get $2.8 billion. If you estimate the cost of the so-called policy, it is equivalent in 1980 to a 33 per cent increase in personal income tax to Canadian citizens.

Some hon. Members: Shame!

Mr. Lalonde: The Prime Minister likes to make much of the so-called new spirit of federal-provincial co-operation. We have never seen a debate as acrimonious as the one we have seen in the last few months on this particular energy question among the provinces, particularly between the province of Ontario and the province of Alberta.

In case the Prime Minister feels I would not be representing history properly, I would like to quote a statement that Premier Lougheed made on August 15, 1979, at Conference-La Malbaie. At page 2 of his statement he said this:

> After the dispute between the federal and Alberta governments in 1973 over the federal oil export tax and other matters, the government of Canada and the government of Alberta over the next few years worked out arrangements with regard to pricing and development of energy supply that were clearly in the best interests of all Canada.

That came from the prime minister of Alberta. Tonight we are being told that there was useful discussion—everybody was for motherhood, including self-sufficiency—but on price there is no agreement. On excise tax there was no agreement this morning, and the Prime Minister certainly did not report any agreement tonight. Even on the energy bank there were a lot of queries and question marks that appeared to remain unanswered, and we have no assurance that the provinces will all participate in the so-called energy bank.

The Prime Minister enunciated four objectives this morning for his policy. Frankly, one should not quarrel with those objectives. First, that the price of oil must be high enough to bring on new sources of supply and the price regime must provide industry enough certainty to plan ahead. Second, we must encourage more effective conservation. Third, we must accelerate the substitution of cheaper and more plentiful fuels and reduce our use of oil. Fourth, we must increase the proportion of Canadian ownership in the Canadian energy industry. That is great. Frankly, it is a mere repetition of what was in the white paper that we issued in 1976. There are a few things missing, because I could suggest that you read the white paper at page 126. What we proposed as objectives were:

1. appropriate energy pricing
2. energy conservation
3. increased exploration and development
4. increased resource information
5. interfuel substitution
6. new delivery systems
7. emergency preparedness—

An hon. Member: What did you do?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Lalonde: I continue:

8. increased research and development; and
9. greater Canadian content and participation

Some hon. Members: Oh, oh!

Mr. Lalonde: I hear some muttering on the other side, Mr. Speaker. I am not surprised, because it hurts.

An hon. Member: They are laughing at you.

Mr. Lalonde: They have not bothered to read and find out what had happened during those years.

Mr. Blenkarn: We saw what happened.

Mr. Lalonde: Canada was recognized internationally as having one of the most progressive and consistent energy policies in the world.

Some hon. Members: Hear, hear!

Mr. Lalonde: The Prime Minister has talked about the oil self-sufficiency objective by 1990. We tried, and the Conservative members tried to get information about this subject from the minister. Today the provinces and the public did not get any more information about that objective of the Conservative government. It is a nice sounding objective, but we have been unable to get, either from the minister or from the Prime Minister, any information as to how much it will cost and how we are going to get there. As a matter of fact, in the briefings given to the members and the press by the Department of Energy, Mines and Resources, they indicated quite clearly that such an objective was not realistically attainable under any scenario. In effect, even with the best of scenarios we would still be short by about 200,000 barrels a day in 1990.

We would be very understanding of the concern of the Prime Minister and the government about supply if we had better assurances about supply in the short run, if we had seen this government doing more vis-à-vis the multinationals, to make sure that there would be no diversion of Canadian supply coming from Venezuela or from other countries in the face of the current threats that we see, particularly resulting from the Iranian situation. We would be more confident if the government had proceeded with more alacrity in its negotiations with Venezuela and Mexico. Certainly we would be more understanding of the situation in which the government finds itself if the government had created the energy supplies allocation board that we have urged them to create for months, which they have not yet created in spite of our regular pleas to proceed with it.

An hon. Member: Despite his letter to Fabien Roy!

Mr. Lalonde: What are we going to do? According to the government we are going to increase the oil price in Canada to something like 90 per cent of the Chicago composite price. It is a very complex phrase that will probably fool a few Canadians—I hope not—but, in effect, what is being said is that we will reach or at least come very close to international prices. What is the Chicago composite price? According to the Department of Energy, Mines and Resources figures the Chicago price in November, 1979, was $23.71 a barrel. This compares to an international price of $25.68 and a Canadian price, in Toronto, of $15.63. Because of U.S. policy which will completely deregulate U.S. oil prices in the next few years, the Chicago price will be $43.46 in 1985.

I hear an hon. member laugh over there. It is not going to be so funny for Canadians when they have to pay that kind of price in five years' time.

Some hon. Members: Hear, hear!

Mr. Lalonde: At that time, if the government has its way, Canadians will be paying $41.29 or slightly below, which is about 260 per cent higher than we are paying today. In effect it is estimated that the Chicago price will be higher than the international price if current predictions forecasted are maintained as to what will happen to the international price. This is the type of "pig in a poke" that this government is trying to get us to buy. Not only do we say that it is not necessary for Canada to go to international prices, we say it is a wrong policy for this country.

The government likes to refer to the white paper of 1976 when the world price was $11.50. Again, I remind the government that we stated at that time:

● (2110)

It is the federal government's objective to see domestic oil prices increase to a level sufficient to bring on new Canadian supplies. To the degree that this level is lower than international oil prices, it is a differential for the benefit of Canadian consumers and Canadian producers, industrial and agricultural.

What is meant is that we should have a price that is determined in Canada for Canadians and on the basis of Canadian costs, not on the basis of the cartel price, which is the OPEC price, by whatever name you want to call it. We agree with the government of Ontario that the target for the Canadian price should be the cost of producing Canadian oil and gas, not the price determined abroad on a completely artificial basis, a basis that has no relationship to what it actually costs to produce Canadian oil and gas.

The second point is that we disagree with the way the government is going in trying to reach its goal.

Mr. Speaker: Order. I remind the hon. member that the Prime Minister (Mr. Clark) spoke about seven or eight minutes and he has already had the floor for 15. I can scarcely let him go much longer.

[*Translation*]

Mr. Lalonde: Mr. Speaker, I would like to suggest to the Prime Minister and to this government that we disagree not only with their objective but with the way they have chosen to achieve it. Increasing prices at this point at such a rapid and excessive rate is totally inappropriate, in our view. The impact on the cost of living and Canada's economic growth will be highly negative. In this period of record interest rates, we maintain this is no time for the oil price increases envisaged by the government.

Even the Ontario government is looking at a resulting 137,000 lost jobs if the government proposal is implemented. Those figures are frightening. They are equivalent to closing down or laying off whole cities likes Calgary, Hamilton, Quebec, or again Halifax and St. John's together. Under our regional circumstances, such a policy is indefensible.

There would be a number of other aspects on which we would like to question the government. We will have an

opportunity to do so tomorrow when the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) is in Committee of the Whole to answer on his estimates. We will be taking this opportunity, Mr. Speaker, to question the minister and try to get more complete information on the government proposal and its implications.

There is reference to regional disparities, but the government decided not to deal with or eliminate these regional disparities. It chose to charge everyone the world price, by increasing oil prices at the same rate for everybody. Everyone recognizes the need for increased conservation and the substitution and development of alternate sources of energy. But we disagree with this government when they show intellectual and moral bankruptcy by simply relying on market forces to attain such objectives. If only they were to implement the proposals introduced by the government in February on conservation and alternate sources of energy, there would be no need for the astronomical price increases they are now proposing.

[*English*]

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I want to begin by saying that the Prime Minister (Mr. Clark) need not apologize for the delay in sending an advance statement to opposition spokespersons. Given the exigencies of the day, I quite understand that he was not able to produce that in time. I want to say that at the outset. There was simply no possibility. I want to make it clear on behalf of our party that time was a consideration, and we accept that reality. Having said that, I am not going to agree with much else that I find in the Prime Minister's statement or in that marvellous exposition we just heard from the party to my right. They are at it again. I will be very brief on that point.

The energy critic for the Liberal party has once again managed to convey to the House that they are consistent on one point, that is, they can consistently reverse themselves on every important question that comes before the people of Canada. Just a year ago this month, the then Liberal minister said, "Our policy has been and still is to move crude oil prices at the wellhead toward world levels". That was when the Liberals were on the government side. They are now concerned about interest rates, again an interesting reversal. I will leave the Liberals to the hypocrisy in which they have deeply embedded themselves, and the people of Canada have well perceived that reality.

I want to come to a matter of substance on the government side and clearly indicate that there is a major disagreement in this House and in this country about the direction in which the government is taking us. The Prime Minister indicated that the one thing on which there was no agreement was the matter of price. As everyone knows, if that is not the total issue, it certainly constitutes 90 per cent of the issue.

It is not merely platitudinous to say everyone agrees that something has to be done about conservation. Everyone agrees we should be moving toward self-sufficiency in our energy production, if we can do it. I am among those, along with the government and people in the Liberal party, who say we can do it if we have the right programs in this country. In that respect we are very fortunate compared to many others, so there is no debate about those matters.

The real debate in this country, and it is a fundamental one that goes to the root of our prospects as an industrial nation right now, is concern about the matter of price. The Prime Minister said there was no agreement on that. I am not exactly surprised, to understate it a bit, that there was no agreement. The Prime Minister repeated in his brief statement tonight the fundamental argument the government has relied on for justifying an upward movement in price.

The fundamental argument repeated by the Prime Minister tonight is that we need it to have higher revenues to make the investment that is required to bring more energy resources on stream. If an argument could be made for that, if it were essential that we had upward mobility in prices of the kind the Prime Minister talked about to achieve that end, then one has to take it very seriously. Speaking for my colleagues, I say we would. However, I say to the Prime Minister that, frankly, the evidence is not in for that, nor has he provided it. It is simply a bald assertion.

I want to quote from a document produced a week ago by the Minister of Energy, Mines and Resources (Mr. Hnatyshyn). I quote from the footnote on page 15:

> Figure 3—
>
> That is of the table in this document.
>
> —indicates that the accrual to industry—
>
> That is the oil industry.
>
> —in the continuation of existing policy—
>
> That is without any upward movement.
>
> —is sufficient to cover an aggressive expenditure pattern throughout the 1980s.

In other words, with the existing pricing arrangement there is sufficient revenue there, and I would add if we pay attention to what we could be doing in this country with Petro-Canada, to get the exploration that the people of Canada need without additional increases. I ask the Prime Minister to pay a little more attention to the document produced by one of his minister's departments.

Second, and this is why I proposed in all seriousness on behalf of my party a couple of weeks ago the suggestion for a commission on prices and profits in the oil industry, and this is one of the things I emphasized, it is essential in this country to get an independent body that looks at pricing and profit decision-making in the context of what may be needed to bring further resources on stream.

● (2120)

Such a body is necessary if we are to make an objective analysis which could be presented to the opposition, to the government, and to the people of Canada, of how much was really needed, particularly, but by no means exclusively, when we have a firm like Petro-Canada, publicly owned and controlled, already in existence. The government turned it down. I repeat, we strongly need such a commission which could show

us whether we should take at face value the rhetoric of the oil companies. But I can say, on the basis of figures which have come in, on the basis of the document produced by the Department of Energy, Mines and Resources, that it is certainly our conclusion that the exorbitant profits made by the oil companies already do not entitle them to get any revenue additional to that already committed by the government. That is the evidence. If a contrary case is to be made, surely we need new evidence to support it. The government has not provided such evidence at all.

Now I turn to the nub of the problem. Moving prices upward in this country at the speed the government has in mind, creates a twofold problem. First, as the government knows, it hits every consumer; it hits fishermen on the east coast, it hits farmers on the prairies who have to drive tractors, it hits every consumer in Ontario and British Columbia very seriously indeed. No one disputes this. The cost of living will go right out of sight in this country in the next couple of years if we proceed with this plan.

I want, now, to shift to the industrial argument. The Prime Minister went to Tokyo last summer. I will say one thing: I think it was a fit of midsummer madness that led the Government of Canada to agree at that conference in Tokyo with other industrial countries to go to world price levels. It is not accidental. To whose advantage was it? I will tell you, Mr. Speaker. It was to Japan's advantage, it was to Germany's advantage, to France's advantage, to the United States' advantage. All those countries are either totally or almost totally dependent on imported oil. They do not have access, as we have in the future, to becoming self-sufficient. But they were well aware that Canada was at last beginning to compete in the industrial world, that we had in certain sectors developed a potential, at least, to cut into their markets. So it was to their advantage to convince the Canadian Prime Minister that one of the industrial nations at Tokyo, the only one there that had energy supplies, should move oil prices up to world levels. That takes away from Canadian industry a competitive advantage. I can only say that it is a disastrous course of action for this country to take. I want to place this in a serious context of national unity.

One way of looking at this country, though by no means the only way, is to see it as a regional bargain. We have the Crow rate for western Canadians. I said in Prince Albert just ten days ago, as a man from Ontario, that we support the Crow rate which enables Canadian farmers to ship their grain for about one quarter of the amount it costs American farmers. That subsidy for Canadian farmers in the west is justifiable and we will defend it; we don't fool around talking about getting rid of it, like some members of the Prime Minister's party have been doing publicly.

Similarly, we have provided preferential freight rates to certain areas of Atlantic Canada under DREE, and special programs, programs we would like to see expanded and developed. But we have said, also, that in the industrial heartland, which happens to be mainly in Ontario, there has been a traditional national policy, built, in part, on tariffs, to ensure industrial development for Ontario and also for Quebec. I say to the Prime Minister that this bargain has to be maintained. Right now we are embarking on a course which could completely destroy the competitive advantage of industry in our industrial heartland.

I say this: if Ontario were ten provinces, if we had smaller provinces like the Americans have states, we would be likely to see it as a region and maybe we would not witness the ganging up psychologically which seems to be taking place, in my view, in many parts of the country.

Does the Prime Minister really think the Germans in the south of Germany would embark upon a course of action which threatened the Ruhr Valley? Would the Japanese in rural areas outside of Yokohama embark upon a course of action which threatened the whole industrial base of Japan? Would the Americans in the south or the west embark on a course of action which would threaten their industrial empire which is in the northeast of the United States? To ask the question is to answer it. The Japanese would not do it; the Germans would not do it; the Americans would not do it. I am saying that Canadians ought not to do it to the province of Ontario because it would damage our whole country, and very seriously.

Some hon. Members: Hear, hear!

Mr. Broadbent: I appeal to the Prime Minister, who says he has not reached a decision on price, to think about this very seriously. There is no good reason, in my mind, for raising the price of gas and oil at all at this point. There is no good argument in its favour as far as I can see. There is an argument that favours certain regions. Of course, if I were looking at the question from a short-range perspective, from British Columbia, say, and I had some gas reserves, I might say "Yes, this is advantageous to me", or if I were in Saskatchewan, I would be inclined to say, "Yes, an upward movement would be favourable." It is understandable. Premiers from those areas cannot be expected to be something other than provincial premiers, and I do not say that in any critical sense.

But I say to the Prime Minister that he has a responsibility to the nation as a whole, and that the nation as a whole requires a low cost energy policy so that Canadian industry can get moving—and we need to get Canadian industry moving because we need jobs for Canadians. With more than a million unemployed, in real numbers, this gives us a chance. It is a chance the Germans would seize upon; it is a chance the Japanese would seize upon; it is a chance the Americans would seize upon. It is time we came to our senses as an industrial nation and seized upon it as well, and kept those prices down.

Some hon. Members: Hear, hear!

Mr. Speaker: In accordance with Standing Order 15, provision is made for a short question period at this time. I do not see any hon. member rising but I am prepared to recognize the hon. member for Bellechasse (Mr. Lambert) who would like to

put some questions to the Prime Minister (Mr. Clark) about his statement.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I think that is an excellent procedure because we get answers when we ask questions and none when we make speeches.

Mr. Speaker, I would like to ask the Prime Minister (Mr. Clark) since he spent the day with his provincial counterparts studying a very important matter for our country, whether he could tell the House if they considered the possibility of taking special measures to urge Canadian families living in provinces where forestry resources are plentiful to use more wood for heating purposes as an economic measure rather than fuel which could be used in larger quantities in other areas of Canadian industry.

Second, if this matter was considered, could measures be immediately taken in agreement with the provincial governments to help in the transformation of heating systems to that end, that is, a return to burning wood which Canadians used for fuel during the years preceding the era of great prosperity brought about by switching from wood to oil and electricity as heating fuels?

Mr. Clark: Mr. Speaker, I appreciate very much the hon. member's questions. In fact, we did raise the matter of the use of wood. The premier of British Columbia told the others this morning about the great success achieved in his province in the use of this source of energy. We have recommended that our public servants in co-operation with those of the provinces consider all possibilities for such a change in order to bring about the conversion of heating systems on a larger scale, that is, not only in Canadian homes, but also in Canadian industries.

● (2130)

We want to look into the possibility of using wood and other sources of energy. We feel that is really imperative in this country because we not only need new sources of oil but we also have to learn to make better use of what other sources are available.

Mr. Lambert (Bellechasse): Mr. Speaker, on the same subject of the economy, I had the opportunity of putting a question to a member of the Canadian government who was minister of industry, trade and commerce about the invention of a carburetor, in use on motor vehicles, that considerably reduces gas consumption. The answer was indeed very vague. Recently the matter was brought up again; I read about it in the newspapers where it was claimed that the multinationals that have interests in oil are powerful enough to prevent the marketing of that new carburetor, which would allow Canadians to get more miles per gallon of gas. Is the right hon. Prime Minister aware of that situation and can he reassure us in that regard?

Mr. Clark: Mr. Speaker, I received personally the representations the hon. member is talking about. I put the question to the Minister of Energy, Mines and Resources (Mr. Hnatyshyn). The same question was asked by the minister whom the hon. member questioned. We have found no proof that the allegation made by the reporters, or by the hon. member to myself, is founded.

[*English*]

Mr. Speaker: Order, please. I was trying to get some sense of the House as to whether or not questions were to be put. The only one who was on his feet was the hon. member I have just recognized, and it makes it difficult for me to assess how we should conclude the question period. However, I am prepared to conclude the question period with those who are seeking the floor at the present moment, that is to say, the hon. member for Saint-Maurice (Mr. Chrétien), the hon. member for Cape Breton-East Richmond (Mr. Hogan), the hon. member for Winnipeg North Centre (Mr. Knowles), and the hon. member for Regina East (Mr. de Jong).

Mr. Lalonde: Mr. Speaker—

Mr. Speaker: This is the difficulty I face. These question periods are in the discretion of the Chair, and I tried to get some indication if there was any desire to ask questions. That was in the negative. The only member who was standing was the hon. member for Bellechasse (Mr. Lambert). I gave him the floor to ask a question.

The trouble is that I am supposed to exercise some discretion in the duration of this question period, if there is to be one, and frequently what happens is what is happening now, that I recognize one questioner and out of that comes a desire from other hon. members to say, "Well, if one is to put a question, we ought all to do it". I thought there was a sense in the House that we would return to Committee of the Whole session where the minister was being questioned, I think effectively, by a number of members. That seemed to be more the general sense of the House. I am afraid if I open it to one questioner that it seems only fair that we would likely use the rest of the time in putting questions on this, and I thought there was some sense of the House that we would return to the committee session where the minister was under questioning at that time.

Mr. Lalonde: Mr. Speaker, I rise on a point of order. I understand that the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) will be available in the House tomorrow afternoon for Committee of the Whole, so that we would be in a position to ask questions of the minister all afternoon tomorrow. If he cannot do that, that is another story, but that is the indication we had, so we could very well wait until tomorrow and ask questions of the minister.

Mr. Baker (Nepean-Carleton): Mr. Speaker, that has never been discussed by any of us until this moment. The hon. member for Gloucester (Mr. Breau) was motioning across the floor to me while the debate was going on asking about the

minister. At least I assume that is what he was doing. I can look at the list of ministers and see, but there has not been a suggestion made to me until just this moment by the hon. member for Outremont (Mr. Lalonde) that it might be appropriate. I would have to look into that matter. It might well be that there are other ministers available, but in any event I will certainly look into it.

Mr. Breau: Mr. Speaker, the President of the Privy Council (Mr. Baker) is quite right. I did not speak to him about it, but the Minister of Regional Economic Expansion (Mr. MacKay) advised us—or through the House leader's staff—-that he had a cabinet committee meeting tomorrow afternoon, and we accept that. We sent a message through the staff of the House leader asking for the Minister of Energy, Mines and Resources (Mr. Hnatyshyn). Perhaps he has not received the message yet, but it was about an hour and a half ago, and the request was made through his staff.

Mr. Hogan: Mr. Speaker, the question I would like to ask of the Prime Minister (Mr. Clark) is about the energy bank. I could see where it would be on the assumption that he is going to get his looked-for price increase, which I hope the Prime Minister does not get. Anyway, let us assume that he is going to get it, and we will talk about the energy fund now. For certain purposes in the Atlantic region, such as connecting the power grid from Newfoundland to the maritimes—the Fundy tidal project—it seems to me that this would be an excellent idea for financing. Before I came here, coming up on the plane yesterday—

Mr. Speaker: Order, please. I wonder if the hon. member could understand that there is a general desire in the House to get back into the Committee of the Whole session. I am obliged to have a discretionary question period. I think each of the three members I have mentioned ought to put one question each, and put it very briefly and succinctly to the Prime Minister (Mr. Clark), so that we can get on with the other proceedings.

Mr. Hogan: Mr. Speaker, I hope with this energy fund which will take at least a year to set up, if it is set up, that the Donkin mine will not be included, because the people of Cape Breton are fed up and tired waiting—

Mr. Speaker: Order, please. The hon. member for Winnipeg North Centre.

Mr. Knowles: Mr. Speaker, I have one very direct question for the Prime Minister (Mr. Clark). In his statement tonight he used these words: "We have also discussed means to help Canadians who will be least able to deal with price increases". Since pensioners are a group which will be hit hard by price increases, does that mean that the government is planning an increase in the incomes of old age pensioners?

Mr. Clark: Mr. Speaker, that would not be an appropriate interpretation to draw from those words. The elaboration on the statement quoted by the hon. member will come in the budget.

[Mr. Baker (Nepean-Carleton).]

Mr. de Jong: Mr. Speaker, I am concerned about the Canadian Home Insulation Program being handed over to the provinces. I would like to ask the Prime Minister (Mr. Clark) what role he sees the federal government playing in this area. I think it is important that there be local control and flexibility in the program, but what I am afraid of is that certain essential elements to a national home re-insulation program will be lost if you just give it to the provinces. I would like to ask the Prime Minister: will he give this House the assurance that the provinces will use the money that will be provided for home re-insulation for home re-insulation work, which they are not doing with medicare, and that CMHC will still monitor manufacturers of home insulation material, and that the National Research Council will continue to do important research work in home insulation? Will the federal government provide any leadership and play a co-ordinating role?

Mr. Clark: Mr. Speaker, those are all valuable questions. Where we are with CHIP is that today I made the formal offer to the provinces to discuss with them the possible transfer of jurisdiction over CHIP to the provinces, and indicated that there would also be a transfer of federal funding. That is where we are now. That is the stage. There will be some discussions with the provinces. I know I speak for the minister responsible in saying that if there are particular aspects which hon. member of this House think should be considered in the negotiations with the provinces, it would be helpful for us to have notice of those quite quickly. I would like to have it quickly because I think, after the agreement we reached today, we will want to proceed with some speed toward finalizing any arrangements in relation to CHIP or other conservation measures.

I emphasize that in our judgment, while it is very important for us to bring on new supply, it is also very important for this nation to encourage conservation.

• (2140)

Mr. Speaker: I will conclude questions with the hon. member for Saint-Maurice (Mr. Chrétien).

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I should like to ask a question of the Prime Minister (Mr. Clark). Did I hear him say that he intends to discuss with multinational corporations the excise tax on their profits because, if I remember correctly, last year, when I ventured to discuss the taxing policy with the provinces, some of the members of the present government criticized me for that?

Mr. Clark: No, Mr. Speaker, the hon. member did not hear me say that. What he did hear me say was that we have agreement now on the imposition of a tax which will deal with the new profits that come from the energy price increase to the companies. It will be a tax on the companies, not an excise tax of the kind with which the hon. member has had such a disagreeable experience. The reason we would discuss the form which that tax would take would be to try to draw upon the best advice available, whether it is in the industry affected, the provinces—because often the provinces have a much closer

knowledge of the industry than we or others do—or members of the House.

If there are members of the House who consider they have particular knowledge of tax matters, we would be glad to have their comments so that we can be sure that the tax we bring in will be one that does not inhibit companies from carrying out exploration activities which will add to new supply but yet yield a significant amount of revenue to the Government of Canada so that we can fund the national energy bank and get on much more quickly than would the private sector alone with the development of a significant infrastructure and other economic energy developments.

An hon. Member: A do-it-yourself tax.

Mr. Chrétien: Mr. Speaker, I do not understand that. I think it is a startling enunciation of policy by the Prime Minister. I think that, as established in the House, we cannot discuss new taxing policies with individuals who are involved with it. The tradition of this Parliament has been for the government to do the research, to make proposals, to have them debated and passed, but not to discuss them with the companies beforehand. Anyway, Mr. Speaker, we will debate this later on.

However, I would like to ask the Prime Minister whether he knows of any producing country in the world today which is charging to its own consumers the international price for its oil. I have been to Saudi Arabia, Iran, Ecuador, Venezuela, and I have found that the price they charge their citizens is not the international price at all. This is the price they charge their customers abroad, but not their own citizens.

Mr. Clark: Let me deal with both those matters. First of all, we want to be sure that we have the best possible tax. We think that one of the problems with the taxing practice in the past has been that taxes have been designed all too often by people who did not understand their impact. We want to be sure we know what this tax is doing, and that is why we will be calling upon the widest possible range of advice. I say that if there are members opposite—and there is the former parliamentary secretary to the minister of finance, the former minister of finance, and a former tax lawyer who have proposals to make—we would certainly welcome their advice as to the effectiveness of the tax.

On the other matter, we are not proposing to raise Canadian prices to international levels. What we are proposing is to end a situation where Canadadian consumers are left at the mercy of decisions that are taken by oil suppliers in unstable lands.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. According to an order made earlier today, I do now leave the chair for the House to go into Committee of the Whole.

Supply

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

APPROPRIATION ACT NO. 1—1979-80

The House resumed consideration in committee of Bill C-23, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1980—Mr. Stevens—Mr. Laniel in the chair.

The Chairman: When the committee rose earlier this afternoon, schedule D of the bill was under consideration and the hon. member for Cape Breton-East Richmond had the floor.

On schedule D—

Mr. Hogan: Mr. Chairman, before the Prime Minister came to the House with his statement on the agreement that has been reached at the premiers' meeting today and on the oil situation, I had mentioned a couple of suggestions to the Minister of Regional Economic Expansion which he might adopt in order to improve the department. Since the time is getting on, I would like to concentrate—in view of something the Prime Minister has said, and although we will be getting into it in more detail tomorrow with the Minister of DREE—on something that is desperately important to our areas. I would like to underline the word "desperately" at this time.

I have here the following telegram which was sent to the minister on November 8 by the president of District 26 United Mine Workers of America, William H. Marsh. It reads as follows:

> Almost daily increases by Arabs in oil prices increasing energy prices and power prices in Canada and particularly in Nova Scotia. Federal oil subsidies to Nova Scotia rising above $70 million. Consider immediate action on opening of new mine in Donkin Morien area imperative. Please act as quickly as possible.

The Halifax *Chronicle-Herald* considered this to be so important that in their front page editorial of their November 5 issue there is a column entitled, "Energy sufficiency: shy on performance". In spite of what we have been told by the Prime Minister tonight regarding what came out of the meeting this afternoon, that title still holds for the whole of Canada. The editorial relates to the situation in Nova Scotia about which most of you know. We are, next to Prince Edward Island, importers of the largest amounts of foreign oil of any province in this country. In tune with the title of the editorial, we in Canada have energy sufficiency but are shy on performance. The editorial reads in part:

> Our best bet, say the experts, is to dig coal and convert our generating stations to thermal generation. But we are witnessing a frustrating display of foot-dragging and lack of motivation in the development of the mines needed to produce the coal.
>
> We have plans—by the dozen. We have promises—by the hundreds. But we're shy on performance.
>
> How many times have we been told that federal funds are forthcoming for the development of mines at Donkin? The rehabilitation of existing collieries in Cape Breton? The enlargement of coal-fired power development at Lingan? The coal exploration program to measure the potential of the coal reserves on Cape Breton Island and on the mainland of Nova Scotia?

In order to keep the Donkin mine project from falling so far behind, the provincial government has had to make the unusual step of advancing funds to a federal agency—

And it is an unusual step in relations between the federal and provincial governments. It goes on to read:

—the Cape Breton Development Corporation—on the understanding Ottawa will reimburse the province when Treasury Board loosens the purse strings.

Each day of delay means that we will be that much longer escaping the grips of the overseas oil interests, pouring more dollars into already overloaded foreign coffers, denying Nova Scotians promised jobs, and depriving ourselves of the benefits of being able to use our own resources.

This frustration with the lack of movement on the development of the mine at Donkin is strongly felt. If it were started now, by 1985 it could replace through its two million tonne capacity in its first stage eight million barrels of oil at a price which, by 1985, could well be up to the spot market prices of today. This is an enormous opportunity for the coal industry.

Again I have here an article which appeared in the Halifax *Chronicle-Herald* which has not been notable in the past for emphasizing this, but they saw the terrible foot-dragging by the previous government which carried on the feasibility study since last March 8, a study which is now being continued by this new government, while funds are not being allocated. That was the point I was trying to make to the Prime Minister.

It is all right to have an energy bank if it is for the purposes of funding, but right now we need $25 million to $30 million in order to start the tunnels in that mine, while the province is giving money to the Crown corporation to do the clearing and so on. We cannot wait another year, and it will take that long for the energy bank to get going.

● (2150)

Out of this frustration, again the *Chronicle-Herald* wrote a lead editorial on its front page. As the minister knows very well, it is not notably an NDP paper. On November 10, just the day before Remembrance Day, the following appeared:

The chief focus of this political indecision on energy matters is currently the proposal to develop the undersea Donkin mine in the vast Sydney coalfield, which contains 95 per cent of Nova Scotia's recoverable coal reserves. The economics of the mine proposal have been studied exhaustively by both levels of government, to the extent that the previous provincial government, convinced the mine was economic and would be in production by 1985, constructed a coal-fired generator at Lingan. The present provincial government, equally confident of the feasibility of Donkin, is continuing with a second Lingan unit and has begun clearing the site for the mine, hoping the federal Treasury Board will release the $220 million initial capital requirement before spring, when tunnelling is scheduled to begin.

. . . If Ottawa moves immediately, the mine can be producing by 1985—

I want to come back to this whole energy question. I am sure the minister will agree with me. If the prices the government wants are approved, although certainly we will do our best to stop the ones that are stated—

Mr. Lambert (Edmonton West): Come to Alberta and tell us that.

Mr. Hogan: I will go anywhere and tell them. I presume Albertans have television. Are you that far behind? You have the highest standard of living in Canada. Surely you have televisions. If the hon. member wants to rise and make a silly statement such as "tell it to Alberta," let me say to him that I am telling it to the world. I am telling it to Canada here. I am not only telling it to Alberta. I am telling it to them all. The hon. member for Edmonton West can carry the message.

The Chairman: Order, please. The hon. member should address himself to the Chair.

Mr. Hogan: Mr. Chairman, if I am interrupted, I think I have the right to answer. Fair game is supposed to be operating in this place.

Mr. Caccia: That is right.

Mr. Hogan: Where was I before I was interrupted?

Mr. Lambert (Edmonton West): You wonder?

Mr. Hogan: If the hon. member listens closely, he will learn things. I was dealing with the question of coal and the bank which was mentioned here today. I am sure if the minister and I talked it out privately that I would agree with him. If we are to go to the world oil price or the Chicago price quickly, then that type of funding and bank could be important to the Atlantic region for the two reasons I have mentioned already: bringing the power from Newfoundland into a maritime power grid, and the development of the tidal power situation in Nova Scotia and on the perimeter of New Brunswick.

The first stage at Donkin, the tunnelling and so on, must be announced now. Otherwise, we will be into another year with more imported oil and the obscenely high unemployment will continue in Cape Breton. The province of Nova Scotia is agreed, generally everybody is agreed that we must move fast in order to build the tunnels and get into the production of coal. I do not think putting it off through an energy bank for another year will do anything to help the situation. In fact it will not only create frustrations within the area there, but also great frustrations in the provincial government in Halifax, which is a Tory government. Already they have put funds through the federal Crown agency to start the site with the hope and I imagine the promise they will be given back when Treasury Board loosens things.

The minister told me that this will be going before cabinet in two or three weeks. I say to the minister: do everything in your power to make sure the moneys are allocated, the $25 million to $30 million, now. If the minister is sincere in saying that he wants sufficiency in energy and that he wants to stop oil from coming into the country, then the answer for Nova Scotia, as its government has spelled out, must be in terms of greater coal development. The key is the earliest start possible for the Donkin mine. There is no disagreement between myself and the people I talk with in the provincial government at Halifax and the officials of the energy department in Halifax.

There is no disagreement between the people I have known here since 1960 when I was at the University of St. Francis Xavier. I would come up here and talk with them about coal when decisions were being made by the Diefenbaker govern-

ment as to whether they would close one, two, or three mines. They tell me, "You watch it now and make sure that the Donkin mine will not be shelved for anything else, because there are people who are trying to shelve it". I know the minister does not agree with that. I am just saying that it is well known. If we have to wait for an energy bank down the road in a year, in order to get the funds, then all hell will break loose on this issue. Enough concern has been generated now.

The people of Cape Breton have been through enough frustration on this issue. Surely we can get action on this and start getting some of the unemployed people off the streets, as well as contribute to the greater good of Canada by displacing that very, very expensive imported oil, which will be much more expensive by the time the mine is finished.

I see my time is just about up, but I should like to ask the minister to comment on the question of InterVac, a high technology industry operating out of Sydney. It produces special types of technological equipment in order to improve the fishing industry—navigational aids. They have been looking for help. I hope the minister will get together with the Department of Transport as they must be concerned about this. I think Mr. Currie, the head of InterVac, employs 40 people. He has brought his case either to DREE or the Minister of Transport.

The Chairman: Order, please. The hon. member's time has expired.

Mr. MacKay: Mr. Chairman, I will check on that last point immediately to see at what stage this project is presently being considered. I can find nothing that the hon. member has said with which I seriously disagree. There is no doubt the Donkin mine is a key element in any energy strategy, not only for the Atlantic region but indeed for a national energy strategy. There is no doubt that the longer the mine is put off, the more it will cost to develop, taking into account the forces of inflation. However, I want to say that, in my view, we are not faced with the kind of time bind which the hon. member has said. I think Nova Scotia, whether this has been true in the past or not, in working closely with us, is recognizing only its own particular interests. Certainly we will reimburse the province. Certainly we will continue to work closely with them. As far as the Donkin mine is concerned, I will be pressing very hard for a definitive decision. I emphasize that we are not behind schedule and that the question of timing, if it be 1985, is entirely feasible, provided matters are proceeded with in an expedient manner.

Earlier the hon. member touched on a number of interesting things. He spoke about creative jobs. I think he would agree with me that in the past, and of course in the future, if DREE can be more productive and more ingenious in delivering jobs through the creation of worth-while economic development, we will have less need for the delivery of short-term moneys through the Department of Employment and Immigration to take care of the needs which face our region, and indeed unemployed pockets all over the country. I would think that it has been a measure of frustration, as far as regional economic development is concerned, that the kinds of funds which could have been diverted for this purpose have been expended on make-work projects. How we are going to get a better type of distribution of funds through DREE for more tangible and long-term benefits, is a continuing challenge. I think as well that fiscal and monetary policies are required.

● (2200)

The Chairman: Order, please. I regret to interrupt the hon. member, but it being ten o'clock, it is my duty to rise, report progress, and request leave to sit again later this day or at the next sitting of the House.

Mr. Breau: On a point of order, Mr. Chairman—

The Chairman: Does it concern the work of the committee or the work of the House?

Mr. Breau: It concerns a committee matter, Mr. Chairman. I wonder if you would permit me to ask the government House leader whether the Minister of Energy, Mines and Resources and the Minister of Regional Economic Expansion can be in attendance at the Committee of the Whole tomorrow afternoon and tomorrow evening, respectively, to conclude our examination of them. I want to say that I regret that the message to which I referred earlier did not get to the House leader. We sent a message to his office and we were given the answer that the minister for DREE could not come tomorrow afternoon. We accept the explanation that he has to be at an important cabinet meeting. We sent a message indicating that we would like the Minister of Energy, Mines and Resources to be in attendance, and I wonder if the House leader can confirm his attendance now?

Mr. Baker (Nepean-Carleton): Mr. Chairman, I did some checking with the appropriate authorities. I understand that a representative of the opposition House leader's office spoke to someone at my office just before the Prime Minister made his statement. I was sitting here with the Prime Minister and I was not aware of that.

In any event, in respect of those two ministers I must report to the hon. member that we are in some difficulty in so far as having the ministers come forward. The Minister of Regional Economic Expansion will be with the cabinet committee in the afternoon on an important matter. Unfortunately, the Minister of Energy, Mines and Resources will not be in attendance as he is also a member of the same cabinet committee and will be attending that meeting.

The parliamentary secretaries, following the normal practice of the House will emulate the good work of the hon. member for Stormont-Dundas, when he was parliamentary secretary to the former minister of finance and sat here day after day in the House answering for his minister because his minister was tied up in something else. That is within the ordinary scope of practice. I want you to know, Mr. Chairman, that those parliamentary secretaries will be available. Naturally I will do my best to see if there is another minister, among the list of ministers who could also be available for questioning. I

appreciate the position in which the hon. gentleman finds himself. I realize he did try to get in touch with me, but did not. I do not fault him for that. However, there is this problem involving the work of the ministers.

I would point out to the hon. member that we are really doing our best to accommodate what I think are legitimate requirements of the opposition in having ministers present to answer questions. We will do that on every occasion, but I want to say to the hon. member that there is no reason that he cannot continue with regard to energy matters tomorrow afternoon, if he wishes to do so, with the Parliamentary Secretary to the Minister of Energy, Mines and Resources. I am sure the hon. member will find him at least as able, and perhaps even more so, as the hon. member for Stormont-Dundas in conducting matters of the House of Commons. I would assure him that whether he is dealing with ministers or parliamentary secretaries, the wish of the government is to answer questions in respect of those matters with the hope that we can complete consideration of this bill so that those who depend upon it will not be disappointed in any way.

Progress reported.

● (2205)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

NATIONAL UNITY—GOVERNMENT POLICY ON SOVEREIGNTY-ASSOCIATION WITH QUEBEC

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, on October 31, I asked the Prime Minister (Mr. Clark) whether his party had taken any position on the sovereignty-association proposal of the Parti Québécois government and whether it was true that the Conservatives would be campaigning on both sides of the question during the Quebec referendum. I asked this question because on October 29 the Minister of Supply and Services (Mr. La Salle) said in Montreal, as reported by the Montreal *Gazette* on October 30, as follows:

'The Progressive Conservative party should stay outside the (pro-federalist) umbrella committee because we have different objectives', Roch La Salle said yesterday.

'Our position is not the same as Mr. Ryan's,'—

The following day another Conservative minister from Quebec, Senator Asselin, was quoted in *La Presse* dated October 31, as follows:

[*Translation*]

It will not come under the "no" umbrella in the referendum campaign no matter what its leader, Prime Minister Joe Clark, says.

[Mr. Baker (Nepean-Carleton).]

[*English*]

When I put this question to the Prime Minister, the Minister of Supply and Services confirmed the news story by interjecting from his seat as follows:

Ask me the question and I will answer yes or no.

In other words, the Minister of Supply and Services wanted the House to know that he was ready to vote "Yes" or "No" on the referendum question, depending on what it was.

The Prime Minister never answered my question. He merely said, as he says so often, that the Conservative party, "is determined to work toward the strengthening of the federal system". That is a brave generality. By this he explained that he meant a new attitude toward the division of powers. He gave as examples the dismantling of Loto Canada and the granting of offshore mineral rights to Newfoundland and British Columbia. He went on to say, as reported at page 804 of *Hansard:*

It is my expectation that the question—

That is, the referendum question.

—will be phrased in such a way that members of the Progressive Conservative Party will want to vote against that question. That is my expectation of what will happen—but I have not seen the question proposed by Mr. Lévesque: perhaps the hon. member has.

Consequently, Mr. Speaker, he left the situation just as vague. He did not say clearly that the Conservative party would campaign for the "No" option and that they would participate with the umbrella committee campaigning against the "No" option on the referendum.

At that point in time the Parti Québécois had not published their white paper on the referendum. Mr. Speaker, how could anyone be so naive as to think that a pro separatist government would put a referendum question to which a "Yes" answer would not favour their cause? How could the Prime Minister think for one minute that he or his ministers could vote "yes" in the referendum and still favour federalism? What kind of bluff was he trying to foist on the Canadian people?

I suggest, Mr. Speaker, he was trying to walk on both sides of the fence, trying to assure anglo-Canadians outside Quebec that he stood for a united Canada, and trying to win, on the other hand, a bigger following in Quebec by courting the pro nationalist element in that province.

On November 1, Mr. Speaker, the Quebec government published its white paper on sovereignty-association and the referendum, and made its proposals more specific. Of course, it only became more clear that the Parti Québécois wanted to break up the country before seeking an association which, I might say, would be weaker than the common market.

I quote from a summary of the white paper on page 13 as follows:

The only laws applying on Quebec's territory will be those adopted by the National Assembly, and the only taxes levied will be those decreed by Quebec law.

As a result of the publication of the white paper, Mr. Speaker, I asked the Prime Minister once again some similar questions on November 5. This time the Prime Minister said

that members of the Conservative party would participate in the umbrella committee supporting the federal system in the referendum, and that that was the intention of his two Quebec ministers as he "made it clear in the House the other day." I do not know what day he was talking about, Mr. Speaker. I reread all his answers in *Hansard*, particularly his answers on November 2. I can find no statement which makes clear that its Quebec ministers will campaign for the "no" option in the referendum. As a result, it is still unclear with respect to the Quebec ministers.

● (2210)

As reported at page 884, in answer to a question by the hon. member for Outremont (Mr. Lalonde), the Prime Minister said:

> The question is whether it would help the cause of federalism to have a federal minister from Quebec join a somewhat limited group formed by Mr. Ryan. I think that now that we are in a position to discuss party strategies here, it would probably be better for us to let the supporters join that umbrella committee and to let the federal ministers from Quebec or elsewhere show through their actions and their activities this government's determination to bring about a truly renewed federalism.

Once again he is waffling. He is saying that he prefers that the ministers do not participate. We still want some clear answers. Will he and his ministers participate in the referendum umbrella committee? Will he commit federal resources to rebutting the white paper from a Canadian point of view? Is he going to stand up for Canada, or is he going to leave this to the premiers, and is he going to continue to appease the pro-nationalist forces in Quebec?

An hon. Member: Nonsense.

Mr. Allmand: Yes, appease the pro-nationalist forces in Quebec.

I put these hard questions to the Prime Minister and he does not answer. The kind of answer he gives, which is complete nonsense—and you can refer to page 1084 of *Hansard*—is that the former government, the government of Mr. Trudeau, was responsible for separatism. Anybody that knows the history of Quebec knows that the seeds of separatism go far back into our history, and if anything the cause of separatism would have been much worse in Quebec if it had not been for the governments of Mr. Pearson and Mr. Trudeau. I would like to hear some answers to my questions.

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations): Mr. Speaker, I am pleased to be given this opportunity to respond to the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) on behalf of the Prime Minister (Mr. Clark).

The position of the government concerning the up-coming referendum in Quebec is clear. First, the government has stated that the proposal put forward by the Quebec government in its White Paper, the so-called sovereignty-association thesis, is incompatible with the federal system and totally unacceptable to this government. I fail to see how this position could be made more clear. Second, the Prime Minister has made it perfectly clear, in a reply to the hon. member for Notre-Dame-de-Grâce, that the Prime Minister, his ministers and members of the Progressive Conservative Party of Canada, would work toward a victory of federal forces in the province of Quebec. Third, the Prime Minister has explained that our approach would be different from that of the previous administration.

The government in no way questions the sincerity of members of the opposite bench. But recent history has shown that much of their strategy was wrong and counter-productive. We do not believe, Mr. Speaker, that Quebeckers will be convinced of the merits of federalism by publicity campaigns, propaganda, or rhetoric, but rather by concrete acts of flexibility.

I sympathize with the hon. member. I respect his anxiety because it demonstrates his love for his country. But the hon. member, I would hope, would have more confidence in the good sense of Quebeckers. The great achievements of Quebec society during the last 20 years show that its people can move toward fulfilling their aspirations within federalism. On the day of the referendum I am confident that *se tenir debout* to paraphrase Félix Leclerc, will mean Quebeckers will choose Canada.

Finally, I would like to say that all members in this House being dedicated federalists, it would be deplorable for us to be divided on this crucial issue. Federalist forces in Quebec will be rallying behind Mr. Ryan's leadership because that leadership is enshrined in law. In this chamber we may legitimately disagree in terms of day to day strategy. But I ask colleagues not to challenge the clarity or the dedication of this government's policy regarding the referendum.

Some hon. Members: Hear, hear!

THE ENVIRONMENT—AGREEMENT WITH U.S. ON REDUCTION OF AIR POLLUTANTS

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, acid rain has been described by the Minister of the Environment (Mr. Fraser) as the most serious threat to our environment today. Yet his policy to combat it, at home and abroad, is hesitant, weak, and at times contradictory. On the one hand he is quoted as saying, "Our appeals for more U.S. controls will likely fall on deaf ears if we do not begin to clean up our own act". On the other hand he says we must wait for an agreement with the U.S. before we take any action at home, because it would not do any good to reduce emissions in Ontario without cleaning up U.S. industries.

● (2215)

When the minister appeared before the Standing Committee on Fisheries and Forestry last week, buried on page 8 he had a one paragraph statement to the effect that acid precipitation is one area which requires priority attention. Beyond that, we do not know what his plan of action is. For instance, what are the steps he plans to take to establish federal-provincial co-operation? All we hear is that there is a problem and that something should be done, sometime. He talks of taking action, and then

all he does is outline efforts to strengthen monitoring and research, efforts initiated by the previous government. It looks more and more that what he means by giving priority attention to an issue and taking action is that he intends to redefine the problem while at the same time remaining vague as to how and when solutions will be reached.

Last July the minister was reported to have said that Canada is "very close" to signing a diplomatic agreement with the United States that will set the stage for a full scale treaty to cut down acid rain and other forms of international air pollution. He said, "We are so very close and I want the—initial—agreement very much . . . The time to sign this treaty is right now." Soon after, though, he began to say that we should not expect an agreement before the U.S. presidential elections in 1980, that this was a realistic date and that it would be irresponsible to raise expectations. When I asked him to tell us the source of the information concerning the date after the presidential election, he told us at the standing committee meeting of November 8 that it was an assumption, and that the information was not based on consultation with Washington. Why, then, on the basis of such assumptions, should we accept a date of some time in 1981?

Why can we not wait? First, because the destructive and cumulative damage to the environment increases slowly but inexorably with every day, week, and month that go by. What do we need to see happen to get this government moving?

Second, because we may well be making a wrong assessment of President Carter's priorities. Why are we concluding that he cannot sign a treaty in an election year, considering his record on environmental matters?

Third, because apparently the United States has higher emission control standards than Canada. With this in mind, it would seem that we have a lot of catching up to do right here before we can start to move with the United States, "equally" as the minister puts it.

Add to the minister's hesitancy and contradictions the provinces' reluctance to confront industry. In the case of Inco, the largest single source of acid precipitation in North America, it was ordered by the Ontario government some years ago to cut sulphur dioxide emissions to 750 tons a day by December 31, 1978. Yet Inco we learn has been allowed to emit 3,600 tons a day until June 30, 1982. Mr. Parrott was reported last week to have said that acid rain could be prevented, but that the cost is too high and there is a complicated problem of what to do with that material once removed from the atmosphere. This implies in the mind of the provincial government of Ontario that we have at the present time little hope except to let precipitation do irreparable damage to our environment. What a shame, Mr. Speaker! If you think that is bad, listen to this.

The federal Minister of the Environment is quoted as saying that to push Canadian industry to the same standards as the U.S., or beyond, would harm, imagine, our competitive position. He said, "You cannot go to Canadian industry and say you have to meet certain requirements" just to show Canada is serious about fighting acid rain. Why not? Are we not serious? How can the most serious threat to our environment, which is largely caused by industry, be resolved without affecting certain interests, be they of an industry, of consumers, or of society at large. Is this being realistic?

[Mr. Caccia.]

On the other hand the minister is quoted as saying that, "Although substantial resistance might be expected in Canada from those affected by such costs, I would point out, in such countries as the United States and Japan, up to 20 per cent of the capital cost of new facilities is not being expanded on pollution control". This was in an interview over CJOH on September 25. It goes to prove that a country can be competitive, as Japan is, as well as being environmentally responsible.

● (2220)

To sum up, we in the opposition are asking the government to stop dilly-dallying and to give this matter top priority. We are asking the Government of Canada, (1) to press Washington for an early date in 1980, as the time when we want to sign an international agreement in the interest of both countries and (2), to pressure the provinces incessantly and without delay so as to get them to act within the scope of their responsibility and, if they are reluctant, as is the case in Ontario, to invoke the powers given to the federal government under our constitution to proceed unilaterally.

The environment is in grave danger. Therefore, in the long run we are in grave danger too. We do not want to reach the state of an emergency just because of federal-provincial minuets. Air does not know provincial boundaries, neither does water. We cannot let procedural and political delays destroy our environment. What is at stake today is a healthy environment and tomorrow the health, and maybe the survival, of the human species.

Mr. Joe Reid (Parliamentary Secretary to Postmaster General and Minister of the Environment): Mr. Speaker, the minister indicated in his response to the hon. member, and he reiterated his position in the standing committee having to do with the estimates of that department, that he would welcome, as he emphatically stated in this House, the signing of an effective Canada-United States agreement having to do with the abatement of this very serious problem.

The judgment that such an agreement cannot be reached until 1980 or after the U.S. elections is his own. In coming to this conclusion the minister has taken into consideration the results of the meeting he held on August 8 with his counterpart in Washington and the advice of his own departmental officials in consultation with those of the Department of External Affairs. May I emphasize, in addition, that the problem we now face, and which has been described as so serious a matter, is not one which simply arose since May 22, and the minister takes the position that he must be realistic despite the seriousness of the matter and despite the priority which his department gives to it.

It would not be responsible for him to give the kinds of assurances which are being requested by the hon. member for Davenport (Mr. Caccia), and he does not wish to raise such unrealistic expectations in the mind of the public. It is his view

that while this is not a new problem, as I mentioned earlier, its solution will take time. I suggest it will take time to identify the sources of the emissions, the technology of the control which will be required for each, to identify the aspects of law which will have to be applied both on this and on the American side of the river, and then to negotiate an international agreement acceptable to both governments. This process cannot take place tomorrow.

The minister has instructed his officials to ensure that in co-operation with the provinces they undertake all the necessary preparatory work so that an agreement can be signed as soon as a U.S. election is over or a United States President is prepared to enter into such an agreement.

If I might refer specifically to the concerns of Canada and the reduction of Canadian emissions in acid-causing pollution, a federal-provincial committee on control strategy has already begun to identify, develop, and evaluate alternative abatement policies. This initial work will be completed in the spring, and this government's intention is to rely on the provinces to put in place the needed control.

● (2225)

Mr. Deputy Speaker: Order, please. I regret to interrupt the parliamentary secretary, but his time has expired.

[*Translation*]

UNEMPLOYMENT INSURANCE—NEW BRUNSWICK—INQUIRY WHETHER MINISTER WILL CONDUCT INVESTIGATION INTO SUSPENSION OF CERTAIN BENEFITS

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, on Friday, November 2, I rose under the provisions of Standing Order 43 to ask for an urgent inquiry into the problem of seasonal farm workers who have become unemployed in the economic region of Madawaska, an area that actually includes the three provincial counties of Madawaska, Victoria and Carleton in northwestern New Brunswick.

The purpose of my motion was to ask the minister to inquire and send on the spot one or several officials to report to him in the shortest possible time. Prior to my motion in the House of Commons, I sent the minister an urgent letter on Monday, October 29, in which I related to him the demonstrations and the climate of tension surrounding those incidents among both benefit recipients and government officials. I still have not received an answer to that letter and I do not accept the answers given later on in the House by the minister as satisfactory.

Still on Friday, November 2, I came back during question period to ask the minister when he intended to study the demands of seasonal workers being deprived of benefits for which several of them believed they had worked during the whole spring period planting trees for forest companies in New Brunswick, this summer on broccoli crops for processors again in New Brunswick, and others on cucumber, tomato and tobacco crops in southern Ontario. The minister replied that he was directing attention to the situation.

He stated that it was difficult to evaluate the situation and admitted in his reply that there were examples of unfairness in the application of amendments to the Unemployment Insurance Act. In the same breath, the minister agreed to examine the situation to see if he could provide some relief. In answer to a supplementary I put to him, the minister finally stated that the long-term solution to this particular problem was to find employment for the people receiving unemployment insurance. I certainly admire the minister's intentions and I will gladly support any sincere and serious attempt on his part to do so.

Last November 5 I met with a group of unemployed and their spokesman to explain the legislation to them and the recourse and appeal procedures it provides. I had many discussions with the employment centre director and the local Unemployment Insurance Commission staff. They are all awaiting some directive from above, from the minister or one of his senior officials, but the reply has yet to come and the situation has far from improved. Demonstrations continue and are becoming agitated or noisy to the extent that the police can hardly contain them.

The minister is not only responsible for the sound administration of the unemployment insurance system, he is also under the obligation of introducing in the House all amendments or changes which would make the system fairer, more humane and easier to apply. I urge him to act quickly in this respect. He can be assured of my support if he does so, just as I have always reacted vociferously against all the exaggerated and sometimes illogical proposals put forth by his predecessors.

I have been a member of Parliament for nearly 12 years and I can assure him immediately that I shall co-operate fully to humanize the present system. I am not at all interested in making petty politics on the backs of the workers. What makes me sad and sometimes angry is to hear certain members or other residents of economically strong areas like southern Ontario suggest that the people of the Atlantic region are lazy and do not want to work and that we should cut them off from all unemployment insurance benefits to force them back to work. We still hear this from the rich areas of the country.

Would the minister try to suggest that the 250-odd families from Madawaska and Victoria who went—men, women and children—to pick vegetables in southern Ontario, are lazy? Was it laziness on their part to work 10, 12, 13 hours or more each day from early July until October in Ontario fields, even though very often this meant that their children missed school? Does he think that those people went to southern Ontario to spend their holidays and that they would have gone if there had been work available in New Brunswick? Come on! It is time to act, and one of the things that could be done

would be to remove from the Madawaska economic area Carleton county which is now causing a serious distortion of the employment situation and unemployment levels in Madawaska-Victoria. Seasonal workers were not able to get as many weeks of work this year as last year, and because of this they have been excluded from benefits through no fault of theirs. Winter is coming. In fact, it is already quite cold in my area of New Brunswick and we must do something to help the workers and the families of workers who are entitled to unemployment insurance benefits. We should do so also if we want good workers from Madawaska and Victoria for the harvest in Ontario next summer. Something must be done immediately to rectify the inequities of the present system.

• (2230)

[*English*]

Mr. Joe Reid (Parliamentary Secretary to Postmaster General and Minister of the Environment): Mr. Speaker, have I the permission of the House to respond? In response to the question of the hon. member for Madawaska-Victoria (Mr. Corbin), I will begin, as the minister did, by reminding the House that the repeater clause is contained in legislation which was argued vigorously and successfully by hon. members opposite when in government.

As the hon. member knows, this particular amendment to the Unemployment Insurance Act was made in order to reduce the extent to which it was being used to maintain the income of those in cyclical patterns of employment.

In addition, as I am sure the hon. member knows, the departmental officials, in consultation with the provinces and the private sector, are engaged in an extensive review of the Unemployment Insurance Act. This particular item which gave rise to the unrest in that part of New Brunswick will be one of the provisions that will be examined very closely.

Referring specifically to the current situation in Edmundston, I am well aware of the fact that the hon. member has met with some of the demonstrators and has heard one side of the story. But is he also aware that the majority of the demonstrators have decided to seek redress through the statutory appeal process?

Mr. Corbin: I told them to do so.

Mr. Reid (St. Catharines): I would like to add that the ministry is very well aware of the fact that changes in legislation and regulations can sometimes cause problems to some individuals. We are equally aware that the repeater regulation, in increasing the number of weeks required to qualify for benefits, has resulted in a situation where some who would previously have been eligible for benefits do not now qualify.

Any time that such a policy change may be detrimental to individuals, naturally we are concerned. In this case we are concerned with any potential negative effects it may have and we hope they will be minimized.

As the minister said, the best way to reduce these negative effects is to increase the employment opportunities for the unemployed. To this end, the minister has already taken action to extend the deadline for the receipt of Canada Works applications. This step will improve access to funds available for job creation purposes.

In so doing we are able to facilitate the creation of an increased number of employment opportunities which will contribute positively to the local economy. This alternative also provides the opportunity to create jobs, not only for those who are affected in this particular instance, but also for other unemployed workers in the Edmundston area. I am convinced that these changes as proposed by the ministry will deal positively and effectively with the current situation.

Mr. Deputy Speaker: A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.35 p.m.

HOUSE OF COMMONS

Tuesday, November 13, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

MISSISSAUGA DISASTER—INSTALLATION OF HEAT-SENSING DEVICES BY RAILWAYS—MOTION UNDER S.O. 43

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, I rise, under Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that the Canadian Pacific Railway has admitted that the railway accident in Mississauga could have been prevented by the installation of "hot box detectors" which would alert the train crew of the potential danger, I move, seconded by the hon. member for London East (Mr. Turner):

That the government order all railways operating in Canada to purchase and instal forthwith these heat-sensing devices.

Mr. Speaker: This subject can only be debated at this point with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EDUCATION

PROPOSED PHASING-OUT OF CERTAIN PROGRAMS IN ONTARIO—MOTION UNDER S.O. 43

Mr. Jesse Flis (Parkdale-High Park): Mr. Speaker, I rise, under the provisions of Standing Order 43, to move a motion of urgent and pressing necessity.

Considering that this is the International Year of the Child, and that the Toronto Board of Education at its meeting on Thursday, November 15, 1979, will move to phase out special education behavioural programs, all special education self-contained programs—primary, junior and senior—home instruction programs, programs for students with learning disabilities and health programs, I move, seconded by the hon. member for Etobicoke-Lakeshore (Mr. Robinson):

That this House urge the Ontario minister of education, Mrs. Bette Stephenson, to investigate what effect the phasing-out of special education services in Toronto will have on the students who have severe learning, perceptual, behavioural and health disabilities.

Mr. Speaker: The hon. member would have to persuade me that this motion belongs in the jurisdiction of this House, as opposed to the jurisdiction of the province of Ontario which has responsibility for education.

* * *

SOCIAL SECURITY

UNIVERSALITY OF FAMILY ALLOWANCES PROGRAM—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie), I move:

That this House reaffirms its belief in family allowances on a universal basis as having been an integral part of the social programs developed in Canada during the last half century, and unequivocally calls on the government not to propose the cancellation of family allowances for all the children of Canada.

Some hon. Members: Hear, hear!

Mr. Speaker: This motion can be introduced for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EMPLOYMENT

INCREASE IN UNEMPLOYMENT—EFFECT OF GOVERNMENT'S ECONOMIC POLICIES—MOTION UNDER S.O. 43

Hon. Francis Fox (Blainville-Deux-Montagnes): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the increases in the rate of unemployment released today by Statistics Canada, in view of the fact that the only economic policies pursued by the present government since taking office have been the pursuit of higher interest rates and higher energy prices for all Canadians, and in view of the fact that such policies have been parallelled by cuts in various job-creation programs, I move, seconded by the hon. member for Louis-Hébert (Mr. Dawson):

S.O. 43

That this House instruct the government to immediately take action to counter the effects on the Canadian economy of the economic policies it has relentlessly pursued to date and which are causing increasing lay-offs and generally higher levels of unemployment throughout the country.

Mr. Speaker: For the same reason that I set aside such an application by the hon. member for Ottawa Centre (Mr. Evans) yesterday, I have to take the same stance on this motion.

* * *

FITNESS AND AMATEUR SPORT

FIVE-YEAR PLAN FOR NATIVE PEOPLE—MOTION UNDER S.O. 43

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43.

Considering that native people have identified culture and recreation as a priority need on reserves, considering the concerns of native people on sports and recreation have been identified on many occasions—for example, the Royal Commission North of 50, the Kirby Commission of Alberta and the Social Services Committee Review—and considering that the majority of native people, approximately 85 per cent, are 25 years of age and under, I move:

That this House recommend that the Minister of State for Fitness and Amateur Sport approve the five-year plan submitted to his ministry today for Indian sport and recreation.

Mr. Speaker: Such a motion can be introduced at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VETERANS AFFAIRS

CBC DOCUMENTARY ON DIEPPE RAID—MOTION UNDER S.O. 43

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that on Sunday evening, November 11, thousands of Canadian veterans were in attendance at Legion banquets across Canada, and in view of the fact that many of these veterans, such as Major Lefty White, of Nelson and the hon. member for Edmonton West (Mr. Lambert) were survivors of the Dieppe raid who had a special interest in the CBC production on Dieppe, I move, seconded by the hon. member for Okanagan North (Mr. Whittaker):

That this House request the CBC to rerun their excellent Dieppe raid documentary a few months hence for the benefit of those thousands of veterans who did not see the Sunday night production by virtue of their attendance at Legion functions.

[Mr. Fox.]

Mr. Speaker: The motion can be introduced for debate at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

● (1410)

HUMAN RIGHTS

JOINT COMMITTEE ON HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS—MOTION UNDER S.O. 43

Mr. Bob Kaplan (York Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the commitment of this House to human rights and fundamental freedoms, and in view of the message from the Senate requesting that this House unite with the Senate to establish a standing joint committee of the Senate and the House of Commons to be known as the committee on human rights and fundamental freedoms, I would move, seconded by the hon. member for Parkdale-High Park (Mr. Flis):

That such a committee be formed and that eight members of the House of Commons be designated in the usual way to serve on the committee.

Mr. Speaker: Is there unanimous consent for such a motion to be brought forward for debate at this time?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PETRO-CANADA

REQUEST THAT CORPORATION NOT BE DISMANTLED—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the terms of Standing Order 43.

In view of the fact that a study by a well-known economist at the University of British Columbia concludes that multinational oil companies in Canada would increase their tax-free profits to $50 billion by 1985, a tenfold increase over 1974, and since these enormous jumps in oil profits will cause a sharp shift in power to this sector, which is only 20 per cent controlled by Canadians at the present time, I would move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That in view of this evidence, the government cease and desist from dismantling our nationally-owned oil company, Petro-Canada.

Some hon. Members: Oh!

Mr. Speaker: Is there unanimous consent to the introduction at this time of such a motion under Standing Order 43?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FINANCE

PROTEST AGAINST PROPOSED INCREASE IN INTEREST RATE ON CERTAIN DEMAND LOANS—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax West): Mr. Speaker, I, too, rise under Standing Order 43, on a matter of urgent and pressing necessity.

Thousands of Canadian farmers, fishermen and small business operators have received notification of an increase in the interest rate on existing demand loans which were originally made at a lower rate. I ask leave to move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That this House request the Minister of Finance to conduct inquiries of banks and other lenders to ensure that interest rate increases on existing demand loans which were made at a specified rate of interest are justified.

Mr. Speaker: The introduction of this motion for debate would require unanimous consent. Is there unanimous consent for it to be put forward at this time?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

THE ENVIRONMENT

REQUEST PROGRAM BE ESTABLISHED WITH PROVINCES TO CONTROL ACID RAIN—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, I rise under the provisions of Standing Order 43, and ask for the unanimous consent of the House to discuss a motion relating to a matter of urgent necessity and of national interest.

Given the fact that Canada and the United States have not as yet ratified any agreement concerning acid rains, that as a result of this delay the government of Ontario stated that it was ready to act alone in this matter, and also given the fact that the government of Quebec has deplored the very limited role left by the federal government to the provinces involved, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the House urge the federal government to stand by its policy of open government toward the provinces by developing with them a joint program for the control of acid rain.

Mr. Speaker: Pursuant to the provisions of Standing Order 43, presentation of this motion for debate requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

OIL PRICE INCREASES—REMARKS OF PREMIER DAVIS ON ADVERSE EFFECT ON ECONOMIC ACTIVITY—INTEREST RATE INCREASES

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Finance. Yesterday, Premier Davis of Ontario, in his speech to the first ministers' conference, said in part that a "massive increase in the price of oil can stall economic activity and slash employment growth at a time when consumers and small businesses are already in a very difficult situation due to high interest rates . . ."

In view of the fact that this morning we began to see the effect of the government's policy of raising interest rates in the report of Statistics Canada that unemployment has increased to 7.4 per cent, the first increase in more than 11 months, will the hon. gentleman tell the House whether the government intends to abandon its policy of deliberately creating unemployment under the guise of fighting inflation?

● (1415)

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I am glad the hon. gentleman asked that question, because he forgot to mention that October employment rose 4.3 per cent, or 441,000 more than the employment level of a year earlier. That is the actual data for October—up 441,000. The actual unemployment rate fell to 6.6 per cent this month, compared with 7.2 per cent last month. Those are the effects of our policy of fighting inflation which in the long run is going to control unemployment.

I am glad that the hon. gentleman is paying such close attention to what Premier Davis of Ontario is saying, and I hope he will do what Premier Davis advocates in the coming provincial election in Ontario.

Mr. Gray: Mr. Speaker, in the official background document tabled before the first ministers' conference by Premier Davis, the summary says that "interest rate increases since June, 1979"—that is, since this government took office—"could reduce 1980 economic growth by as much as 1.6

percentage points and reduce job creation in Canada by 44,000 jobs."

I want to ask the minister if he realizes that Statistics Canada tells us that on a seasonally adjusted basis—the one the minister always used to talk about in preceding months—49,000 more Canadians were unable to find work in October than in September. Will the minister say, now, what action the government will take to prevent the loss of thousands of additional jobs in this country in the coming months?

Mr. Crosbie: Mr. Speaker, the Canadians I am interested in are the actual Canadians, not the seasonally adjusted ones. The actual Canadians, 441,000 more actual Canadians are working in October this year as compared with October of last year. These are the actual ones, not the seasonally adjusted ones. That is quite a remarkable feat. And if our policies are successful, as we think they will be, in overcoming inflation, then we will have even a better record in the future for employment in this country.

As far as these statistics that the hon. gentleman is mentioning are concerned, it is very, very difficult to forecast with such fantastic precision in that manner, and I do not intend to get into the numbers game with the hon. gentleman except to say these figures portray a very grim picture which is not justified by our own forecasts.

Mr. Gray: Mr. Speaker, the minister may not want to get into the numbers game with me, but I see he is not willing to challenge the numbers of Premier Davis, who says in his background document that "by the end of 1981", if the Conservative energy policy proposal is followed, "consumer prices will be 4.5 per cent higher, job creation 137,000 lower." These are real people, not the kind the minister is talking about—"and real gross national product 2 per cent less than would have been the case if the option were not implemented."

I want to ask the minister if he will agree that he and his government will finally, now, desist from its policy of imposing on Canadians the double shock or the double burden of raising interest rates to record high levels and raising energy prices to record high and unnecessary levels as well. Will he take this action now, or is he willing to have hardship placed on hundreds of thousands of Canadians who are consumers, workers and small business people? It is obvious that this will be the result of his policy.

Mr. Crosbie: Mr. Speaker, I hope to impose on the hon. gentleman if the double shock of another defeat in another election if he brings forward another non-confidence motion in the next few weeks.

As far as these figures are concerned, in the forecasts that Premier Davis is making there are all kinds of assumptions, none of which are yet confirmed. There are assumptions as to oil price increases and assumptions as to excise tax, forgetting entirely any offset programs and forgetting any other actions taken. These things are abstracted just on certain assumptions alone, forgetting all the other things that will come with it and also forgetting the alternative. The alternative for this country, if we do not become self-sufficient in energy, is that there may be an oil cut-off which will create far worse unemployment, far worse price increases and far worse inflation. I hope the hon. gentleman will have an open mind when our policies are laid before this House in the coming weeks.

* * *

• (1420)

[*Translation*]

EMPLOYMENT

INQUIRY WHETHER GOVERNMENT DECREASED FUNDS FOR JOB-CREATION PROGRAMS

Hon. Francis Fox (Blainville-Deux-Montagnes): Mr. Speaker, in the absence of the Minister of Employment and Immigration, I should like to put a supplementary to the right hon. Prime Minister. As he knows, for the first time in 14 months we are experiencing a substantial increase in the rate of unemployment. Considering that those first surges are the direct result of the policy of higher interest rates of the government, that since it came to power five months ago the government has taken no steps to create jobs, can the Prime Minister tell the House, especially in light of the specific indications given by the Ontario premier to the effect that present central government policies will result in at least 137,000 more unemployed by 1981, why the only policy adopted until now by his government in the field of job creation has been to reduce substantially the amount of funds allotted to those programs?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, for the time being, there are two answers to that question. First, we have indicated the intention of the government to set up a program designed to stimulate job creation, especially for the young. There will be other such programs in the budget to be brought down by the Minister of Finance. Second, with regard to the impact of changes in the cost of energy, as indicated by the Minister of Finance, other means will be taken to help those who are affected by an increase in oil prices. It will also be necessary for all Canadians to face the consequences of a status quo policy which could leave provinces like Ontario, Quebec and those of the Atlantic region quite vulnerable to the uncertainty of supplies coming from abroad.

[*English*]

Mr. Fox: Mr. Speaker, perhaps I could rephrase my question and ask it in a more specific way. In view of the fact that there is a recession in the United States and that it will have economic effects in this country; in view of the fact that we have had substantial and successive increases in the rates of interest, with direct effects on the economy, including a number of lay-offs; in view of the fact, also, that the present government has failed to reveal its over-all employment strategy for the months to come, in spite of the fact that we are

almost into the winter, can the Prime Minister explain why the only measure taken to date by his government is a cutback in job-creation funds available through the department of employment, and will the Prime Minister undertake to order the minister of employment to cease using, for other departmental purposes, funds initially earmarked for job-creation programs and order the minister to restore job-creation funds to their original level?

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, the minister is working now, as the hon. member knows, on the preparation of employment programs, particularly focused on the young. There are other programs being considered by the Minister of Finance which will be introduced at the time of the budget.

This government has already begun to take some of the difficult economic decisions having to do with getting our deficit under control, with facing up to the reality of the international energy situation and with other problems which face the country, with an eye to restoring the kind of confidence and growth in the Canadian economy that is the only long-run guarantee of jobs and opportunities for Canadians.

* * *

THE CANADIAN ECONOMY

ADVERSE EFFECT OF OIL PRICE INCREASES ON INFLATION AND EMPLOYMENT

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Finance. The minister has disputed certain figures used by the Premier of the province of Ontario, but there are certain figures beyond dispute that came out today. One is that unemployment is up across the country, particularly in the two largest industrial provinces, Ontario and Quebec. Canadians are sick and tired of this; there is no doubt about that.

Considering that the minister has already acknowledged that his own high interest rate policy has contributed to higher unemployment, will he confirm to the House that if his government gets its way and there is an increase in the price of oil by $4 to $5 a barrel, Canadians will experience next year both double-digit inflation and double-digit unemployment?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, in answering the hon. gentleman who, I saw over the weekend, was down in the fog of Newfoundland and has still not got out of the fog—

Some hon. Members: Oh, oh!

Mr. Crosbie: —I would say that if the energy pricing policy suggested by the Government of Canada is followed, the people of Canada will be pleased and delighted that the government is taking control of the situation with regard to energy. We are aiming toward self-sufficiency for this country, so that we will not be dependent on other countries around the world and will not be in a position where our supplies might be cut off at any time, with the result that this will have on unemployment and price increases.

So the hon. gentleman and the people of Canada should be pleased that that situation has been dealt with firmly. If energy prices do go up next year—

● (1425)

Some hon. Members: If?

Mr. Crosbie: The policy is not settled yet.

Some hon. Members: Oh, oh!

Mr. Crosbie: It is not agreed yet. Hon. gentlemen will be aware of what is happening in the next couple of weeks. But if energy prices go up, certainly there will be some effect on the cost of living: no one can deny that there will be some effect. We will have an offset program to help Canadians, particularly those of lower income, withstand the effects of the energy price increase.

Mr. Broadbent: Mr. Speaker, I should like to point out to the Minister of Finance that it was the Prime Minister who got lost in the fog; I got to Newfoundland.

Some hon. Members: Hear, hear!

Mr. Broadbent: Since the figures showing that 17,000 Canadians were laid off last month were released by his government, maybe he will accept those, if not the ones from the Conservative government of Ontario. Yesterday in the House, the Minister of Regional Economic Expansion said the following:

> —as long as interest rates remain at their present high levels I cannot see any great improvement that would be possible to stimulate construction.

I should like to ask the minister if he agrees with what I regard as an honest and accurate observation made by the Minister of Regional Economic Expansion; if so, what does he intend to do about it?

Mr. Crosbie: Mr. Speaker, in answering the hon. gentleman's question, I am disappointed he did not remark on the fact that unemployment in Newfoundland was down to 14 per cent as compared to 14.1 per cent last month.

An hon. Member: Big deal.

Some hon. Members: Oh, oh!

An hon. Member: Seasonally adjusted.

Mr. Crosbie: I suppose that on his trip he did not make mention of that in Newfoundland. With respect to—

Some hon. Members: Oh, oh!

Mr. Crosbie: It was an improvement which the hon. member did not boast about when he was down there.

Some hon. Members: Oh, oh!

Mr. Crosbie: With respect to the question of construction, if hon. gentlemen opposite co-operate with us in putting a mortgage interest credit and property tax credit program through, that will have a beneficial effect on residential construction in Canada next year.

An hon. Member: It is a joke.

Mr. Crosbie: We are hoping to have their co-operation.

Some hon. Members: Oh, oh!

Mr. Crosbie: That will lead to greater employment in the construction industry, in which I know the hon. gentleman must be interested. So we look to their co-operation in the coming weeks.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, the minister may be proud of the fact that unemployment has dropped from 14.1 per cent to 14 per cent in Newfoundland, but I can tell him that we are not happy on this side, nor are the people of Newfoundland, with a 14 per cent level of unemployment.

Some hon. Members: Hear, hear!

Mr. Broadbent: Since the minister comes from Newfoundland, since in real terms unemployment in that province is 23 per cent, and since Newfoundland also has the highest cost of living, will he explain to the House why his government persists in policies which grotesquely injure the people of his home province?

Mr. Crosbie: Mr. Speaker, the hon. gentleman in his zeal and exuberance has really overdone it.

Mr. Broadbent: Oh!

Mr. Crosbie: The people of Newfoundland are delighted with a government which has given them a future by agreeing to transfer the offshore mineral resources to the province of Newfoundland. This assures them of a prosperous future in the next ten or 15 years. That is what will cure unemployment and cure it for good, not the hon. gentleman's wishy-washy moanings and groanings.

Some hon. Members: Hear, hear!

* * *

EMPLOYMENT

PROPOSED CESSATION OF JOB-CREATION PROGRAM—ALTERNATE PROGRAM TO ASSIST YOUTH

Mr. Gilbert Parent (Welland): Mr. Speaker, in the absence of the Minister of Employment and Immigration, I direct my question to the right hon. Prime Minister. Mr. Prime Minister, for a number of months now your government has been saying that they are interested in the small businesses of this country.

Mr. Baker (Nepean-Carleton): Order.

[Mr. Crosbie.]

Mr. Parent: In view of the fact that small businesses were being helped by the job experience training program which is about to be phased-out at the end of this month, I wonder if the Prime Minister could tell the House and the Canadian people what specific measures he and his government will take to see that young people have jobs when the job experience training program is phased-out at the end of this month.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, as I have already indicated twice in the House today, we will be introducing a youth employment program.

Mr. Chrétien: When?

Mr. Clark: In the budget.

Mr. Chrétien: When in the budget?

Mr. Clark: Certainly, it will be in this year. Also, there is a review of various programs relating to small business under the auspices of the minister responsible in this House for industry and for small business. We will also be making announcements with regard to those programs shortly.

Mr. Parent: You stated in a speech in the House—

An hon. Member: Order.

Mr. Speaker: Consistently, the hon. member is failing to address the Chair. I wonder if he would do so.

Mr. Parent: I will direct my question through you, Mr. Speaker, to the right hon. Prime Minister. In a speech made 18 months ago, the now Prime Minister stated that it usually takes up to six months for a program to work its way through the economy. I wonder, sir, if you could tell us, now that we have waited six months for some kind of initiative on the part of your government, how much longer you are going to wait before doing something about jobs for the young people of Canada.

● (1430)

Mr. Clark: Mr. Speaker, we expect our programs to have effect much more quickly than the programs of the former government, because one of the differences between the programs introduced by this government and the programs introduced by the old government is that the programs of this government face directly the problems that exist. That is whether they are problems among young people, or whether they are problems having to do with the price of energy and the consequences to this country of refusing to face the reality that if we stick with the status quo this nation—including the province of the hon. member—will be left exposed to the uncertainties of the international supply markets in a way that could have a devastating effect upon the economy of Canada.

[*Translation*]

YOUTH

REQUEST FOR ESTABLISHMENT OF JOB-CREATION PROGRAMS

Mr. Dennis Dawson (Louis-Hébert): Mr. Speaker, my question is directed to the right hon. Prime Minister. Since he seems to have concerns about the fate of young Canadians, I would like to know whether he is aware that the unemployment rate among young people between 18 and 25 has gone up by 1 per cent, to 13 per cent, thus increasing the number of unemployed by 29,000 compared with last month, while the previous government had managed for one year to reduce the unemployment rate among the young. Following the cuts in the Canada Works program, especially in the on the job training program, could the Prime Minister assure the House that we will not have to wait another six months before concrete programs designed for young people are put in place and that he will not stand by his elections promises aimed at cutting programs and not creating new ones?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I can repeat to the hon. member that the next budget will include a job-creation program designed to help young people acquire work experience which, in turn, will help them enter the labour market.

Mr. Dawson: Mr. Speaker, I would like to ask a supplementary question in the same vein. Since we can anticipate a program to allow young people to gain experience on the job, I hope people in power will hear about it. Mr. Speaker, my question again is directed to the right hon. Prime Minister. Since, according to StatsCan reports, two-thirds of the new jobless are young people under 20 and one-third of the new workers are under 25, is there hope that that situation could be reversed by some programs, given the fact that all the job-cutting programs in the public service, as well as the lay-off programs in the private sector, in view of the coming recession, affect particularly young people 18 to 25 who are the first to lose their jobs because of the seniority principle?

Mr. Clark: Mr. Speaker, it is precisely because there is a problem resulting from lack of experience among young people that I have directed the minister responsible to develop a program which, in co-operation with the private sector, will foster development of an experience that will form a basis for permanent jobs for young Canadians. This is not a new problem at all, but a situation which has existed for a long time in Canada. However, we are now almost ready to introduce in the House of Commons a program which, with the co-operation of the private sector, will ensure such a basic experience and such a strong future for young Canadians.

[*English*]

INDIAN AFFAIRS

JOB-CREATION PROGRAMS FOR NATIVE WOMEN

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. The Minister of Employment and Immigration announced, on October 17, a cosmetic employment strategy for women which had remarkably little in it about jobs, but did propose a "life skills training program for native women".

Can the Minister of Indian Affairs and Northern Development say whether anyone consulted Indian women, whether they have at any time given any indication that they saw themselves as being in need of life skills training—whatever that may be—and whether they have opted for anything of this kind rather than for having manpower training programs and job creation available to them so that they could have training which would let them acquire marketable job skills?

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, I want to indicate to the hon. member that the government, and specifically my department, are working closely with the Department of Employment and Immigration in order that we can get training for native people, especially women, so they can get into the labour force. In the past there have been some training programs. They have not been adequate; I agree with the hon. member.

If the native people of Canada are to take their rightful place, as we believe they should, in the general economy, it is our intention to improve and to strengthen the program whereby they can get those skills. I should also indicate to the hon. member that we are looking at programs which are resident in specific provinces, such as the Oo-za-we-kwun program at Rivers, Manitoba: that one might be expanded on a Canadian basis whereby we might get additional training.

Miss Nicholson: Mr. Speaker, I think the minister perhaps did not understand my question. Perhaps he had a little difficulty hearing me over the noise created by the colleague in front of him.

Some hon. Members: Oh, oh!

Miss Nicholson: My question was, did anyone consult the Indian women, and have they themselves chosen this training in life skills—whatever that may be—over and above job creation and market-oriented skills?

Mr. Epp: Mr. Speaker, I will check on the specifics of that question and whether or not women's groups were consulted. But I would like to indicate to the hon. member that as recently as last week, when I was in British Columbia, I met with groups such as the B.C. Homemakers' Association, at which time we discussed not only the programs that we carry on but also how we can obtain better training for native women in order that they can get into the labour market.

[*Translation*]

EMPLOYMENT

CANADA WORKS PROGRAM—REQUEST FOR SUPPLEMENTARY FUNDS

Mr. André Maltais (Manicouagan): Mr. Speaker, my question is for the Prime Minister and relates to phase IV of the Canada Works program. Considering the rather high unemployment rate in various areas of the country, and in view of the fact that the funds which the former government had allocated to the Canada Works program, which stood at roughly $170 million, have been cut back to $100 million—Quebec's share has gone from $62 million to $48 million, while Ontario's was reduced from $22 million to nothing—I should like to ask the Prime Minister whether he really intends to examine this problem and to find a quick solution regarding the Canada Works program, even if it means putting back the $70 million taken out of the budget established by the former government?

Right Hon. Joe Clark (Prime Minister): Yes, Mr. Speaker.

Mr. Maltais: I have a supplementary, Mr. Speaker. I would like the Prime Minister to tell us exactly when and how he will act. A program of this size needs at least a year to be implemented and truly achieved, so what is going to happen this year for young workers throughout Canada?

Mr. Clark: Mr. Speaker, what we have in mind is to develop programs having a longer term impact in the province of Quebec, for instance, in the hon. member's constituency and the rest of Canada. My ministers have had the opportunity to discuss with Quebec government ministers programs that would allow us to take action as soon as possible. This was a truly valuable discussion and we hope it will be possible for us to announce these programs within the next few weeks.

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[*English*]

THE CANADIAN ECONOMY

COMBINATION OF INFLATION RATE AND UNEMPLOYMENT RATE—EFFECT ON ECONOMY

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, my question is for the Minister of Finance. In view of the fact that economists are now inventing a new index called the misery index, which is a combination of the inflation rate and the unemployment rate, and in view of the fact that the misery index was 15 per cent over the summer and is now 17 per cent, I would like to ask the Minister of Finance, how much higher does the misery index have to climb before the minister will recognize that the cure which he is imposing on the Canadian economy is far worse than the diseases from which he says it is suffering?

[Mr. Epp.]

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I notice that the hon. gentleman becomes more pleased the higher his misery index seems to go up.

Some hon. Members: Oh, oh!

• (1440)

Mr. Crosbie: We on this side of the House are attempting to get on with the business of developing Canada and bringing the country out of its present economic doldrums. The way to do that is to put our own finances in order, to get the government's budgetary deficit under reasonable control, and to stimulate the economy by encouraging investment in the private sector which hon. gentlemen opposite do not want to have any profits: they hate the private sector's profits. We want to encourage the private sector and have more profits, more investment and more employment in the long run. That is our policy and it will overcome the misery to which the hon. gentleman referred.

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CANADIAN PACIFIC RAILWAY

REASON FOR TWIN LINE THROUGH VILLAGE OF LAKE LOUISE

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is directed to the Minister of Transport. Will the minister check the records to ascertain why the former government allowed the CPR to build a twin rail through the heart of the village of Lake Louise when there was an alternative route, and this in spite of warnings by the people of the village who feared just the type of thing that has happened in Mississauga?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I will be glad to do that and report back to the House.

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FINANCE

REPLACEMENT FOR ASSISTANT DEPUTY MINISTER IN CHARGE OF TAXATION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to ask a question of the Minister of Finance. In light of the decision of the minister some time ago to replace his deputy minister—who, by the way, was competent enough to become the number three man for the IMF in Washington—with the vice-president of a bank, and in light of the startling revelations by the Prime Minister yesterday that the Minister of Finance intends to involve the oil companies in the budget process by asking them how much tax they should pay, what kind of company will be represented within his ministry when, in the next few weeks, he will have to replace the assistant deputy minister in charge of taxation? Will it be the vice-president of Imperial Oil again?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I sympathize with the hon. member who has just asked the question. His policies have been trampled upon unmercifully by his colleagues opposite and, naturally, he is sore and upset. I did not say yesterday that the oil companies will be consulted: they will be consulted about the nature of the tax we are proposing, because we intend to open up the budgetary process and ask for their submissions as to whether or not the oil companies can handle the cash flow which they might have in certain circumstances.

We do not intend to act blindly. We hope that wherever possible we can consult with these people without any harm to the public, and that we can proceed openly so that everyone will know what we are doing. There is nothing unusual in that. The hon. member may not want to consult but we do, so that when we act we will know exactly what the consequences of our actions will likely be. We intend to further open up the budgetary process. As to the rest of the question—

Mr. Speaker: Order. A supplementary question, the hon. member for Saint-Maurice.

Mr. Chrétien: Mr. Speaker, in light of the evasive answer by the minister, in light of the act that next week will make it one full year that we have been without a budget, and in light of questions put by his colleague, the now President of the Treasury Board, and the minister himself in the spring calling for a budget in March, 1979, can the minister assure this House that we will have a budget before March, 1980?

Mr. Crosbie: Mr. Speaker, when the hon. gentleman points out that for the last 12 months we have had no budget, he is right; because all we have had is that document which the hon. member brought down last November 16.

Some hon. Members: Hear, hear!

Mr. Crosbie: I can assure the hon. member that if certain events which could not be overcome—such as having to deal with the energy mess left by the hon. gentleman and his government—had not got in the way, there would have been another budget weeks ago. There will be a budget before Christmas, one which I hope every Canadian will support as a hallmark for the future and which will bring this country to the economic strength that is required.

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TRANSPORT

MISSISSAUGA DISASTER—STEPS TO PREVENT OCCURRENCE OF SIMILAR ACCIDENT

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, my question is to the Minister of Transport. I am sure that all members of this House will agree that we were indeed fortunate that there was no loss of life due to the derailment in Mississauga this weekend.

Rather than point the finger of blame at anyone, we should take advantage of the situation and do everything within our power to ensure that everything possible is being done to explore the situation to ensure that such an accident will not happen again. Thus, I would like to ask the minister, with regard to his proposed legislation involving the transportation of dangerous goods, if he can assure the House that sufficient regulations regarding toxic and combustible materials which would minimize the occurrence of such accidents will be included.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I appreciate the sincerity of the hon. member's question and I share his views. I can assure the House that this government will take every possible step available to ensure that a similar occurrence as the incident that occurred in Mississauga will be prevented.

As I indicated yesterday, the inquiry by the CTC will commence the first week of December. The CTC has today telexed both railways asking for a complete account of the inspection procedures of each company with respect to the detection of overheated journals, and what further inspection the railways propose to take as a result of the Mississauga accident. Upon receipt of that information, the Canadian Transport Commission will consider whether or not an interim order should be issued.

The whole host of regulations as they relate to railway safety, particularly with respect to the movement of dangerous goods, is under review. The point raised by the hon. member with respect to the separation of flammable and toxic goods will also be under consideration. The CTC, as well, will be examining the implications of the possibility of rerouting trains carrying dangerous goods.

A number of initiatives have been taken by Transport Canada with respect to technical research in terms of improving the resistance of flammable tanks and the couplings. The transportation of dangerous goods bill will be introduced within the next week or ten days. I can assure the hon. member that the bill will have high priority. The contributions by members both in the House and in committee will be considered very seriously in light of the accident and in light of the importance of ensuring safety and security to the public as a result of the movement of goods by rail.

Mr. Lumley: Mr. Speaker, I thank the minister for his full and complete answer. Could the minister also advise the House whether he has looked at any discretionary powers that he might have, without legislation, that would also minimize an occurrence of this nature?

Mr. Mazankowski: Mr. Speaker, I have been in touch with the Canadian Transport Commission. As a matter of fact, the president of the CTC is on the spot right now. I have asked him for ways and means by which we could ensure having every possible regulation necessary to prevent a recurrence of the incident in Mississauga. I do not wish to prejudge the findings of the investigation or the inquiry, but I can assure

the hon. member that we, as a government, will not welsh on our responsibilities to ensure the safety and security of all Canadians.

INSTALLATION OF HEAT-SENSING DEVICES BY RAILWAYS

Mr. Charles Turner (London East): Mr. Speaker, my question is for the Minister of Transport. Due to the fact that a CPR official stated that the Mississauga railway accident could have been prevented, will the minister instruct the Canadian Transport Commission and all railways in Canada to purchase and instal immediately hot box detectors on all main lines and medium traffic lines in Canada? Since the same CPR official stated that hot box detectors will be installed within one year on the CPR line running through Mississauga, will the minister agree that these safety devices should be installed now? Why wait one year?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I simply want to assure the hon. member that that representation will be taken into consideration and will be part of the discussions and proposals that I will be working out with the CTC. I am sure the hon. member will be at the committee meeting tonight, at which time these matters will be explored. The officials of the CTC will be in attendance. I can assure hon. members that every piece of information that is available to me or my department will be made available to the members so that we can act on the matter with some degree of unanimity.

It is a serious matter, and I give the House the assurance of the co-operation of my office and my department in ensuring that all possible steps are taken to ensure that a recurrence of this kind of disaster does not happen.

Mr. Turner: Mr. Speaker, the minister stated yesterday that he would wait for the results of the inquiry before taking any action. Can the minister inform this House how long the inquiry will take? Secondly, due to the fact that the chairman of the Canadian Transport Commission stated in committee that there is a drastic shortage of Canadian Transport Commission inspectors, why not hire new inspectors immediately?

Mr. Mazankowski: Mr. Speaker, I think I did indicate in my previous answer that we were taking action of an immediate nature. I am not sure how long the inquiry will take. I am informed that the CTC is, in fact, seeking additional inspectors. They are having difficulty acquiring inspectors who have the necessary qualifications for the job. Here, again, I want to assure the House that in terms of providing safety and security this government will not welsh. While there have been some restrictions as far as monetary restraint is concerned, in areas of safety and security this government has not welshed on its responsibility.

[Mr. Mazankowski.]

• (1450)

METRICATION

TERMS OF REFERENCE OF OVERVIEW COMMITTEE

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, I would like to direct a question to the Minister of State for Small Business and Industry: it has to do with the recently established overview committee to study progress on metric conversion. I understand that the overview committee is to assess the progress on metric conversion relative to what is happening outside Canada, with special reference to the United States.

I am sure the minister is aware that several sectors are affected, including the beef industry and auction markets across the country. I ask the minister if he could elaborate on the terms of reference of this committee, when he expects it to report to him, and when he expects to be able to act on the report so that those industries scheduled for metric conversion will know what to expect as of the first of the year.

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): Mr. Speaker, the metric overview committee has finished their review of the three test areas in the food chain. They have submitted a report to the department on their findings thereon. They have finished an overview of the producer sector of the food chain, primarily the cattle and feed sectors, across the Canadian prairies.

They are in Quebec today. I was in touch with them by phone this morning. They point out that their second progress report, or interim progress report, confirms the conclusions they reached in their first report. They will be finalizing their report on the producer sector at the end of next week. It would appear that the "why" of metric has not been fully explained to the Canadian people. We will probably have to study the part two gazetting of the dates involving the retail food sector.

* * *

STATISTICS CANADA

FIGURES PUBLISHED OF UNEMPLOYMENT RATE IN NEWFOUNDLAND

Mr. Fonse Faour (Humber-Port-au-Port-St. Barbe): Mr. Speaker, my question is for the President of the Treasury Board in his capacity of responsibility for Statistics Canada. His colleague, the Minister of Finance, seemed pleased that Newfoundland's unemployment rate showed a decline to 14 per cent. The President of the Treasury Board expressed previously the need for accurate economic forecasting, and he is aware that the official unemployment figures have been woefully inadequate in reflecting the true rate of unemployment in Newfoundland.

Is he aware that studies, including those done by Statistics Canada itself, show the real unemployment rate in Newfoundland to be somewhere around 25 per cent? If he is aware of this, will he take steps immediately to have hidden unemploy-

ment reflected in the monthly statistics issued by Statistics Canada?

An hon. Member: Unemployed Crosbie!

Mr. Crosbie: You can't stand improvement, can you?

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, in response to the hon. member's question, if he would furnish me with greater details of what he is referring to as hidden unemployment in respect of Canada or any province of Canada, I would be most pleased to look into the matter further with Statistics Canada. If there is a legitimate case to be made for some type of hidden unemployment, as he refers to it, being shown in a fuller context, I will certainly consider what type of publication can carry that material.

Mr. Faour: I thank the President of the Treasury Board for that and I undertake to send him figures that his own agency, Statistics Canada, prepared last year in that respect.

Mr. Speaker, my supplementary question is for the Minister of Regional Economic Expansion. Given the fact that the real state of the Newfoundland economy is more effectively reflected in these hidden unemployment statistics, and that these statistics show the need for serious developmental plans, and in view of the Prime Minister's stated—

Mr. Speaker: Order, please. Would the hon. member get to his question directly.

Mr. Faour: I would like to ask the minister if he will consider a special development plan for the province that will counter the negative effects of present restraint policies and high interest rates.

An hon. Member: It is a condition, not a policy.

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, I would be pleased to discuss that matter with the premier and the cabinet of Newfoundland to see if in any way some of the subsidiary agreements under the General Development Agreement could be improved, or if there are ways in which we could expedite or further contribute to worth-while job-creating projects, I will be glad to do that.

LIAISON OF TREASURY BOARD WITH STATISTICS CANADA

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is for the President of the Treasury Board. Given the most recent contradictions concerning his relations with the agency Statistics Canada, statements the minister made last week in the House which made us believe he had established firm liaison with Statistics Canada and that this had been welcomed by the agency, and that these statements were contradicted yesterday in the press by one of his own exempt staff persons, who said he had been kept in the dark by the agency, can the President of the Treasury Board tell the House at this time what steps he intends to take to rectify some of this information coming out of the agency and from his own office with regard to cutbacks in budgets? The agency says it was on the order of the President of the Treasury Board that they did it. He says it was his office. I am wondering if he could explain to this House these contradictions.

Hon. Sinclair Stevens (President of the Treasury Board): Mr. Speaker, in answer to the hon. member for Ottawa-Vanier, I would suggest that in future he at least keep up with the current information appearing in the Ottawa *Citizen*. In today's paper the comment that he referred to yesterday is explained by my assistant as simply being a tongue-in-cheek remark.

Some hon. Members: Oh, oh!

Mr. Stevens: With specific reference to the question concerning various matters within Statistics Canada, I would mention to the hon. member and to all members of the House that Peter Kirkham and myself will be appearing before the miscellaneous estimates committee in approximately ten days—I believe it is tentatively set for November 23—and at that time both of us will be prepared to answer any questions the hon. member cares to put, and certainly to make statements at that time.

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, if it is a tongue-in-cheek remark that was made in his office, he will come to be known as the "sinister President of the Treasury Board," rather than the minister. I cannot see any virtue of a defence today in accusing me of not keeping up to date with the newspapers, when we have had this in the press for the last three or four days. It is a fact that liaison between StatsCan—

Mr. Speaker: Order, please. Does the hon. member wish to put a supplementary question?

Mr. Gauthier (Ottawa-Vanier): Does the minister intend in inform the House when the inquiry that he talked about last week will take place with regard to the administration of Statistics Canada? Is he taking away from the agency its arm's length, traditional approach that we have seen in this Parliament with regard to the facts and the studies of StatsCan; or is he withdrawing that authority from them and inquiring into the whole operations of StatsCan at this time?

Mr. Stevens: Mr. Speaker, in replying to the hon. member, I would point out in his first question he indicated that somehow Statistics Canada was keeping us in the dark. In the second supplementary question he said, in effect, that we are wrecking the arm's length relationship between Statistics Canada and the government. The truth is that the hon. member was wrong on both counts, and at the committee proceedings to which I have referred we will give full explanations concerning any comment made in the last week regarding the activities of Statistics Canada.

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

An hon. Member: What about our leader?

An hon. Member: What about him?

An hon. Member: When is he going to start leading?

An hon. Member: At Club 54?

* * *

CANADIAN PACIFIC RAILWAY

STUDY ON POSSIBILITY OF RELOCATING RAILWAY YARDS AT WINNIPEG—GENERAL POLICY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport? Is the minister in a position to give a report to the House on the progress being made by the committee that was to study the possibility of relocating the Canadian Pacific railway yards at Winnipeg so as to avoid the building of the Sherbrook-McGregor overpass? Can he say whether the government's commitment to participate financially in the relocation of those railway yards still stands?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, that report is due to be in my hands some time before the end of November. We will consider it and make the government's position known on the basis of the report submitted to us.

Mr. Knowles: Mr. Speaker, in view of the derailment at Mississauga a couple of days ago, and in view of the implications of that incident, will the government pursue a policy of urban transport including the relocating of railway lines away from congested areas so that that sort of thing need not happen again?

● (1500)

Mr. Mazankowski: Mr. Speaker, I was well aware of the hon. member's position on this matter even prior to the Mississauga incident. I can assure him that his views will certainly be taken into consideration when we review the report which will be, hopefully, in my hands by the end of this month.

* * *

[*Translation*]

ENERGY

POLICY IN ESTABLISHING OIL PRICES

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, I would like to ask the Prime Minister to enlighten us. If I understood correctly, in his answer to the hon. member for Blainville-Deux-Montagnes, later to the hon. member for Welland, and also the Minister of Finance when he answered another question, it seems to me that they both have said it is their opinion that in the past, under our administration, oil prices had been raised too fast for our country to achieve self-sufficiency. Did I understand the right hon. Prime Minister correctly, and if so, could he tell us what will be the policy of his government concerning oil price increases? I do not want to know the exact price which I understand will be negotiated with the western provinces, but does he think that we should reach world prices, or Chicago prices, or 90 per cent of either, or are there other criteria which will be used by the government as a basis for its pricing policy?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, we have discussed this matter with the oil producing provinces and, out of courtesy, with all other provinces. As far as an appropriate oil price for Canada is concerned, our aim is not to reach the world price nor the Chicago price, but to assure Canadians that they will achieve self-sufficiency and that our economy will get steady energy supplies and will be freed from uncertainty resulting from our dependence on foreign supplies.

Mr. Trudeau: It seems that the present government is following exactly our policy, which is not to reach the international price but a price which would allow us to develop our resources. If it is the same policy, does he disapprove of the Minister of Finance who, in an answer he gave today, blamed on our government's policy the failure to reach self-sufficiency?

Mr. Clark: Mr. Speaker, maybe that is the Minister of Finance's problem if he supports the member for Outremont who acts as the Liberal party spokesman.

Mr. Trudeau: I do not think this is an answer, since the Minister of Finance was dealing with our government's policy when we were in power. The hon. member for Outremont was not minister of energy, mines and resources at that time. Our energy policy is well known, and it seems to be the one the right hon. Prime minister wants to adopt. Maybe I did not hear him well, or did the Minister of Finance make a mistake when he said that our policy did not allow sufficient price increases to achieve self-sufficiency?

[*English*]

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I don't know. I welcome the prime minister back—

Some hon. Members: Oh, oh!

Mr. Crosbie: I welcome the ex-prime minister back from the Ibis. Let me just say this: I am not here to defend the Liberal government's policy. It was wrong; I can assure you of that.

Some hon. Members: Hear, hear!

Mr. Speaker: There is an outstanding question of privilege by the hon. member for York South-Weston (Mrs. Appolloni) which I understand is not to proceed today.

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, I wonder if I could have your permission to postpone discus-

sion on this question until the return to the House of the Minister of National Health and Welfare (Mr. Crombie).

* * *

[*Translation*]

POINT OF ORDER

MR. CLARK—CORRECTION OF ANSWER DURING QUESTION PERIOD

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I rise on a point of order to correct a reply which I gave earlier today to the hon. member for Manicouagan (Mr. Maltais). I thought he had asked whether we intended to replace the Canada Works program with other means to develop the regions where the Canada Works program is implemented. We do not intend to increase the funds mentioned by the hon. member.

ROUTINE PROCEEDINGS

[*English*]

PENITENTIARIES

TABLING OF ANNUAL REPORT OF CORRECTIONAL INVESTIGATOR, 1977-78

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, pursuant to Standing Order 41(2), I would like to table, in both official languages, the Annual Report of the Correctional Investigator, 1977-78.

* * *

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN FIRST REPORT OF STANDING JOINT COMMITTEE

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore) moved that the first report of the Standing Joint Committee on Regulations and other Statutory Instruments, presented to the House on Wednesday, November 7, 1979, be concurred in.

Motion agreed to.

* * *

PETITIONS

REQUEST THAT CASE OF STEVEN TRUSCOTT BE RESTUDIED

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have in my hand a number of petitions signed by severl hundreds of persons regarding the case of Steven Truscott. Because these petitions are addressed to the Prime Minister (Mr. Clark) rather than to the House of Commons in Parliament assembled, I realize I cannot ask that they be tabled. However, I should like to send them over to the Prime Minister.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 9, 80, 217, 255, 262 and 423.

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

[*Text*]

PURCHASES FOR FORMER PRIME MINISTER'S OFFICE

Question No. 9—**Mr. Cossitt:**

With reference to the answer to Question No. 3,655 of the First Session of the Thirtieth Parliament, which stated in part that a total of $86,703 was spent on furniture, equipment, fixtures, carpets, etc. for the former Prime Minister's Centre Block office, what is a complete list of all the items purchased and the cost in each case?

Hon. Erik Nielsen (Minister of Public Works):

1971/72—$70,052

$ 4,526.82	2 three-seater special sofas
920.64	1 two-seater sofa
8,266.60	2 four-seater, armless sofas and 7 two-seater special sofas
64.47	1 piece tan leather
1,020.00	12 lamps and shades
530.00	2 sofas
480.00	4 arm chairs
500.00	1 bookcase unit
480.00	2 credenzas
571.20	1 sofa
448.00	1 high back swivel executive chair
350.00	1 low back swivel tilter executive chair
1,975.00	8 RB606 low back swivel chairs
6,066.50	18 cane chairs
332.00	refinish and install leather top—PMs desk
2,200.00	100 yds. of Loomcraft fabric for draperies
1,050.00	make up and install drapes
1,100.00	6 storwall sections
9,870.70	supply and install carpets
238.00	3 plate mirrors
975.80	miscellaneous expenses— includes hinges for shutters, table clock, leather for trays, binders and briefcases, letter trays, drawer pulls, etc.
10,049.44	Special Safe File Storage (desks, cabinets and tops)
3,939.00	installation of cupboards, bookshelves, etc.
1,754.00	extra work re-finishing PMs office
2,749.65	stain and re-finish woodwork
1,254.44	install new toilet
275.00	metal work—supply special tank (copper and lead) for humidifier

593.00	re-cut and re-set marble in PMs washroom
840.71	apply fabric to backing and install on ceiling and walls of PMs private washroom
290.00	installation of plate mirrors
2,623.00	alterations PMs office
204.00	install washroom mirror lights
3,330.20	additional cabinet work in PMs office
183.80	install dimmer switches in PMs office
$70,051.97	Total 1971/72

1972/73—$11,458

$ 62.00	marble soap dish in PMs washroom
5,554.14	architectural fees
87.20	additional alterations to telephone table in PMs office
147.00	carpeting
2,200.00	carve 6 oak panels—PMs office
2,897.84	remove fireplace and oak panelling in PMs office
467.00	install carved panels in PMs office
43.45	frame three pictures
$11,458.63	Total 1972/73

1973/74—$ 5,193

$ 8.15	long distance phone calls in connection with renovations
4,899.93	architectural fees
285.00	remove fireplace and marble work—PMs section
$ 5,193.08	Total 1973/74

DISABILITY PENSION APPLICATIONS

Question No. 80—**Mr. Cossitt:**

1. What is the approximate length of time involved for officials of the Department of Veterans Affairs to process an original application from a veteran for a disability pension?

2. Has it been taking the department anywhere from 12 to 18 months to process such applications and, if so (a) for what reason (b) has the Department received any complaints from veterans and, if so, how many?

3. Is the department prepared to look into the matter with regard to correcting the situation and, if so, what steps will be taken?

4. (a) When the department renders a negative decision on a disability pension application, what length of time is usually involved before the appeal is heard before an Entitlement Board (b) in certain cases, has it taken at least two years before such a hearing was held and, if so, what steps is the department taking to rectify the situation?

5. Has the government taken into consideration that the relocation of the Department to Charlottetown, P.E.I. could cause such lengthy waits to be increased?

6. (a) When the department renders a negative decision on an appeal held before the Entitlement Board, what length of time would be taken before the case could be heard before the Pensions Review Board (b) is there a waiting list of over a year at present?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs):

1. As of September 30, 1979, the average processing time for original applications is 6.3 months.

2. As of September 30, 1979, 77 claims were outstanding for a period of 12 months or more.

(a) These are complex claims. The Canadian Pension Commission is experiencing difficulty in obtaining sufficient information on which to base a decision.

[Mr. Nielsen.]

(b) Of 200 letters a month inquiring about the status of applications, 2 per cent are considered to be complaints about undue delays.

3. The commission is very much aware of the need to reduce the time lag in adjudication of pension claims and is constantly seeking ways of doing so.

4. (a) Upon receipt of an application for an entitlement board hearing, the commission is currently able to prepare and provide the applicant with the documentation required by the legislation in six months.

After the applicant informs the commission he is ready to proceed, it takes an average of eight months before the claim is heard by an entitlement board.

(b) Yes. In many cases several months or even years may elapse before an applicant requests a hearing by an entitlement board.

The Pension Act precludes the case from being heard before the applicant has reviewed the documentation. In many cases the applicant does not indicate his readiness to proceed until after a substantial time lapse.

5. Yes. There may be some delay.

6. (a) On the average 16 months from the date the appeal is received by the pension review board.

(b) Yes.

SCIENTIFIC RESEARCH FUNDS

Question No. 217—**Mr. Caouette:**

During the fiscal years 1968-69 to 1978-79, did the government expend any funds towards scientific research and, if so, in what amount, by province?

Hon. Heward Grafftey (Minister of State for Science and Technology):

In so far as the Ministry of State for Science and Technology is concerned:

(a) Statistics on government funds expended towards scientific R and D by province are available for the years 1976-77 and 1977-78 only and for extramural expenditures only. The amounts are as shown on table below.

Region	1976-1977	1977-1978
	($M)	
Atlantic provinces	15.8	18.5
Quebec	94.0	96.4
Ontario	203.7	189.1
Manitoba	15.2	16.1
Saskatchewan	11.7	11.7
Alberta	27.8	33.3
British Columbia (including Yukon and NWT)	33.7	37.4
Total	401.9	402.5

SOURCE: Statistics Canada service bulletins Vol. 2, No. 6 and Vol. 3, No. 2

(b) Total expenditures on R and D for 1968-1969 to 1978-1979 are as follows:

	($M)
1968-1969	524.0[1]
1969-1970	539.0[1]
1970-1971	613.4
1971-1972	653.8
1972-1973	689.8
1973-1974	765.8
1974-1975	830.2
1975-1976	898.6
1976-1977	996.5
1977-1978	1,059.0
1978-1979	1,176.5

[1] Natural sciences only—data for human sciences not available prior to 1970-1971.

SOURCE: Statistics Canada historial series

SPOUSE'S ALLOWANCE

Question No. 255—**Mr. Knowles:**

1. In each month during 1978, how many persons were in receipt of the spouse's allowance provided under the Old Age Security Act and how many were (a) male (b) female?

2. In each month during 1978, how many persons who had been receiving the Spouse's Allowance had it discontinued because of the death of the older spouse, and how many were (a) male (b) female?

3. In how many cases was the discontinuance (a) immediate (b) up to six months after the death of the older spouse?

Hon. David Crombie (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned:

1. See table I.

2 and 3. See table II.

1. Number of Persons in Receipt of Spouse's Allowance for each Month During 1978

January	74,307
February	74,156
March	73,835
April	66,259
May	70,885
June	72,824
July	73,801
August	74,369
September	74,699
October	75,157
November	75,201
December	75,012

(a) and (b) Information to indicate the sex of Spouse's Allowance recipients is not available on a regular basis. However, information compiled for the months of June, 1978 only indicates there were 5,753 male and 67,071 female recipients of the Spouse's Allowance.

2. Number of Spouse's Allowance Discontinued Because of the Death of the Older Spouse for Each Month During 1978

January	189
February	207
March	202
April	199
May	169
June	186
July	127
August	151
September	149
October	165
November	204
December	142
Total	2,090

(a) and (b) Information to indicate the sex of Spouse's Allowance recipients whose benefits were discontinued is not available.

3. (a) The number of persons whose Spouse's Allowance was discontinued immediately due to the death of the older spouse in the year 1978 is 2,090.

(b) The legislation concerning this item took effect on November 20, 1978. The first Spouse's Allowance to be discontinued after the six months' extension will not occur until May, 1979. The number of Spouse's Allowances that were extended in 1978 for a period of six months is 26. The number of benefits discontinued in December relate to situations in which the death of the older spouse occurred prior to November 20, 1978. The action to discontinue payment had to be taken in December.

RETIRED ARMED FORCES PERSONNEL ON PENSION

Question No. 262—**Mr. Knowles:**

1. How many retired armed forces personnel are receiving pensions, including their basic pensions and any supplement or supplements added thereto, of amounts within each of the following brackets (a) less than $20.00 per month (b) $20.00 to $29.99 per month (c) $30.00 to $39.99 per month (d) $40.00 to $49.99 per month (e) $50.00 to $59.99 per month (f) $60.00 to $69.99 per month (g) $70.00 to $79.99 per month (h) $80.00 to 89.99 per month (i) $90.00 to $99.99 per month (j) $100.00 to $149.99 per month (k) $150.00 to $199.99 per month (l) $200.00 to $249.99 per month (m) $250.00 to $299.99 per month (n) $300.00 to $399.99 per month (o) $400.00 to $499.99 per month (p) $500.00 to $599.99 per month (q) $600.00 to $699.99 per month (r) $700.00 to $799.99 per month (s) $800.00 to $899.99 per month (t) $900.00 to $999.99 per month (u) $1,000.00 per month and over?

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

3. What is the total number of retired armed forces personnel and also the number of widows of armed forces personnel or of retired armed forces personnel presently residing in each province?

4. In respect of how many orphans of armed forces personnel are pensions being paid and what is the average amount?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs):

1. Retired armed forces personnel as at September 30, 1979—54,758

(a)	less than $20.00— 1	(l)	200.00 to 249.99—5869
(b)	20.00 to 29.99— 18	(m)	250.00 to 299.99—5680
(c)	30.00 to 39.99— 101	(n)	300.00 to 399.99—9491
(d)	40.00 to 49.99— 181	(o)	400.00 to 499.99—7995
(e)	50.00 to 59.99— 170	(p)	500.00 to 599.99—6212
(f)	60.00 to 69.99— 142	(q)	600.00 to 699.99—3863
(g)	70.00 to 79.99— 166	(r)	700.00 to 799.99—2677
(h)	80.00 to 89.99— 219	(s)	800.00 to 899.99—1827
(i)	90.00 to 99.99— 237	(t)	900.00 to 999.99—1384
(j)	100.00 to 149.99—1495	(u)	1,000.00 & over —3188
(k)	150.00 to 199.99—3842		

Order Paper Questions

2. Number of widows receiving monthly pensions as at September 30, 1979—6,441

(a)	less than 20.00— 14	(l)	200.00 to 249.99—1223
(b)	20.00 to 29.99— 23	(m)	250.00 to 299.99— 858
(c)	30.00 to 39.99— 39	(n)	300.00 to 399.99—1030
(d)	40.00 to 49.99— 31	(o)	400.00 to 499.99— 455
(e)	50.00 to 59.99— 25	(p)	500.00 to 599.99— 221
(f)	60.00 to 69.99— 32	(q)	600.00 to 699.99— 88
(g)	70.00 to 79.99— 52	(r)	700.00 to 799.99— 33
(h)	80.00 to 89.99— 70	(s)	800.00 to 899.99— 20
(i)	90.00 to 99.99— 109	(t)	900.00 to 999.99— 12
(j)	100.00 to 149.99— 959	(u)	1,000.00 & over — 20
(k)	150.00 to 199.99—1127		

3. Retired armed forces personnel and widows residing in each province as at September 30, 1979.

Provinces	Personnel	Widows
Newfoundland	294	18
Prince Edward Island	532	69
Nova Scotia	5,725	598
New Brunswick	2,328	227
Quebec	4,514	643
Ontario	19,953	2,700
Manitoba	2,396	294
Saskatchewan	919	103
Alberta	5,450	484
British Columbia	11,329	1,110
North West Territories	97	7
Outside Canada	1,221	188
Total	54,758	6,441

4. Number of orphans as at September 30, 1979—159

Average monthly amount for orphans—$72.39

ADDITIONAL SERVICES TO CONSTITUENCY OF LEEDS-GRENVILLE

Question No. 423—**Mr. Cossitt:**

Will the government consider extending much needed additional services, besides the services available at present, to persons in the constituency of Leeds-Grenville by (a) opening a small Department of National Revenue Office to deal with income tax problems (b) having a representative of the Department from the Kingston Regional Office spend several days a week at a designated place in the constituency?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue):

Residents of Grenville and Leeds counties are served by the district offices in Ottawa and Kingston respectively. Toll-fee zenith telephone service provides a convenient, direct access to those district offices.

At present, there are no plans to expand service by (a) opening another office to deal with income tax problems or (b) having a representative from the Kingston district office spend several days a week at a designated place in the constituency.

[Mr. McKinnon.]

[*English*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

[*Translation*]

Mr. Speaker: Pursuant to Standing Order 54, I do now leave the chair for the House to go into Committee of the Whole.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

APPROPRIATION ACT NO. 1—1979-80

The House resumed, from Monday, November 12, consideration in committee of Bill C-23, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1980—Mr. Stevens—Mr. Laniel in the chair.

● (1510)

[*English*]

The Chairman: Order. When the committee rose on Monday, November 12, schedule D of the bill was under consideration and the Minister of Fisheries had the floor—

[*Translation*]

Mr. Lalonde: I rise on a point of order, Mr. Speaker.

The Chairman: The hon. member for Outremont on a point of order.

Mr. Lalonde: Mr. Speaker, I understand that there have been discussions among the various party spokesmen and that we are going to deal with the energy matters related to the bill under consideration. The Minister for Energy, Mines and Resources (Mr. Hnatyshyn) and his officials were supposed to be available this afternoon.

[*English*]

Would the government House leader confirm that we are going to discuss energy matters this afternoon?

Mr. Baker (Nepean-Carleton): I wish to confirm the arrangements which have been made. The minister of energy is

here this afternoon in accordance with the views expressed during the discussions and this evening the Minister of Regional Economic Expansion will be here, so we are making the ministers available as requested.

[*Translation*]

Mr. Lalonde: Mr. Chairman, I also think that there have been discussions as to whether we were going to keep on with these estimates after five o'clock or proceed to the private members' hour. The President of the Privy Council might let us know what has been decided.

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Chairman, it was the hon. member for Pontiac-Gatineau-Labelle who sent me a note with respect to his colleague from Madawaska-Victoria whose bill was to be heard this afternoon between 5 p.m. and 6 p.m.—I believe it is Bill C-216. If it would be satisfactory to the hon. member and other members of the committee would not object—I do not think they would—we would be prepared to reserve Tuesday, November 20 at 5 p.m. for the hon. member's bill. Would that be satisfactory?

The Chairman: The President of the Privy Council will agree with me, I know, when I say that this decision is one which will have to wait until the committee rises. It is a question which the committee itself cannot decide.

[*Translation*]

Mr. Lefebvre: I rise on a point of order, Mr. Chairman.

The Chairman: The hon. member for Pontiac-Gatineau-Labelle on a point of order.

Mr. Lefebvre: Mr. Chairman, I think we could have the unanimous consent of the House if you were to put the question.

The Chairman: In no way can I put this question, because it is not a decision for the committee to make. I would have to report progress, and the Chair would have to make a ruling before the committee could resume its sitting. I feel therefore that the best solution would be to wait until five o'clock. There seems to be some disposition to that effect, and a decision could be made at that time. Is that agreed?

Some hon. Members: Agreed.

The Chairman: The hon. member for Outremont has the floor.

Mr. Lalonde: Mr. Chairman, I should like to deal with schedule C of the bill now before us.

I want first of all to thank the Minister of Energy, Mines and Resources for making himself available this afternoon, despite other commitments, and coming to the House to answer questions which hon. members might want to put to him. There are several points we should like to raise and a number of opposition members will no doubt speak this afternoon and point out certain aspects of the energy policy which are of great concern to us, especially in the light of the development of the last few days. I must say, Mr. Chairman, that the comments made today by the Minister of Finance and the Prime Minister are far from encouraging with regard to the economic future of Canada.

We had a really pathetic performance today by the Minister of Finance who was frankly behaving more like a clown than a real Minister of Finance as he was considering the possibility of double digit unemployment and inflation next year without a quiver or any sense of shame, almost boasting about it while cheerfully announcing that unemployment in Newfoundland would now be only 14 per cent. That seems to be the kind of objective this government is aiming at in its economic and energy policy. They seem to have, on the one hand, adopted Mr. Volcher's economic Malthusianism approach in the United States, if I can call it that, and at the same time an approach with respect to energy policy whereby the consumer will simply be crushed under intolerable price increases under the present circumstances. They will argue they are acting for the consumer's own good, that the present hardship will turn to his advantage in the long run and that the prospects of making Canada self-sufficient are bright, as far as energy is concerned.

What is striking in the government's policy, Mr. Chairman, is that they are luring people with words like energy self-sufficiency, but at no time did they tell this House, the provinces, and the people of Canada how they plan to achieve their aim, by which means and at what cost.

In fact, what we witnessed in the past few months was this government playing hide and seek with the public. The minister constantly refused to answer direct and clear questions on this issue. The Prime Minister used the same technique. I had an opportunity to meet with several provincial representatives at the conference that was held in Ottawa yesterday and they told me they could not figure out what this government wanted and how it would reach its yet undefined objectives.

In fact, they are using that target of self-sufficiency to implement a drastic price increase that will have extremely adverse effects on the Canadian economy. The government of Ontario vigorously and persistently upheld the position that the proposed increases will result in a substantial increase in the cost of living, and unemployment rate, without the government having any evidence whatsoever that the increases they are considering either in the form of an excise tax or in higher basic prices are necessary at this time to achieve self-sufficiency. The records of the department headed by the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) make it abundantly clear that we have enough funds at this time to develop all the resources we could or have to develop in Canada.

I refer to the document released last week by the department which indicated that Canadian companies, as well of

course as multinational companies established in Canada, had, under the present policy which provides for a one-dollar increase in the price of a barrel of oil every six months, quite enough funds to reach the anticipated development objectives of Canada before 1990 and that they even had excess funds under the present policy.

At no time has the government shown us and the public that it was now necessary to increase prices faster than in the past. In fact, according to the figures published by the department of the minister, there is no doubt that the rate of price increase is now quite sufficient and adequate to meet present needs.

The government is now suggesting a substantial increase in prices which will have an impact on all Canadians, whether they are from the west or from the east, farmers, or fishermen, small businessmen or simply workers who need their cars to drive to work or all those Canadians who have no alternative but to use oil to heat their homes. What is suggested is that all those people will have to face a substantial increase in the cost of energy for gasoline and heating oil in the coming year even though this government has not justified the need for such an increase at the present time.

The government suggests that in the months and the year to come, we place ourselves in a much worse situation as far as inflation and unemployment are concerned than what we have known until now. It must also be noted that this increase is related to a record increase in interest rates such as we have never known throughout our history. The coupling of this increase in interest rates with the oil price increase will certainly cause a very serious recession in Canada in the coming year.

It is a fact that even after the press conference yesterday, it is still very difficult to know exactly what the government has in mind. As recently as 15 minutes ago, in reply to a question by the Leader of the Opposition, the Prime Minister said that the government does not want to reach international or Chicago prices. In fact, I do not understand why the Prime Minister and his Minister of Energy, Mines and Resources are still playing hide and seek with the Canadian people.

Yesterday, the Prime Minister tabled in this House a document entitled: "An outline of proposed initial stage of national energy strategy". This document gives different formulas for oil price increases but under the heading "Common elements", it says:

All these price increases are subject to a ceiling of 90 per cent of the Chicago average price in Toronto-Montreal excluding the Syncrude levy;

In fact, the objective proposed is 90 per cent of the Chicago price. What is this so-called Chicago price we hear so much about? I refer, Mr. Speaker, to a document published a week ago by the department of energy and in table 6 of that paper you find a comparison between international prices that can be expected, like the Chicago price and Canadian prices.

[Mr. Lalonde.]

And here are the international prices quoted for 1985 and 1990. In 1985, it would be $42.39 a barrel and $61.78 in 1990. What is the Chicago price for the same period? In both cases it is higher than the international price. We have $43.46 for 1985 and $62.81 for 1990. The government is really generous, it does not offer us the Chicago price of $62.81 a barrel in 1990 or $43.46 in 1985. No, the government is more generous, it wants to ensure the competitiveness of Canadian industries by guaranteeing 90 per cent of the Chicago price. Ninety per cent of the Chicago price is approximately the equivalent of what the international price will be in 1985 and 1990. Sincerely, the government is trying once again to mislead the Canadian people by using that kind of criteria. It would be much wiser to clearly admit that it really intends to bring us to the international price level by the year 1980.

I was very surprised the other day by the statement of the right hon. Prime Minister. After proposing that objective, he told us what he has said quite often in the last few days:

● (1520)

[*English*]

We can ignore realities, or we can face them.

Sure, Canadians want to face reality. They have never been people to ignore reality in the past. They have shown that they have the courage and stamina to face reality, but they are not going to follow a government which is carrying on and rushing along with the foolish policy of bringing double-digit inflation and double-digit unemployment next year and in the years to come. Canadians are ready to face reality realistically and not be carried away by some ideological hang-up about the so-called international price and that whatever is going to be decided in the world by the OPEC countries is something we will have to follow through. Last night the Prime Minister said:

We have before us the opportunity to provide Canadian industry with a permanent cost advantage over American competitors.

Sure, we have that opportunity. This is what the previous government followed as a policy by keeping an appreciable differential between world prices and Canadian prices, but the present government is going to abolish this competitive advantage, for all practical purposes, over the rest of the world and over the Americans by pursuing the type of policy that was discussed at the conference yesterday. The Prime Minister added:

We have before us the opportunity to ensure all Canadians reliable and secure energy supplies "made in Canada".

Fine and dandy, but the first thing I hope which will be pursued is that we will have a "made in Canada" price policy to achieve this" made in Canada" energy supply. That obviously means that we will have to determine our prices on the basis of Canadian costs and not on the basis of some international cartel which is deciding on prices.

This morning in the newspapers there were articles to the effect that Saudi Arabia might be raising its price for oil by 40 per cent next year. Does this mean that this country is going to

tie itself to that kind of development? If it will be 40 per cent next year, what about the year after and the year after that? We in Canada have a competitive advantage. We are very fortunate in having so many resources of all kinds, including energy resources. Why not take advantage of that competitive advantage? Our competitors take advantage of their privileged situations whether they be cheap labour, better climate or particular geographic situations. Why should not we as Canadians make the best of our competitive advantage which arises out of our privileged situation with regard to resources, particularly with regard to energy resources?

● (1530)

Again, we urge the government to reconsider its foolish policy of speedy, radical and excessive price increases in the current situation which, when combined with high interest rates, will only cause a very deep recession in this country. There will be hundreds of thousands of Canadians in all provinces who will have to suffer the cost of the type of policy that is being considered by the government, that is, not counting all those Canadians who will find themselves having to face a rate of inflation which is already too high.

There are several aspects to the government's proposal, if we can call it that since it is still very vague, and it is hard to figure out exactly where the government stands on many issues which my colleagues will want to cover. One which struck me in particular is the reference by the government to the necessity of increasing Canadian ownership and participation and the establishment of the Canadian energy bank.

My question to the government is: Why do you want to dismantle—and if the government does not like the word "dismantle", I will use the word castrate—Petro-Canada which has been set up and has done its work perfectly for Canadians, a corporation which is of great advantage and benefit to all Canadians? Petro-Canada is needed more now than it was when it was set up. At long last we have a large Canadian corporation which can stand up to the multinationals. It was developed in less than three and a half years, something which our private sector in Canada could not do in the last 40 years. Now we have a government which has received a report which is reflecting negatively on it. I hope the government will ditch this report and forget the recommendations that have come from it. I hope it will allow Petro-Canada to remain the property of all Canadians and a major instrument of the energy policy in this country. I hope the government will make Petro-Canada even larger and more significant in terms of Canada's needs in the energy field.

As I said, there are many aspects which we will want to cover this afternoon, but there is one aspect in particular which struck me yesterday. It relates to the self-sufficiency energy tax. It reminds me of Mr. Duplessis in Quebec who used to find all kinds of nice sounding words every time he wished to raise a tax. He would always find a nice word to describe it so that people could swallow the bitter pill. However, whatever it is, the government is considering the imposition of what seems a very large tax on profits resulting from increased prices.

The question which I wish to raise with the minister, in concluding my remarks, relates to the point that was made last night that there would be consultation with industry, including multinationals. I would like to know from the minister what steps the government is taking at present to prevent multinationals from transferring right now their excess profits out of Canada in line with the already announced policy of the government to tax those excess profits. I find it amazing that the government should warn the industry by saying: "Hey, boys, get ready, we will get in your way." What steps have been taken by the government to prevent such a transfer of funds at present?

Mr. Hnatyshyn: Mr. Chairman, that is possibly the longest preamble I have ever heard, with a question at the end. Quite frankly, the question presumes that the various companies are taking steps to remove not only cash but assets from Canada, and if the hon. member has any such information and he wishes to make that allegation on the floor of the House, I would be pleased to receive any information he might have on this. I simply say, sir, that we are looking at the whole taxation question and that the matter will be dealt with at the time of the budget. The hon. member will then have the opportunity of assessing whether or not the consultation that is taking place, not only with the provinces but with industry and with a wide range of interests with respect to this matter, is the appropriate regime.

I find it rather strange that the hon. member should make reference to the activities of the so-called multinational corporations in Canada when in fact he was part of a government which made its stand known in this regard. The Leader of the Opposition today tried to make an excuse for the hon. member for Outremont by saying that because he had not been minister of energy in his government he should not bear any responsibility for the unfortunate policies that have come from the past government. I want to ask the hon. member why, if he is now such an opponent of the oil industry and the private sector which he attacks day after day, both Canadian and foreign-controlled alike, we did not hear his voice at the time when he was on the government side and involved in government councils.

I will give the award for consistency today to members of the NDP who have always been against the private sector. They have been unequivocal and unrelenting in their attack on anything but state control.

Now let me turn my attention back to the hon. member for Outremont who, all of a sudden, has achieved some type of transformation so that now he is apparently against private enterprise, against the idea of reasonable profit and against the concept of taking any steps in the national interest to achieve self-sufficiency. Whatever the hon. member says, whatever position he takes now, I think it should be clear to anyone who has watched the proceedings yesterday, representing as they did a cross-section of the political thought in this country and representing the views of the premiers of our provinces, that

there was a substantial consensus that a new direction should be taken with respect to our policy relating to oil self-sufficiency.

It is all right for the hon. member to stand back and make pious pronouncements about what the government is doing wrong and what it should be doing. I would ask the hon. member to really search his heart and consider the position in which the former government left us in Canada. As I reported to the House, the situation is one which we regard as very serious indeed. We have problems in Canada with our ability to produce oil domestically. The situation has been exacerbated by the lack of policy in this respect of the previous government.

We are now putting in place a consultative process—one which I think even the hon. member who was federal-provincial minister in the last government must understand—in terms of our national energy policy which, quite apart from the question of price, is directed toward coming to terms with the regions of our country and asking for their input into and co-operation in our national energy policy. We do not regard this process as being partisan and I do not ask members of the House to regard it in purely partisan terms, because I think the problems we face in Canada are ones that we can overcome.

I do not regard the circumstances in Canada today as being a deteriorating economic situation which will remain with us for the future, a situation where we will have nothing but doom and gloom, as the hon. member would have us believe. I look at the situation today as one which holds the greatest potential we have ever had for a very considerable period of time. I know that none of us looks forward to price increases with any amount of enthusiasm. If anything, naturally we would like to roll back prices. But there is the reality in Canada today that unless some new, dramatic and innovative steps are taken, unless we change the course of action that has been followed up to this point, we will be more and more reliant upon offshore imports. What will the consequences be? I ask the hon. member for Outremont to consider what the position will be in terms of the inflation rate and unemployment if we relied upon offshore sources of oil.

● (1540)

There is no question that the policy of the government, in its design, outlines a new spirit of openness, consultation with the provinces, discussion and input. In my experience in this House, never before has there been any disclosure of background data by departments. The information respecting the development of this policy has been given. I do not recall the previous administration providing us with background papers on this type of information. I do that because I want the members of the House and the people of this country to look at the basic facts, to understand the assumptions and to come forward with positive suggestions respecting the direction in which we should be going. I have yet to hear from the hon. member for Outremont, the energy critic of the official opposition, anything in the way of a suggestion as to what should happen respecting an energy policy in this country.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: I should say there is one thing the hon. member has done: continually he raises a book, the 1976 volume of the white paper of the Liberal Party of Canada. The document has been repudiated in statements made by myself and other hon. members, as reported in *Hansard*. It was repudiated time and time again by my predecessor, the Hon. Alastair Gillespie. I can give the hon. member the references in the House of Commons Debates subsequent to that particular document respecting an oil pricing policy being produced. He was clear and unequivocal.

Mr. Lalonde: That is untrue.

Mr. Hnatyshyn: I will remind the hon. member of what the Hon. Alastair Gillespie said in that context. He said that the government has a commitment to move to world prices.

Mr. Lalonde: Quote him correctly.

Mr. Hnatyshyn: I do not know whether the hon. member wants to give the Hon. Alastair Gillespie a blood test or what he expects me to do. I can assure him that such a statement appeared in the House of Commons Debates. The reporters of *Hansard* are the most accurate group of reporters I know of in this country, and they do not make mistakes.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: The hon. member for Outremont talked about this great white paper of 1976. It gives us an idea of the mentality of the official opposition. Its policy was developed in 1976. The policy of this government was developed in 1979 for the 1980s. That is the difference between our two policies. That is the difference between the positions we take respecting energy self-sufficiency.

In his opening statement the hon. member pointed out that somehow we should do nothing, take no steps and that everything would turn out all right. Apparently that is the position he is taking; I have heard nothing to the contrary. If he has a suggestion to make, now is a great opportunity for him to rise and enunciate precisely the position of the Liberal Party of Canada. I do not want volumes from 1901, 1935 or 1976 held up in the House as containing all the facts. I want an articulation on the part of the hon. member. I should like some ideas as to where the Liberal party stands. I want the same disclosure as we in the government have made with respect to handing out our position and background material. Then Canadians will have an opportunity to decide in which direction they want to go.

I do not want to take too long because I want other members to have opportunities to ask me questions. The fact of the matter is that we are involved in this consultative process. I make no apology for that. It is time for some open consultation and discussion respecting a number of matters,

including the impact of taxation in a variety of ways. I have a responsibility for energy in this country, and I take it seriously. The Minister of Finance wants to ensure when we bring down legislation and budgetary provisions that there has been the fullest canvassing of opinion and input beforehand, that we understand the provincial concerns respecting our energy policy.

The conference yesterday was a very useful, constructive and positive step in terms of the development of an energy policy. It has been received by Canadians across the country with the greatest amount of enthusiasm. They have watched the leaders of the country discuss in serious and reasonable terms the difficulties we face ahead. I should like to borrow a term used by the premier of my own province. Yesterday he said that any person who suggests there should not be an increase in prices, as was suggested by the hon. member for Outremont, lives in cuckooland.

Mr. Lalonde: That is not true; that is not what I said.

Mr. Hnatyshyn: Now the hon. member is disputing that quotation. I am sure the hon. member will dispute almost every quotation I put forward. I do not want the impression left, after the hon. member's remarks, that somehow he is speaking on behalf of anything but a very small minority in the country.

Mr. Lalonde: We will see.

Mr. Hnatyshyn: Canadians understand the necessity of moving forward and developing the resources of this country in terms of energy. They understand the government is interested in taxation, financial and fiscal policies to ensure, as far as any increases are concerned, that there will be an ameliorating effect. They understand that there will be ameliorating provisions in terms of our fiscal and budgetary policies to cushion against the transition to higher prices. Increased moneys are required in order to give new, direct and urgent direction to the development not only of enhanced recovery techniques and new sources of oil in the country, but also substitution, more plentiful supplies and additional renewable resources.

There must be leadership in the country, and we are proposing to provide that. The hon. Leader of the Opposition said repeatedly, "Do not do anything now because our policy as it now stands is okay; it will all work out". If the hon. member wants to do nothing, stand pat and accept the position of his leader—maybe he is one of the very few in his party who will—then I should like to remind him that when he stands up and complains in the House about the tight situation we will be facing in Canada this winter, he will have lost his right to complain about that situation.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: He will have lost his right to be taken seriously because Canadians know that steps are required and that higher prices will be necessary in order to develop our energy resources and potential. This is a great country.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: The people of Canada understand that. They do not want to turn everything over to some people sitting in offices somewhere in Ottawa who will say, "This is the direction in which we will go"; they do not want control coming out of Ottawa. Canadians want to become involved in the development of their country. My party stands for average citizens becoming involved in a direct and meaningful manner by investment in the development of their country. That is one of the policies which will come forward in our budgets. There will be incentives for Canadians to become involved directly in the country. We will take steps to ensure that Canadians have a greater and greater degree of control over particularly the energy resources of the country. I make no apology for that. I am proud of this country. I am proud to have the honour of being the Minister of Energy, Mines and Resources. I am proud of being part of the process of working out new and effective policies. I do not doubt the hon. member's sincerity, but he is sadly misguided. I am not saying this in any partisan sense.

Mr. Caccia: That is new.

Mr. Hnatyshyn: The hon. member for Davenport has known me long enough to know that I am not a partisan person.

Some hon. Members: Oh, oh!

● (1550)

Mr. Hnatyshyn: I want to say this. I ask the hon. member to seriously consider the facts that we now face in this country, and to come forward with the government and join in developing policies that in fact will bring us to self-sufficiency, instead of going down in history, as spokesman of the opposition and the official opposition critic, as a moaner, groaner and whiner, simply being critical. Come forward and give us some positive suggestions. We are receptive to good ideas. We are prepared to accept those, but let us have some co-operation from the official opposition. Let us all get together in Canada so we can develop the positive policies that will bring us forward to the potential that we all know we have.

Some hon. Members: Hear, hear!

Mr. Lalonde: The hon. member posed a question, Mr. Chairman. May I answer it?

The Chairman: Actually it will have to be by consent. Other members are standing at this time.

Mr. Symes: Mr. Chairman, the minister for energy just finished stating how proud he was in his position and a member of the government initiating this government policy. I can say quite sincerely I think we are not proud, we are scared. We are scared at a government that is moving ahead with the assumption that by pricing— and it seems to me the assumption is that pricing is the paramount tool here—we will be able to achieve energy self-sufficiency by 1990. I will return to that in a moment.

I think that the part of the debate the minister is not addressing himself to is the short run negative effects in order to achieve that 1990 goal, and quite frankly what worries me is the implications. If I could be assured that the negative effects would be offset in a fundamental way by compensatory policies, then I think we on this side and the people of Canada generally would more readily accept this moving to within 90 per cent of the world price, but, we have not seen many details in that regard. There has been mostly some assurance that there will be tax measures and regional compensation. That is the first point. If the minister can flesh out some of these compensatory measures, maybe giving us some kind of global figure based on the various price scenarios, I think that would be helpful this afternoon.

Let us just look back for a moment at the goals stated in the government's outline of a proposed initial stage of a national energy strategy. Three goals are laid out very clearly—energy self-sufficiency, reliance on the private sector in the market, and increased Canadian ownership and participation.

If we move, as I said, too rapidly toward the world price—and the scenario is $4 a year between now and 1983, or even 1986—it is going to cost, and let us not fool around about this, the average Canadian, just in terms of heating his home and driving a car, an extra $700 a year. That, of course, is one indication of the inflationary cycle we are going to get into with inflation now running close to 10 per cent. We jump up rapidly these energy prices and we are going to be into even higher inflation. That, in turn, is going to put pressure on workers to increase their wage demands to make up for declining real income, which again will fuel the whole inflationary cycle.

While the government is arguing that prices have to go up to achieve the goal of self-sufficiency, I think it has to be honest and accept the parallel fact that inflation is going to be rising very rapidly as well, and that is going to have some very serious consequences in terms of real income for those on fixed incomes and for those who are part of the collective bargaining process.

I would like to see some statement by the minister or any other member of the cabinet as to the realities of that kind of price scenario in terms of what it does to inflation. That is why we are hesitant at the moment to say: Well, we might as well bite the bullet as the minister wants us to, because we are worried about the short-term negative impacts of this price scenario in order to achieve self-sufficiency.

Perhaps we could be assured about the negative impact in the economy in terms of inflation and unemployment, because those of us from central Canada know what energy price increases mean in terms of our competitiveness with foreign markets, in terms of smaller businesses that cannot absorb the cost as larger enterprises can in terms of energy increases. Coupled with the high interest rate policy of this government, it seems to me small businesses are getting a double blow here in terms of future energy price increases and cost of capital, and we are going to see a lot of small businesses go under in the next couple of years because of this inflationary impact.

[Mr. Symes.]

That in turn creates unemployment. There is the inflationary negative impact and there is the unemployment negative impact. The third negative impact is the general one of reduced growth of the economy because of the inflationary and unemployment impact; people not producing goods and services, not paying taxes because they are unemployed, and people not investing because of the circumstances that high energy prices bring.

An economy that is already in a precarious state, even before we move into these rapidly rising prices, is going to be hit again by a minimum $4 increase each year. The forecasts are that that will reduce the growth in the GNP by at least another per cent. We are already in an economy that is just teetering on the verge of a recession, and it seems to me that this policy is just going to push us right down that slope.

I acknowledge with the minister that it is burying our heads in the sand to say that there must be no energy price increase from this point on, but I am saying let us weigh the short-term negative effects against this long-term goal and ask ourselves the question: Can we afford, because of the negative impact, to postpone this kind of increase until we see some light, because of government economic policies, that the economy is on the upswing again, and then begin to phase in the price increases?

The point I want to make is that if we are going to move into price increases in the energy field—and I accept that we have to do this for the purpose of funding new energy development, for the purpose of encouraging conservation, and for the purpose of encouraging substitution of oil by other energy products—it seems to me we have to ask ourselves whether the régime of dividing up the proceeds, as outlined by the government in its options at the conference, is the only way to use revenues from energy price increases.

• (1600)

Quite frankly, I worry about the formula, although we do not know exactly which one it will be. The odds are, however, that it will be everything above the $2 per barrel increase, and that would be shared on a 50 per cent basis between the federal government and the provinces. I would like to make the argument—and I would like the minister to respond—that the energy companies have sufficient revenue coming out of the per barrel price now, which is $13.75. I believe that his department produced those figures. But given that fact, why is it necessary, at least in the short term, to provide more revenue out of a future price increase to the private oil companies? According to the minister's department, if the oil companies get the increase, at least up to the $2 and maybe beyond that, they will not know what to do with the revenue. They will not be able to plow it back fast enough into energy development, so they will buy up other related industries in non-energy fields.

Given the reality that the oil companies cannot use the cash flow, given the reality that so far the five biggest oil companies in Canada have been able to defer paying federal taxes—amounting to $1.5 billion—and given the fact that Imperial Oil, Shell, Texaco and Gulf have just posted record profits of

$880 million for 1979, which are up over the previous year by 75 per cent, we can construct the argument that we do not need to give the multinationals any more of a share in revenues from a future price increase.

It seems to me very logical that we should make the provision, which I do not see in the price scenario outlined by the government, that when we do move the price up beyond $13.75 a barrel, we should put all that revenue into a jointly administered provincial-federal energy development fund. Such a move would go a long way toward solving the argument which Alberta is making, that the resource oil belongs to the province and that the provinces should capture a great deal of the rent from the sale of that resource. Obviously, if there is a joint federal-provincial energy fund, the bulk of our oil development will still take place in Alberta. Much of the money would be reinvested in Alberta. However, because the federal government would be involved in this joint fund, it could begin to set priorities for development of energy sources elsewhere in the country and perhaps also draw on the fund to promote conservation and support compensation measures.

The money in this fund could also be lent to the private sector to invest and to agencies like Petro-Canada, which I hope will still be in tact, so that we can have a national government which has a say in national energy policy. Otherwise, as I said earlier in the month, planning ability moves away from Ottawa to Edmonton.

The New Democratic Party is arguing against the proposal because of the short-term, negative implications of a dramatic price increase. It should be postponed until the economy shows a bit of an upswing and then when we do move toward higher prices, for the reasons which I have outlined, everything above the current price will go into that joint federal-provincial energy development fund.

One other thing we must look at in terms of how much the price will go up is what it will cost Canada to bring on future energy development. I asked the minister in committee the other day for the projected cost with regard to the government's proposal of energy self-sufficiency by 1990. He could not provide me with a figure. The government is going on the blind assumption that by moving the price of oil to 90 per cent of the Chicago price it will generate the funds that are required. Rather than allowing the OPEC nations to decide energy pricing policy for Canada, we should sit down and figure out what it will cost and from there base our domestic price on those figures. The OPEC nations do not even charge their own people the world price, but Canada, blessed with the resources of energy which it has, is allowing this cartel to determine what Canadian consumers will pay and what our economy will suffer as a result of their pricing policy.

I have seen a figure of $180 billion for the cost between now and 1995 of bringing on energy sources in order to make us self-sufficient. I wish that the minister would produce some figures in that regard, because then I would feel much more assured that the government knew where it was going on the prices issue. Of course, that price scenario is dependent on the rate of energy growth, and this brings me to why I think we can afford the postponement of a price increase.

If the government were to implement energy conservation measures, it would give us some breathing space. I have seen estimates that we could reduce the $180 billion cost by some $60 billion. The minister argues that the only effective way of promoting energy conservation is through the price mechanism, that we must put the price up in order to get Canadians to conserve. I agree that the price mechanism is effective, but only in a real sense if, at the same time as the price is moved up, there are alternatives on hand of which people can take advantage.

For example, if a 30-cent excise tax is slapped on a gallon of gasoline to discourage people from driving their cars, it would be more effective if there were on hand efficient urban transit systems so that people could take the bus, the subway or the light rapid railway transfer. No such alternative is in place at the present time. In most communities in Canada, and particularly in my area of northern Ontario, people must commute even between small communities in order to get to work. Car pools are not practical because of diversity in location of industry.

I do not see that kind of excise tax or price mechanism having the desired effect it could have if the government were to have ready to go alternative mechanisms. The same could be true in terms of replacing oil with natural gas and in terms of promoting conservation. If we had mandatory efficiency regulations for appliances, the automobile and home insulation programs on a much larger scale, we could influence, at least in the short term, conservation of these non-renewable resources without resorting to this price mechanism which the government is so wedded to. I am arguing that through conservation we can buy ourselves some lead time to avoid these very negative influences which the price increase will have.

The minister has mentioned an energy self-sufficiency tax on the oil companies in order to tax back these windfall profits. I have my doubts that it will be effective. We all know how a company can show its profits going down. One of the ways a company can do that is to take its revenue and invest it in costly projects. Of course, the profit level will go down and hence the tax revenue from excess profits will go down as well. If we rely on this tax mechanism alone we will see oil companies, in order to reduce net earnings, investing in energy developments obviously, but continuing the growing trend of investing in non-energy related fields, for example, buying manufacturing plants, land and so on. They will do this to reduce their excess profits level and avoid the tax the government wants to impose.

• (1610)

Those are some of my concerns and suggestions. I would ask the minister seriously to study some of the proposals I have made. I think the short-term implications of this policy are just so negative that we shall be looking at alternatives to this $4 a year increase in the short term.

Mr. Hnatyshyn: Mr. Chairman, I thank the hon. member for his remarks. I was struck by the difference in the remarks I have just heard on behalf of the New Democratic Party and the remarks that I heard on behalf of the official opposition. This is the kind of debate I think we want. I understand the perspective which the hon. member for Sault Ste. Marie brings to this debate. He has certain ideas, ideas that may be found in the ideological thought and direction of the party which causes him to be somewhat inflexible with respect to some issues. I understand that. But he deals with ideas that he would like to put forward, ones that I will take seriously and which I will try to address.

This is the kind of debate one should have with respect to these issues so we can analyse and compare the direction in which this government is going and the direction which the opposition might want to suggest as being appropriate. That kind of positive debate is useful. However, if we are going to spend all our time saying such things as "Don't do anything because the consequences will be terrible.", and "We are here as harbingers of doom and gloom." I am not sure how much that will advance the debate. We may not then be able to look at the alternatives and judge on the basis of comparison.

Let me deal with some of the points raised by the hon. member for Sault Ste. Marie. He has made reference to the question of the effect of increasing oil prices on the cost of living and whether or not the government is prepared to take steps to ameliorate the effects of a price increase, or indeed to take steps to bring forward offset provisions which will bring us through a period of transition to higher prices. I say to the hon. member that is very much a matter of concern to me. Even as minister of energy, where the energy imperative probably predominates, I have been personally very concerned that when we take these steps it is in the context of addressing the very problem which the hon. member raises. That is to say, there is no question that any increase in the cost of energy will affect the cost of living and will cause some effect on inflation. We are addressing ourselves to that very problem.

It is not the tradition in this House—maybe it should be changed—for me to state at this point what provisions are to be brought forward in any federal budget. But let me say in trying to answer as best I can within that constraint that certainly—and I have stated this principle—we are looking at provisions which are going to address themselves to assisting people on low and fixed incomes. That is an important aspect of this matter and it has to be addressed.

As was said in the course of discussions at the conference yesterday, the Prime Minister has indicated that we are looking at regions that are going to be more affected by the price increase than possibly other regions of Canada. There is this policy direction in terms of a comprehensive package. I suggest, and I trust it will be satisfactory to hon. members, that the package is a serious approach to those kinds of consequences arising from oil price increases.

The package tabled in this House with respect to the outline of our energy policy does demonstrate that it is not a policy that is preoccupied, as the hon. member suggests, with the oil price increase. I reiterate that that is one of the necessities that we see as having to take place. The hon. member acknowledged that he waffles a bit in terms of how much the increase should be and whether it should be delayed. The fact is we are taking a comprehensive look at this particular problem which we face in Canada today. We are not looking at a single dimension in terms of oil price increases. It is obvious from the outline tabled in this House that the direction of incremental increases received by the federal government are going to be redirected to two basic areas. One area is energy or energy related expenditures. The second aspect, and a very important one indeed, I reiterate, will deal with the transition period—the macro-economic effects of increases in the price of oil.

The hon. member makes the point that somehow we should wait for some undisclosed period of time, that is to say, a time when the economy is on the upswing again. I do not think we have that luxury, quite frankly. If the hon. member were to refer to the briefing given by departmental officials, the statistics that we have—which we think are accurate—show that compared to our objective this year of 150,000 barrels of oil per day, by 1985 we hope to achieve up to 200,000 barrels a day, which is the amount we are now importing. The year 1985 is not a long time away. For many of us it is the same length of time we have sat in the House of Commons. My colleague from Cape Breton and I have been in this House for some time, and looking at that same period in the future we would be facing the prospect of importing about 650,000 barrels a day if we stayed with the present regime. We have to start taking steps now. We have to try as soon as possible to change the direction of our energy policy in this country. We have to take the initiative.

One of the peculiar offshoots of an increase in prices is that alternative sources have now become economic. That is one of the things that happens with the increase in price. I have to reiterate that no one here wants to raise prices, but one of the consequences of that happens to be that alternative sources of energy become economic.

As I said earlier on, one of the things we have to do is try to work this increase in price to our advantage to effect substitution of a plentiful supply of energy that we have in this country. Natural gas is a commodity that we can look forward to now as having an adequate and secure supply on the basis of our estimates for a very long period of time indeed. We have to take this initiative and use the funds that we can derive from increased prices to bring this natural gas substitution into play. In effect, we must move people off oil as much as possible and take new and dramatic steps that will bring eastern Canada—I mean Quebec and the Atlantic provinces—into a position where there is security of supply. We have to bring those provinces into a position where they no longer rely upon offshore imports, nor have to worry week by week or day by day about their offshore supplies and their reliance on oil that comes from outside of Canada. We have to bring them to a position where they know they are paying prices that are being invested in Canada, and we in Canada are going to get the benefit of that investment.

I wanted to address the question of the hon. member which argued we had time. I do not think we have that luxury.

I know my speeches are music to the ears of the hon. member for Outremont. He loves to sit back and listen to the pieces of information that I give. I want seriously to address the question brought forward by the hon. member. He talks about conservation. We outlined in the document we tabled some directions we think we can take in order to have a more effective conservation program and substantially increase funding. That will come as a result of the moneys we will receive from the increased prices.

● (1620)

The hon. member for Regina East is interested in the CHIP program. He addressed a question on that to the Prime Minister last night. We want to ensure that home insulation programs are the most effective and have a consistent basis across Canada as far as standards and levels are concerned. People are becoming concerned about conservation. We see what the call has been on the program as it now is even with all its imperfections.

The Canadian people have a substantial interest in conservation. We want to move ahead. We want to become involved in retrofit plans for those with oil furnaces. Technology is now available where Canadians can at low cost change their oil furnaces. This will save them 20 per cent, and possibly more as technology improves, in terms of consumption. We want to become involved in and give leadership and direction to the whole question of efficiency in automobile use and mass transit. The hon. member made reference to this very valid point. This is something in which the contemplated energy bank can become involved in terms of funding.

We want to give leadership at the federal level to improvements in rapid transit so that Canadians can rely less on the automobile for city to city and indeed intracity transport. These are the kinds of initiatives we want to take in terms of our new policy.

The hon. member makes the valid point that we need alternatives. Price does play a part. That can be demonstrated by statistics with respect to conservation. Clearly we will not raise the price merely to bring about a form of conservation. An increase in price will have an effect on the use of oil, there is no question about it. People will be more careful about using this precious commodity.

Let us not delude ourselves. In comparison to other countries in the industrialized world, Canadians pay far less for their petroleum products. Look at the average price of gasoline in the United States, for example, our next door neighbour. We pay very much less than the Americans pay for that particular commodity.

Mr. Hogan: Their dollar is worth more.

Mr. Hnatyshyn: I disagree with my friend from Cape Breton who suggested a dollar differential. Statistics will prove, and I think this is in the material that I have given at one time or another, that gasoline is 30 cents to 50 cents on average per Imperial gallon higher in the United States than it is in Canada. I want to make the point that people in Canada pay very little in relation to other countries for their petroleum products.

In answer to the various points the hon. member raised in the context of his remarks, I suggest we want to move ahead. We feel we must do this as quickly as possible. We want to do this on the basis of consultation and on the basis of a comprehensive approach to this policy.

In terms of the whole taxation regime to which the hon. member referred, we want to be sure that we can accomplish the goal of energy self-sufficiency. We must try to demonstrate the best judgment possible. As someone once said, my first name is not Solomon. I want to make sure there is a fair and equitable taxation scheme. I will make representations to this government and my colleague the Minister of Finance to ensure that we are doing everything possible to assure a fair and equitable taxation regime. We want to ensure that we can call on resources such as Canadian and foreign oil to bring about the additional supply that will be required in this country, to enhance tertiary recovery, tight gas, exploration and exploitation. All these things have to be brought about.

We will continue to review the taxation system to make sure it is fair and equitable, not only in terms of industry but as far as the Canadian people are concerned. That is the undertaking I give to the House of Commons. I want hon. members to understand that we are prepared to accept their observations and suggestions, not only now but at the time of the budget and at the time the system is put into operation. I ask them not to take a reactionary or backward view with regard to this opportunity we now have. If the opposition is interested in seeing us develop the potential in this country, I ask them to come forward with the government, not in a sense of partisanship but in a sense of co-operation, a sense such as that demonstrated by the provincial premiers at the conference held yerterday. They have shown they are interested in facing the hard realities of Canada today. They are prepared to join with the federal government in working out a fair, reasonable, equitable, progressive and innovative energy policy for the 1980s.

Mr. Caccia: Mr. Chairman, I welcome the opportunity to make a brief intervention on three topics that relate to energy. I am very impressed by the command of language that the minister displays when it comes to adjectives. I could not write them all down. In the last two minutes he gave us a long string ranging from "fair" and "equitable" to "progressive", "efficient" and eight or nine others which made us on this side of the House feel dizzy. Like his leader, he displays a command of the English language which may not always be to the advantage of substance but certainly to the advantage of words.

I am intrigued by the minister's belief in what he calls a fair and equitable taxation regime. I would like to know whether one has ever existed in the history of humanity. Does one exist

today or will one ever exist? I would like to know what that means.

Apart from this marginal observation, I would be interested to go into the relationship between energy policy and jobs and inflation, second, into an intensive search for renewable sources as alternatives, and finally, into the budget of the Atomic Energy Control Board.

I first want to deal with jobs and inflation. I am sure the minister had some thoughts on his mind yesterday when sitting next to his leader, arms crossed, listening to the speech of Mr. Davis. It would be hard for any Canadian, no matter in which region he lives, to find fault with the arguments put forward yesterday by the Premier of Ontario. One would almost be inclined to think that speech could have been written for Premier Davis by the Liberal Party of Canada. We found in it a familiar ring, positions that made a lot of sense. The fact that I come from Ontario is not relevant to this point. It was a well-thought-out position. It is unfortunate that the position taken by Ontario was one of a minute minority.

Can the minister tell us today the relationship his department has worked out for price increases in oil, in fact a variety of approaches to increases, and what it will do with regard to loss of jobs? We were given an estimate yesterday by Premier Davis and we would like to know whether the minister agrees with that estimate. We would like to know what the raising of prices to international levels would mean in terms of losses of jobs in 1980. We would like to know what the raising of prices to the equivalent of Chicago prices would mean in terms of lost jobs. If we were to move, instead, to the replacement cost of oil, a position which has been advanced from this side of the House, what would the effect of that be on the loss of jobs?

• (1630)

This is why members on this side are so concerned about the undefined but clearly visible direction in which the minister and the government are moving. Although it is desirable to be preoccupied with self-sufficiency—it is a very nice patriotic goal—it is important, in our view, that this goal should not be reached and implemented at the expense of economic growth. Many have spoken about this aspect and it is not a new concern, but the discussion today gives us an opportunity to find out whether the minister and his department have worked out figures and, if so, what those figures are, namely, the projected increases, the options that are before us with regard to increases in the price of oil, and the effect of each of these options in terms of loss of jobs.

It must be realized that there are many countries in this world whose economies are pretty sound and which are 100 per cent dependent on oil imports. In Europe alone one finds countries such as West Germany, France and Switzerland whose balance of trade is burdened by the cost of imported oil but whose economies not only survive but flourish. They have not reached this target of self-sufficiency. I am concerned about this preoccupation with self-sufficiency by the magic target date of 1990—nobody knows where that date comes from or why it was chosen—and what it is likely to mean to the economy during these years of transition in the 1980s. In my view it will do us considerable harm, particularly in the industrial regions.

I should also like to ask the minister about policies related to the development of alternative sources of energy. We should like to know whether he fully supports the programs which were announced in July, 1978, by his predecessor for the support and encouragement of such sources of energy as solar, wind, biomass and the like. We would like a commitment from him. We would like to know whether he believes there should be strong emphasis on the value of renewable energy sources, whether he intends to continue the thrust initiated by his predecessor, whether, indeed, he wishes to expand on it, or whether he wishes to innovate because he feels there is scope for innovation in 1979. We support him fully in that respect. He could demonstrate it to us.

We should like to know whether he thinks also that a special effort should be made at the federal level through the National Research Council and other agencies toward the development of sources of energy such as methanol and other substances which could—and I am not speaking of the distant future—replace gasoline in our economy. This would require a specific commitment from the minister and a shifting of emphasis in the way funds are allocated at present. I am seeking clarification from the minister and, possibly, some leadership so that we may know in which direction—progressive, fair, efficient, no matter what adjective one applies—he would like to move as the top man, at present, in one of the most important departments of government.

There is a third area I should like to discuss with the minister. In doing so, I am prompted by the meeting we had this morning in committee on the estimates of the Atomic Energy Control Board. We were surprised to hear that in the view of the board the funds made available in the present budget are inadequate to enable it to perform the mandate of the AECB. As I say, this came as a surprise to us.

Nevertheless, if the consultative process affecting the budget at departmental level is to have any meaning, it is one of eliciting information and determining the views of agencies as to their mandates, as to what they intend to do and whether or not they feel that the funds provided them are adequate. We learned this morning that the board feels that an increase in its budget is desirable if it is to deal effectively with the regulation of licences and power reactor licensing and the need for greater clarity in the communication of written material to a variety of agencies to which it must provide information.

It seems only natural, therefore, that we should take the first opportunity this afternoon to ask the minister whether he is prepared to talk to the chairman of the Atomic Energy Control Board and, if he is convinced he has a case, as we were convinced, whether he will make representations to the President of the Treasury Board. I would imagine the minister is just as interested as we are in this matter of prevention. In recent days we have had examples in other sectors which we hope will not repeat themselves. We in Canada have a terrific record of prevention in a variety of fields, including nuclear,

and we would not like to see it endangered by any measure, whatever its political source, which has not been scrutinized and dealt with after the problem has been brought to the political level. In the end, responsibility is placed on the shoulders of politicians and of governments and it is only natural we should deal with it speedily and with a deep sense of commitment.

The Deputy Chairman: The hon. member for Verchères.

[*Translation*]

Mr. Loiselle: Mr. Chairman, I am very pleased to—

[*English*]

Mr. Hnatyshyn: Mr. Chairman, I rise on a point of order.

The Deputy Chairman: The Minister of Energy, Mines and Resources on a point of order.

● (1640)

Mr. Hnatyshyn: Mr. Chairman, I just want to seek your direction and guidance with respect to the procedure which is being followed in this committee. I am quite satisfied if hon. members in the official opposition want to use the rest of the time to make statements or ask questions, but I think the normal practice would be to try to respond. However, I will take Your Honour's guidance and direction here. If it is felt that you should recognize other hon. members, I will try to make a note of everything and to answer hon. members at the conclusion of all the questions. I am in your hands.

The Deputy Chairman: If that is acceptable to the minister, it might save time. There will be repetition of questions and remarks. If that is not the wish of the minister, I could recognize him now.

Mr. Lalonde: Mr. Chairman, that is not the normal practice of the House. The minister has already spoken twice, two times for 20 minutes, and if he is recognized again—he will take another 20 minutes. We are going to be going on forever here. I suggest that we follow the usual rule in the House, which is that members alternate according to the standard rules of the House and that the minister answer at the end, unless a member really urges or requires an immediate answer or he has taken over his 20 minutes of his own time. I suggest we follow the standard rule that members are invited to speak and that the minister answers at the end, having noted all the questions. That is the standard rule that is followed in the House.

Mr. Hnatyshyn: Mr. Chairman, I may be a little overly sensitive about answering these questions because I did not want the last 20 minutes to go without the hon. member having the benefit of my replies.

Mr. Lalonde: We can wait. We will be back tomorrow and the day after.

Mr. Hnatyshyn: I wanted to make sure I did respond while the questions were fresh, but if Your Honour wants to carry on, I am in your hands. I am prepared to wait here all day and to try to answer as best I can. I will even write a letter to my friend, the hon. member for Davenport, to let him know I am interested in his problems.

[*Translation*]

Mr. Loiselle: Mr. Chairman, I believe the intervention by my colleague from Outremont was quite appropriate because the Minister of Energy, Mines and Resources whether in committee or in the House this afternoon, uses all the time he can to tell his audience pious wishes but without at any time giving specific details on the federal government's energy policy.

The Minister of Energy, Mines and Resources mentioned earlier that the opposition critic was always referring to a 1976 document, and it seemed like that document was a bible, and he said the situation had probably changed since 1976 and he wanted to innovate with new solutions. I say to the hon. minister, Mr. Chairman, that if he wanted at least once to take that document, read it and confirm, of course, that some things and facts have changed since 1976 but to look at the very short paragraph which said that the policy of the federal government was to increase prices in a way that took into consideration the replacement value of energy costs in Canada.

Yesterday, when we listened to his leader, the right hon. Prime Minister, the government leader seemed to refer from time to time to that document that served as the basis for the previous government's policy. We do not want long speeches, we simply want the minister to tell the House on what he is going to base his energy policy, and that will take only a few seconds.

The minister reminds us that energy prices are only one element of the whole Canadian energy policy. Indeed it is one element, but one element, as the leader of the New Democratic Party said yesterday, that constitutes about nine-tenths of the whole issue because, with the premiers yesterday, everybody was, of course, for virtue.

Everybody is saying that we must make all the necessary efforts to become self-sufficient. Everyone, of course, is in favour of conservation. Everyone is in favour of virtue, and nice weather, Mr. Chairman. On the other hand, what Canadians and hon. members of this House are entitled to expect from the minister, is that he tell us how we are going to practice that famous beautiful virtue. Will it be practised at $45 a barrel in 1985, or at a lower price? Are we aligning ourselves on international prices, on that in Chicago, or one that would be 10 per cent lower than the Chicago price, provided, of course, someone can tell me what that price will be in ten or even five years from now?

If the hon. minister could also refer to this basic document which, in any case, had been prepared in co-operation with the government of the time and the excellent public servants and advisers that the government still has at its disposal, why did

the present government not use this document as a bible to establish a healthy policy and perhaps allow its party, which prided itself on being the defender of harmony and the best fighter against confrontation, to develop its policy on the basis of a document which was thoughtfully prepared and not of mere words?

Then perhaps the Alberta premier would be able to say that it is fun to reach an agreement when the Progressive Conservative party is in power because he now seems to be saying that he preferred Pierre Trudeau as leader of the federal government, and Mr. Davis is merely asking for our co-operation. Therefore, Mr. Chairman, I believe that the minister should not play around with such an issue because in view of the rhetoric advanced by the minister, I am wondering as a citizen of Quebec if I am not being ripped off by ministers at both governmental levels. My provincial minister supports the Minister of Energy, Mines and Resources for only one reason. Of course, you do not know much about the problems and the arguments of the Parti Québécois, but the Quebec energy minister said: We shall support a price increase to the extent that it is planned, that it is—what was it? He used three adjectives. Would it be that you have not been discussing this for quite a while because he also used three little adjectives?

The Quebec energy minister told us quite candidly: We are in favour of the increase, we agree that we must reach international prices as long as this is done progressively. I believe that our provincial energy minister should sit down with his finance minister, Mr. Parizeau, and his minister of industry and commerce, to develop immediately at least some sort of action plan and tell the various soft sectors in Quebec how they will help them face these increases. The Canadian industrial sectors most in need of customs protection are located in Quebec. Consequently, the industrial sectors with the lowest productivity rate are unfortunately located in our province for historical reasons. I do not see how, with an unemployment rate already higher than the national average, we can support at the same time a policy that will increase the unemployment rate in Quebec and push up the inflation rate.

I wonder if the position of the Quebec energy minister is not that of someone who is locked in a political theory, because obviously, in the circumstances, it is better for a minister of the Quebec government to be a Péquiste than a minister, and then he cannot show that under a wealth redistribution policy such as that implemented by the federal government until now, Quebec reaps benefits from the rest of the country. An attempt must be made, of course, to refute all the arguments that prove beyond any doubt to the people in Quebec that the federal system is good for them. They must be told until next June: you see, oil prices are not a good argument, because the federal Minister of Energy, Mines and Resources said that before 1983, or in 1983 at the latest, we shall attain the international price, and there the compensation system will not be a good argument any more.

[Mr. Loiselle.]

I also wish to put the record straight for the benefit of Quebeckers, because at the opening of the James Bay plant, the Quebec premier was rightly very proud, as the James Bay project is an achievement of which all Quebeckers should be proud. The then opposition members, those of 1970, some five or six PQ members, should have been proud, time could have been saved. They suggested that with the James Bay output in 1985, when everything is operational, Quebec will produce the equivalent of 600,000 barrels of oil a day—and we now burn up 500,000, of which 300,000 come from Alberta.

Mr. Lévesque said naively, as usual: "When the James Bay project is in full swing, there will be no need for anybody else's oil, we will be self-sufficient." Although I am not sure whether he was referring to the same type of self-sufficiency as the Canadian Minister of Energy, Mines and Resources, Mr. Lévesque should remember that according to the most favourable scenario, when the James Bay project is in full swing, in 1990, electric power will account for 41 per cent only of the daily energy consumption in Quebec.

And if in 1990 electric power is to account for 41 per cent, the minister should also tell us he is anticipating a unit reduction, in other terms, that each energy user in Quebec should reach a 23 per cent energy conservation goal. Right now, electric power accounts for 24 per cent of energy consumption and the minister should be frank enough to state that of those 24 per cent a third comes from Churchill Falls, a Labrador project owned by Newfoundland. When in 1990 we can conserve 23 per cent of our current consumption, power from Churchill Falls will still account for one-sixth of Quebec consumption.

As mentioned by the hon. member who spoke before me, the Canadian Minister of Energy, Mines and Resources should consider the impact of oil price increases on Canada's economy. His own department issued a document showing clearly that each $1 increase in the price of a barrel of oil leads to a .6 per cent rise in the consumer price index. If during a given year there is a $3 price increase, this makes up for a 1.8 per cent rise. Which means that the $1 increase in January plus the $4 increase in July plus a forecasted $3 increase in January, giving a total $8 increase, would lead to a consumer price index rise over 3 per cent.

The unemployment rate would increase by .3 per cent for every $3 increase. So, when one adds the new element of the monetary policy, unprecedented interest rates in Canada, the government is asking us, as the good citizens we are, without any explanation about the use of supplementary revenues, to accept a higher energy cost policy, saying that of course it will bring more inflation, a higher inflation rate, but not revealing by what means unemployed Canadians will survive, nor how average income earners will be able to keep the same standard of living.

Mr. Chairman, I would like the minister to tell us what he will do with the added revenue. To the contrary, the Canadian

government has only one energy policy instrument all its own and that is Petro-Canada. The minister nods, probably to say that he will rely on the reports of Imperial Oil and all the other companies. There can be no doubt that the presidents of companies speak in good faith. Those people want to be good citizens. But they are faced with a relatively simple problem: they must be good citizens of Canada. They must be good citizens of the United States and most of all, they must look after the interests of their shareholders.

And we do not deny the role these multinational companies can play in the field of energy, technology and investment. However, we do not think it would be daydreaming on our part to want to own a company for ourselves in the field of energy, namely Petro-Canada. That company already exists and its performance has been fantastic, yet, as the member for Outremont said earlier, the minister is intent on castrating it. Then he comes up with a new formula, that is to say the energy bank or whatever, to grant loans to private companies for them to carry out developmental tasks. That is an extremely conservative measure.

Once this new bank is established the federal government will collect the extra profits and deposit them in the bank and then probably loan that money with advantages other sectors do not enjoy. That money will be loaned to private companies which already benefit from a tax status no other industrial sector enjoys in Canada. Why then choose this avenue instead of vigorously and wisely supporting a company which already belongs to us, namely Petro-Canada?

Mr. Chairman, despite the verbal diarrhea we have been getting from the Conservatives and especially the Minister of Energy, Mines and Resources, Canadians still do not know where they are going in terms of energy. It is not the minister alone who will have to bear costs, but each and every Canadian who will see a drastic increase in the price of his heating oil. It is each and every worker who has to drive to work who will be paying tremendous out-of-pocket costs. Mr. Chairman, the minister should tell us exactly what the energy policy of this government is, and according to what scenario—not give us three or four scenarios as suggested by the premiers—he expects to reach the optimum degree of self-sufficiency and at what costs.

If OPEC decided tomorrow to set the price of a barrel of oil at $45 or $50, is that the price we would have to bear for the equivalent in Canada? Absolutely not, Mr. Chairman. Friends of mine went to visit the tar sands project and were told by the president of the consortium that at full capacity the cost of operation was roughly $15 a barrel.

So, Mr. Speaker, I feel the House should be told what the cost will be of that policy designed to achieve self-sufficiency. It should also be told what means the government, the Minister of Finance and the Minister of Trade and Commerce intend to take to support the Canadian industry which will have to absorb those costs, and also what programs the Minister of Employment and Immigration (Mr. Atkey) expects to implement to help the present unemployed and the new unemployed who will appear in hundreds and thousands as a result of those entirely unjustified increases.

Mr. Chairman, I think the minister can wait. It should not take much more than ten minutes to answer in terms of yes and no, to give specific answers. Since last May 23, the minister surely has had time to reflect on the matter. Yet, he had done absolutely nothing of the kind. The only time that group of ministers, that government, took a positive stand was yesterday when the leader of their party, of that government, seemed to allude directly to the white paper suggested by the government in 1976. An editorial stated in connection with the embassy issue that the government was nobler after having reversed its position instead of insisting on a disastrous policy for the Canadian people, and that same editorialist concluded that it would have been nobler still had the same government—

● (1650)

[*English*]

The Deputy Chairman: Order, please. It being five o'clock, it is my duty to rise, report progress and request leave to consider the bill later this day.

Progress reported.

● (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. McCain): Order, please. It is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Surrey-White Rock-North Delta (Mr. Friesen)—Penitentiaries—Reported riot at Kent institution—Government action; the hon. member for Comox-Powell River (Mr. Skelly)—Search and rescue—Service on west coast; the hon. member for Saint-Hyacinthe (Mr. Ostiguy)—International trade—Inquiry whether provinces consulted respecting chicken import quotas.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Pinard : Mr. Speaker, I understand that earlier today there has been a discussion on the possibility of remaining in Committee of the Whole during private members' hour this evening and of allowing the hon. member for Madawaska-Vic-

toria (Mr. Corbin) to introduce his motion next Tuesday. If such is the desire of the House, I am authorized by the hon. member for Madawaska-Victoria to give his consent and as far as this side of the House is concerned, that is the official opposition, we are ready to continue to sit in Committee of the Whole until six o'clock and then this evening at eight o'clock.

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, that is agreeable to us. As I have indicated to the hon. member opposite, the minister must leave the chamber in a very few minutes. However, I understand the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. Jarvis) is available to continue during the course of that hour. Also I understand the hon. member for Madawaska-Victoria (Mr. Corbin) is not here. We will do our best to facilitate that. The minister can remain here for just a few moments while his parliamentary secretary comes to the chamber.

Mr. Knowles: Yes, Mr. Speaker, we have been involved in these discussions. We also agree.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, since unanimous consent is asked, it is quite normal to say whether it is agreeable to us or not. However, I am ready to support the proposal which has been made. The hon. member for Madawaska-Victoria (Mr. Corbin) being a quite honourable and understanding gentleman I agree that we should proceed with that proposal.

[*English*]

The Acting Speaker (Mr. McCain): Hon. members have heard the suggestion that private members' hour be suspended. Is it agreed?

Some hon. Members: Agreed.

Mr. Lefebvre: Would Your Honour mind including in your statement that the hon. member for Madawaska-Victoria (Mr. Corbin) retains his right to have Bill C-216 heard during private members' hour next Tuesday?

Mr. Baker (Nepean-Carleton): Mr. Speaker, I apologize to the hon. member. As I indicated earlier in the day, it is agreeable that Bill C-216, in the name of the hon. member for Madawaska-Victoria (Mr. Corbin), be heard on Tuesday, November 20, 1979, in the hour reserved for private members' business.

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

Some hon. Members: Agreed.

The Acting Speaker (Mr. McCain): Pursuant to Standing Order 54, I do now leave the chair for the House to go into Committee of the Whole.

[Mr. Pinard.]

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

APPROPRIATION ACT NO. 1—1979-80

The House resumed consideration in committee of Bill C-23, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1980—Mr. Stevens—Mr. McCain in the chair.

On schedule B—

Mr. Lefebvre: Mr. Chairman, I have a two minute intervention which I should like to direct to the minister.

The Deputy Chairman: Order, please. The hon. member for Verchères had the floor before progress was reported. Is the hon. member for Pontiac-Gatineau-Labelle rising on a point of order?

Mr. Lefebvre: I have a question for the minister.

[*Translation*]

Mr. Loiselle: I have completed my comments, Mr. Chairman.

[*English*]

Mr. Lefebvre: Before the minister leaves, I should like to take two minutes to ask him a question. Perhaps he will not have time to reply today, but I hope he makes note of it and replies later in the week.

As the minister knows, I represent a rural area of Canada, as do other hon. members in the House. I am somewhat perplexed by the plan announced by the government to incite Canadians to convert to natural gas. I do not have all the details of this plan before me. What does the government have in store for residents of the very many areas where natural gas is not available right now and will not be available in the near future, as no plans have been announced to supply it? I am referring not only to the area I represent, but also to many areas across Canada. Is there a plan to subsidize those residents who must continue either to use fuel oil or start cutting more and more firewood? By the way, a lot of them are doing so, but some are not capable of it. Is a plan being studied now which will be of benefit to these residents of Canada?

In other words, if a person lives in an area where natural gas is available, he receives a subsidy for converting. Also if I remember correctly, that person can save approximately 20 per cent of the cost of his fuel oil.

But what will be done for residents of areas such as mine where natural gas is not available? Will these persons be offered an alternate plan whereby they will pay a lower price for fuel oil because they must use it? What plan can the minister announce to the House which will be of benefit especially to those persons who live outside areas where natural gas is available?

I trust the minister has had a chance to look into this matter because it affects thousands and thousands of families from coast to coast. Even though he may not be able to give me an answer immediately, I would hope he could announce something in the House within the next few days so that all Canadians feel they are being treated equally and justly by the government. I hope the minister takes note of my question.

Mr. Evans: Mr. Chairman, while the minister is present, I should like to go over some of the points which bothered and perplexed me about the nature of the plan put forward by the Prime Minister yesterday regarding his background paper "An Outline of Proposed Initial Stage of National Energy Strategy". I have some questions with regard to this and the actions taken so far by the hon. minister.

The Prime Minister raised four points in the over-all strategy. With regard to the question of pricing, the Prime Minister stated that we have to increase prices to a level that is high enough to bring on new supplies. I do not think there is any real basic disagreement with this. We all agree that if we are to have security of supply, which is one of the critical questions in the energy area today, then we must have sufficient prices to allow industry, whether it be publicly or privately owned, to bring on these supplies in the field of petroleum. I must ask very seriously: What price are we talking about? I have heard prices mentioned by the government. I heard the world price and the question of replacement costs. I heard the Chicago composite price. I heard 90 per cent to 95 per cent of the Chicago composite price. Quite frankly I am not clear, and I am not sure if the government is clear, as to exactly what price is required to meet the energy self-sufficiency goals which the government has set forth. What price is required to bring on the energy conservation initiatives expected from the general public?

● (1710)

We have two different questions that have to be answered, I think, by the minister and the government. What price is necessary? What price do we have to pay to industry, public or private, to bring on the kinds of supplies we are talking about? That gets us into the whole question of replacement cost. I would ask the minister very sincerely if he can tell this House—and I have to admit that this question was raised with his department officials quite some time ago and I have yet to hear a response—exactly what price it is we are talking about as a replacement cost for a barrel of oil, for example, or for another thousand cubic feet of natural gas? What does it take to bring oil out of the Athabasca tar sands? What does it take to bring heavy oil out of Saskatchewan? Those are the kinds of questions I think we have to look at if we are going to be talking in terms of some reasonable pricing policy from the perspective of the part that goes to industry, whether it be public industry or private industry.

Under the prior government in the area of energy, the energy research and development board that was set up, and of which I was a member, was very concerned with looking at the question of how you stimulate consumers to conserve energy, as well as the question of what price is required or what kind of price increases are really necessary to get people to really conserve existing fuel, cut down their consumption, and substitute other forms of relatively less expensive fuel for the fuel we have the major problem of supply with now, which is oil.

Those prices do not necessarily have to be world prices. I think it is quite clear that the price we are talking about with regard to the generation of an appropriate return to industry is not necessarily the world price in Canada, because production costs and production conditions are quite different here than probably anywhere else. They might well be higher, but I have not seen any figure that would lead me to believe the government has a clear indication or a clear grasp of exactly what these costs are, and if they do not have a clear indication of what these costs are, then how can they tell me that the industry is receiving what people would consider to be a fair rate of return on their investment as opposed to excess profits?

It would seem to me that the first thing this minister has to do is to bring forward the kinds of figures that I am talking about here, indicating what it is going to cost the industry to bring forward new supplies and what is a fair rate of return on the investment they are going to be required to make.

I think the minister also has an obligation to look into the situation that we now face where, as a result of very generous tax incentives in this country, the industry is not making a major investment. It is the public which is making the major investment. The Dome Petroleum situation we heard so much about and which was reported in the *Calgary Herald* indicated that in the northern offshore areas Dome Petroleum was receiving incentives to the extent of some 95 per cent of its costs.

If that is the case we have a very serious problem on our hands. Dome Petroleum and the other oil companies are receiving these very substantial tax write-offs and tax giveaways, and on the other hand we are being asked to give additional revenues to the industry through higher prices. It seems to me we are paying twice for the same thing. The people of Canada, and the people in the provinces in which the oil is located, own these resources, and effectively the industry is being asked to come and extract these oils under a lease arrangement or an arrangement where they receive a fair rate of return. To go further, the cost of drilling and extracting the oil is being paid for through tax incentives by the public, and then the public is being asked to pay a high price at the other end. That is a very complex situation, there is no doubt about that. But the question has to be, what is a fair rate of return to industry when they are being asked to do this kind of exploration, development, extraction, delivery and so on? I think the minister should bring those figures forward.

On the other side, we have seen from the figures provided by energy, mines and resources at the briefing the other night—which I again congratulate the minister on and thank him for as it was an excellent briefing—some estimates relating to what is called the price elasticity of demand. We see surprisingly that, contrary to prior belief, there appears to be a rather liberal, to use the small "l" term, price elasticity of demand. In

other words, when the price goes up there seems to be a positive conservation effort by the people to reduce the amount of oil they demand.

Prior to this time that was not thought to be the case. People were assumed not to be sensitive to price when it came to their demand for petroleum products, but we see that they are. The point I am trying to put across is that the price necessary to bring on conservation effort might not be the world price. You might not have to go to that high price to get the kind of conservation results you are looking for. I think the minister has to look at those figures and at the implication of the fact that conservation is well under way—that people are moving to smaller cars, that people are insulating their homes and that people are turning down their thermostats. All the conservation efforts we would expect the government to be pushing for are already starting.

It seems to me that what the minister has to recognize, and what we were pushing very hard for and trying to study very carefully in the time I was in the department, which was consumer and corporate affairs, by the way, is that people's investment in energy conserving devices is directly related to their expectations of what prices are going to be in the future. If you are talking about long term investments you are talking about long term expectations, and if people think the price is going to move, let us say, toward world prices they will start conserving and making the necessary investments. But we do not have to go to the world price for energy in four years. We are going to get very similar types of behavioral responses by taking a much longer period of time to get to the world price, but we will still have behavioral responses.

Mr. Hnatyshyn: I rise on a point of order, if I might, Mr. Chairman. I am very interested in the remarks of the hon. member for Ottawa Centre, and I do not mean to break his train of thought, but I want to apologize to the House. I have a plane to catch at six o'clock tonight. I was not aware of this arrangement that had been entered into, and I really do apologize for leaving. I would be quite happy to stay on, and I am happy to be present at any time the House requires, but I just want to extend my apologies to the hon. member and members who will be speaking and making representations. My parliamentary secretary should be here. He is in transit from the department now and he should be here to sit in my place, and he will, of course, try to respond. I want hon. members to know that I will be writing to each of them with regard to the points that they have raised and will raise. I again say I am sorry I have to leave because I enjoy this crowd of intellects so much.

Mr. Evans: Thank you again, Mr. Chairman. I wish the hon. minister a good trip, wherever he is going.

An hon. Member: He is going to P.A.

Mr. Evans: He is going to Prince Albert? That is excellent. To continue, Mr. Chairman, I think the point that I had tried to bring forward here is that the pricing issue is not a simple matter. It is not a matter the government can treat in the way I think it has had a tendency to do so in the past, which is simply to say: There is the world price, it is an easy target, we can all see it, let us go there. I think there are some underlying, fundamental factors that this government has failed to look at, and they relate to the replacement cost situation and the price necessary to bring on the very valid conservation results that this government and the previous government were very concerned about.

I would say that those are some of the major issues, and I would like to have the minister, in a spirit of co-operation and consultation, provide me with figures on both costs and the kinds of impacts he can expect to have from industry and from the consumers through different pricing scenarios. I know that studies are being conducted in the areas by the Department of Energy, Mines and Resources.

● (1720)

This brings us to a question which I think is equally as important as pricing, that of distribution. If we intend to go to prices which are different from either replacement cost or the price necessary for conservation— and let us assume that the price necessary for conservation is higher than the replacement cost—what do we do about the difference between the replacement cost and the price necessary to bring on conservation? Who should have that difference? Should it go to the provinces—and there are good arguments for that; is it an excess return or economic rent, so to speak, that should go to the federal government—and there are good arguments for that; or is it a return that should go to the industry which, given that they have looked at the replacement cost and found the situation I have described, does not require that additional revenue to bring on new sources of supply, so that in a sense it then becomes an excess rate of return?

What does the industry do with excess rates of return? It will not invest in the oil business. It will either send the money out of the country in the form of dividends—because we are talking about multinational companies—or it will invest the funds in other areas in the Canadian economy. This will lead to the kind of conglomerate economic power situation that I am sure none of us wants to see, and certainly that I do not wish to see. I do not wish to see in the future major sectors of the Canadian economy being controlled by multinational oil companies because we have given them excess revenues to the extent that they can go out and invest in other areas.

An hon. Member: You have been doing it for 16 years.

Mr. Nystrom: Why did you do it, John?

Mr. Evans: I am new, remember.

Mr. Nystrom: We have a virgin speaking.

Mr. Evans: That is true, but sometimes words of wisdom come from the mouths of virgins.

What I see in the government's proposal is that there will be some form of an excess profits tax, but it is not really very clear. The Prime Minister's paper indicates that the energy

self-sufficiency tax on producers, which will be applied to incremental revenues—and we are talking about the $4 per year increase—would not only include what they would have obtained under the old arrangement of the $2 increase, but they would also be receiving 50 per cent of what they would get in the formula applied to the full $4 increase.

The Minister of Finance is reported in *The Globe and Mail* today as saying:

—evidence suggests the oil industry has all the cash flow it can reinvest from its traditional share of the current pricing plan—90 cents out of every $2-a-barrel increase each year, or about $657 million a year.

This indicates to me that if we give the oil companies additional revenues, they cannot invest that money in the petroleum business. What will they do with it? Being private firms and therefore concerned about the efficient investment of their resources, they will certainly not sit on those resources, so what will they do? They will either pay dividends to shareholders who live outside this country, or they will invest those funds in other industries in Canada. This trend has already started in the United States and has caused a great deal of concern there. The U.S. Congress is looking very seriously at establishing an excess profits tax to make sure that the oil companies or the oil industry does not become the economic centre of that country. We must do the same thing.

If the industries cannot use the additional revenues as the Minister of Finance has said, it seems to me to be a ludicrous proposal by the government to give them not only that traditional share, but 50 per cent of the revenue from any additional increase. I would like to have the Minister of Energy, Mines and Resources indicate to this House his assessment of the situation if, indeed, it happens to be different from mine.

I am very concerned by the responses made by the Minister of Energy, Mines and Resources in the House over the last few weeks, which seem to indicate an apparent lack of concern for the security of supply issue in this country. We have a situation where negotiations were commenced with Mexico and Venezuela to bring on additional supplies for Canada. Agreements were reached and initialled, yet we went from May 22 to August 31 before this government reconvened its negotiations with Mexico, and on into September before it reconvened its negotiations with Venezuela, as admitted by the minister. If we have a security of supply problem, which is now blatantly apparent from what is happening in Iran and the Middle East, then why was it that the government waited so long? I would like an answer from the minister on that question as well. We were unable to get concise answers from the minister to questions asked during the question period a few days ago on this matter.

The minister was also asked questions with regard to assurances from the multinational oil companies that in fact they will not divert supplies intended for Canada this winter from Canada to other countries. I would like to know if the minister has talked to those oil companies and received from them positive assurances that we will not be sitting here in January or February of next year and hearing Imperial Oil telling us that its parent corporation, Exxon, has decided to shift the supplies which should have come to eastern Canada to the United States, Sweden or some other European country, as has been the case in the past.

Without these assurances, I do not think that we can trust the multinational oil companies to look after Canada's best interests. That has been proven time and again. Last year they diverted supply. This year Exxon diverted supply away from Florida Light and Power and sent it to Europe where oil prices are higher. The oil companies have shown time and again that they have no national concern, not even when it comes to the United States, their home base. If they have no national concern for the country in which their head offices are located, why should we expect that they will have any overriding national concern for Canada? These assurances are necessary, and I think that the Minister of Energy, Mines and Resources must get those assurances in writing before we face a crisis later this winter.

Another thing which I look at with somewhat of a jaundiced eye can be found on page 4 of the document handed out by the Prime Minister, which indicates that we must do certain things to get substitutes and move away from oil, that we must have increased oil production and increased participation by Canadians. When I look at this document and what the Prime Minister has set down as being the kinds of things that need to be done under each of these headings, I see Petro-Canada. I ask myself, why is it that the Prime Minister is so dead set on castrating or demolishing—

The Deputy Chairman: Order. I regret to inform the hon. member that his time has expired. He may proceed with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Ritchie (Dauphin): Mr. Chairman, I would like to say a few words about these estimates. One thing which has been bothering me and which was brought up by the Premier of Alberta this weekend is the crude oil pricing policy and whether or not we are taking advantage of the so-called primary, secondary and tertiary recoveries in conventional oil wells. With the rising cost of new exploration offshore, deeper wells and the admittedly very expensive tar sands production, it seems to me we are probably missing a potential source by not promoting the tertiary recovery of oil from conventional oil wells.

As I understand it, it is considered that conventional oil would cost $4 a barrel, oil at the secondary stage $8, and at the tertiary recovery stage it would be $15 or $16 a barrel. With the present price of crude oil at the wellhead, we are only slightly getting involved in the secondary recovery of oil from conventional wells. It is a fact that there is a lot of oil left, according to a statement by the premier of Alberta. Something like 30 per cent to 35 per cent of oil is recovered under conventional business at the present time.

● (1730)

It seems to me that if we are going to administer price, some effort should be made to see if we can get some of that tertiary oil and put it into production. I understand that tertiary implies use of detergents and one barrel of detergent gives something like two to three barrels of oil, but it is more expensive. We noted that the previous government shut off the flow of heavy oil to the United States. It did not do us any good because we could not use it. However, comments from the oil industry indicated that these wells were shut down and there would be no point in opening them again. Are we not missing out a good bit in looking at this tertiary recovery and finding some way in which it can be worked into the price of oil so that it would pay companies to recover this oil instead of shutting the wells down, and at the very best in the distant future, have them reopened in order to bring in tertiary recovery?

There is much to be said about oil and the world market, but figures do seem to have come along, and perhaps things are not as bad in the world market as we imagined. No doubt the real price of crude oil will increase. OPEC is meeting again in December. That group says it will increase prices, but there does seem to be a substantial improvement in the world balance between supply and demand, and the outlook is even better at the retail level. Refineries and marketeers have already built up a fat cushion. The worst seems to be over for the United States.

It is the view of a good many oil observers, including some of the Saudis, that there may well be a glut in world crude in the 1980s. The moving force here is that consumption has been going down, partly because of the slowing down of economic growth, but more perhaps because of the rise in prices. In the last quarter in the United States, deliveries of oil products to United States consumers fell 4 per cent to 5 per cent over 1978, attributed mostly to a shift to natural gas. Europeans too are conserving. It is said that world oil use will be barely higher this year, and will be 1 per cent or 2 per cent lower next year.

There has been a vast rebuilding of stocks in the hands of producers and refiners, with supplies exceeding demand. Such stocks which had fallen last March have come a long way back up to the peak levels of two years ago. In the United States they are within 7 per cent of the highest peak. This may explain why Mr. Carter was willing to embark on the procedure of not buying any more oil from Iran. They may have been considerable stockpiling of oil for businesses and individuals.

It is mentioned that stockpiling of a million barrels a day for another year would probably fill all the world's tanks, and then some. It is estimated that something like two million barrels a day may well have been going into storage. World supplies have averaged over 1.5 million barrels a day more than last year, despite the loss of two million barrels a day from Iran, of which something like one million barrels has come from non-OPEC sources. These sources would be Mexico, the North Sea and other OPEC producers have increased production.

[Mr. Ritchie.]

OPEC output would have to drop markedly, with Iran cut-off completely, before we would find the world in a serious situation. No doubt OPEC has been feeding that fear and charging more for so-called spot oil hoping to force up contract prices. It is not likely that oil prices will break before the OPEC meeting in December. It appears there will be a more even world market, with supply and demand more in balance in the coming year. It is predicted, unless some drastic action happens, that crude oil prices will moderate in 1980, and inflationary pressures will ease to some extent.

Product prices are beginning to level out. Consumers are starting to shop around for cheaper gasoline. There may be a price break if the weather is warm this winter and OPEC keeps its cool.

I would now like to say a word or two about whether companies should be forced to put all their earnings back into production and exploration. I suggest that what is right for one company surely should be right for another. If a company makes money in oil, should it be precluded from investing in another field, particularly if that field is related to energy? Why should a company be penalized because it might invest in solar energy, which is what some of the American oil companies have done?

Everyone realizes that somewhere down the road coal will probably come into its own. A vast amount of money will be needed to develop this resource. Coal needs to be scrubbed and all the other things we talk about to make coal a reasonable and viable alternative fuel. It must not foul up the atmosphere. I wonder if it is a good thing to be rigid in the argument that every dollar made in the oil industry must be returned to that industry. Surely the market place will decide, and too much direction may well not accomplish the desired effect, which is to make oil, along with all the other energy sources in the market place, available for use by people.

Mr. de Jong: Mr. Chairman, I rise in this debate to deal with two areas. Before the minister left he indicated that he would get in touch with us and answer questions we will be raising during this debate.

My first question relates to gas exports. Is consideration being given to increase the price of oil to a level less than what Alberta wants in exchange for allowing increased exports of gas? If this is so, I wish to register my objection to this very strongly. The history of oil in our country has been one where we have shipped out too much of this scarce resource, and we should not make the same mistake with gas.

The other area I would like to touch upon concerns the conservation measures being suggested in the energy policy, particularly in the area of home insulation. Home insulation is an area that is inflation-proof. It is an area from which individual consumers can benefit. Home insulation conserves energy; it can reduce our dependency on foreign oil companies and foreign oil-producing countries; it is a program by which everyone can benefit.

This program should have received a much higher priority from the government. The government realizes the importance

of the program. It realizes there are mistakes and problems with it. However, I am afraid we have not aggressively attacked those problems and set in motion a program to benefit the Canadian people and fulfil the potential that home insulation offers.

● (1740)

Statistics show that approximately three quarters of our home fuel bills could be saved by proper home insulation. If you take the same amount of money that would be spent on building a nuclear reactor and used that on home insulation, you would save more energy than a nuclear reactor would produce. That makes common sense to most Canadians. Why not aggressively move into this area? Why not institute a program that would actualize the potential?

In the past I have raised several of the problems I have found with the CHIP program. The minister has recognized these problems. There is a problem with the material. Material has been produced that later proved to be unsafe for the consumer, or resulted in the basic structure of the home rotting. There are problems with insulating companies that are basically fly-by-night operators, companies ripping off the government for millions of dollars. This government is concerned with saving money and making certain that government programs are effective. Therefore I am surprised that it has not more aggressively attempted to regulate these fly-by-night operators. As well, the CHIP program as introduced by the former government has been too restrictive. The way the program was set up only allowed for certain types of insulation.

When the federal and provincial ministers of energy met on December 1, 1977, they produced a paper wherein they made some excellent criticisms of the program. Members opposite are concerned about the provinces. I am surprised they have not read what the provinces were saying at that time. I wish to quote from their paper. Referring to the CHIP program, they stated:

> However, it is certain that the difficulties experienced in this case were exacerbated by the lack of federal consultation with the provinces before the introduction of the program ... Continued direction and operation of CHIP from Montreal is unsatisfactory to the provinces. It is essential that CHIP administration be located in the provinces served.

I recognize that the announcement yesterday by the Prime Minister to turn CHIP over to the provinces will meet the criticisms the provinces had in 1977. I just mention what the provinces were saying then to show some of the inadequacies of the home insulation program. It was too restrictive, too monolithic, administered out of Montreal, and did not have the flexibility it would have if it were locally administered. However, turning it over to the provinces misses some important aspects that a national home insulation and energy conservation program must have.

Last night I expressed my concern to the Prime Minister that giving block funding to the provinces would result in the same type of experience the federal government has had with medicare. They gave block funding to the provinces for medicare and the provinces have not used that money for the medicare program. The same might happen to the home insulation program.

I am concerned as well that we must maintain certain national standards for the manufacture of home insulation material. This can only be done by the federal government. I am also concerned that we have ongoing research in the field of home insulation to make certain the appropriate materials are being used. Again, this requires the leadership of the federal government.

I expressed the feeling that the federal government, in order to initiate a national home insulation program, should provide co-ordination and leadership. In response, the Prime Minister said that if any member had suggestions to make, that he should make them. He stated he was interested in receiving suggestions from private members. I wish to make some today.

I wish to outline what a proper home insulation program should have. First, it should have adequate research. It is exceedingly wasteful of time, money, energy, and houses if current retrofit methods and materials prove to be inadequate, unsafe, unnecessary, or damaging to the structures of the home or the health of the family. Presently there are serious gaps in our understanding of the long-term effects of reinsulation of houses, of the pros and cons of various reinsulation techniques and the discrepancies between actual and predicted savings for home retrofit schemes.

There is certainly enough retrofitting activity in all parts of Canada to make a field study and evaluation a relatively easy and inexpensive task. Quite an exhaustive study was done at Princeton University. It was done over a period of five years. It was discovered that there were major contradictions in conventional wisdom on home insulation. In other words, there were a lot of notions about how best to insulate a home which thorough ongoing research and evaluation proved to be incorrect.

I am suggesting that first of all a good home reinsulation program should have ongoing research. What you discover gets reintroduced into the program so that your practices are kept up to date and are kept changing all the time.

The second point that a national home reinsulation program should have is proper regulation. Again this is the responsibility of the federal government. Often the labelling of materials provides almost no information as to how the materials should be used. With some materials used for home reinsulation, especially the ure-based foams, it could be quite dangerous if not properly applied. They throw off formaldehyde gases and other toxic gases.

The third aspect is that home reinsulation should be done on a personalized on site consultation. For example, the age, site, design, type of construction, and locality of the house are often unique factors that a retrofit program must recognize. If we are to maximize our energy reductions, we must recognize this. In other words, a home has all sorts of different parts, such as double pane windows, attic work, or basement work. These are different parts.

As the program exists now, money is only made available for certain types of home reinsulation. I suggest that the program be expanded, that it be done on a house to house basis. What we need is more personalized assistance in the program. We need individual people going to a house, examining it, and maybe even using the type of photograhy that shows the heat loss of a house, and designing a particular program for that house.

In my discussions with the minister he suggested that programs like RRAP could be used. I tend to agree. I suggest that a home insulation program should become a community based program, one that utilizes the resources of the community, the community groups, some of the new technology in home insulation, and maybe some of the Canada Works programs. Make it into a co-ordinated community effort.

I do not think turning it over to the provinces will necessarily give us the desired results. I would suggest, therefore, that instead of just turning it over to a province, the various ministers within the provinces and the federal minister responsible, the various resources in the province as well as the various resources from the federal government, people from Consumer Affairs, people from the National Research Council, people from the Department of Manpower, should get together and formulate a program which would utilize the community forces. As the minister has pointed out, Canadians want to save energy, Canadians do want to insulate. But Canadians are looking for leadership and so far we have not provided that leadership.

● (1750)

The fourth thing I would suggest is that we require that all new housing, especially housing built by CMHC, is brought up to a much higher standard of insulation. In Regina today they are building homes which would only cost between $90 and $100 a year to heat. Every new home in the country should be built to this standard. Unfortunately we are building social housing through CMHC which will place a burden on low income people in the years ahead. We are failing to use the technology which is available.

Those are the four suggestions I would present to the government for consideration. I believe the conservation of energy is essential. For too long we have been on the treadmill of ever-increasing consumption. We know there are limits and that soon we shall be reaching those limits. Increasing the price of oil is not necessarily going to force conservation because people do have to heat their homes, they do have to travel to and from work. But by providing viable alternatives you can begin to bring about savings and conservation. The days of endless consumption are over. We must begin to recognize this fact of life. What is needed now is leadership by the government in creating viable alternatives for the consumers of this country.

The Deputy Chairman: The hon. member for Outremont.

Mr. Yurko: On a point of order, Mr. Chairman, that is the second time you have called upon the hon. member for Outremont though some of us have not had an opportunity to speak.

[Mr. de Jong.]

Mr. Knowles: Get up, then!

Mr. Yurko: I have been getting up for the last hour and a half.

Mr. Knowles: Stand up so that the chairman can see you.

The Deputy Chairman: Order. Would the hon. member for Outremont consider the recognition of the hon. member for Edmonton East?

Mr. Lalonde: I have, indeed, intervened once, and other members have not spoken. I quite agree, in fairness, that other hon. members should be recognized—I see that the hon. member for Selkirk is rising, also.

Mr. Knowles: Yorkton-Melville.

The Deputy Chairman: The hon. member for Edmonton East.

Mr. Yurko: Thank you, Mr. Chairman. I should like to say first of all that I am always amazed at the amount of energy that can be generated from this subject of energy.

Mr. Knowles: You shouldn't be amazed.

Mr. Yurko: I should like to direct some questions to the minister. The first question I should like to ask him is this: what is the most likely scenario with regard to domestic oil supplies in terms of reaching oil self-sufficiency by 1990? In asking this question I would like to suggest that perhaps we should be dwelling more on supplies rather than pricing. My second question is: how much will it cost to reach self-sufficiency by 1990, depending on a given scenario? The third question is where the money is coming from, and the fourth is: when do we start collecting that money to gain self-sufficiency by 1990?

There was a minister of a former government who came to Alberta one day and proposed the building of 20 oil sands plants all at one time. I heard a member on the other side talk about Syncrude today and the cost of Syncrude oil. At the energy conference yesterday the Premier of Alberta indicated that the Alsands plant was to cost $5 billion and that the heavy oil plant at Cold Lake was going to cost $7.5 billion. I believe hon. members have completely lost track as to the cost of a barrel of oil from here on in.

Let me suggest that one possible scenario, if there was no oil or very little found in the Beaufort area and very little on the east coast, would be to meet the demand for oil for Canada by 1990 through the construction of oil sands plants. Let me also tell you, Mr. Chairman, that the depletion rate of conventional Alberta oil at this time is 100,000 barrels a day per year, or effectively one oil sands plant a year. So if you had a scenario of building oil sands plants to gain self-sufficiency by 1990, how many would you have to build? In order to make up the importation today you would have to build three. To make up

the shortfall because of the depletion rate in Alberta of conventional oil supplies, and I will come back to tertiary recovery and what that might give, we need an oil sands plant a year. One per year. That is to achieve self-sufficiency in energy, and maintain consumption at 1.8 million barrels a day in Canada. To maintain that consumption rate and make up the shortfall we now have, and make up the slide in terms of conventional production, we would literally need 12 or 13 oil sands plants by the year 1990.

What would the cost be? The next plant, the Alsands plant, would cost about $5.5 billion. But the one after that would cost 15 per cent more, the one after that would cost even more, and the one after that would cost even more because of inflation alone. What would the operating cost be? I have heard all sorts of nonsense from the other side about $15 a barrel which is what Syncrude costs at this time on the basis of a capital outlay of $1.8 billion and an interest rate of seven or eight per cent, not 13 per cent or 15 per cent.

The cost of capital alone for a new oil sands plant to produce 100,000 barrels a day is in the order of $15-$20 per barrel. The cost of capital alone to operate an oil sands plant today costing around $5.5 billion to $6 billion would be in the order of $15 to $20 a barrel.

Let me say something else before I call it an evening—

The Deputy Chairman: Order. It being six o'clock p.m. I do now leave the chair until 8 p.m.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: Order, please. When the committee rose at six o'clock, schedule D of the bill was under consideration, and the hon. member for Edmonton East had the floor.

Mr. Yurko: Mr. Chairman, I believe I have about 12 minutes left. I want to make sure that is understood. I do not think I will take the whole 12 minutes, but I would like to have that on record.

Let me continue with my scenario in connection with oil supply, which is based on building approximately 12 oil sands plants by 1990 to attain oil self-sufficiency in Canada. I am not advocating that schedule of construction in Alberta because Alberta simply could not handle it. It is just a scenario I am putting forward in connection with the need to raise oil prices to the world level at the earliest opportunity. I want to suggest that if we wanted to raise enough money from existing conventional oil supply price increases to build one oil sands plant, we would have to increase the price of conventional oil at the present rate of production by $12 a barrel to generate in one year sufficient capital to build a $6 billion oil sands plant.

If we wanted to build 12 oil sands plants in 12 years to be self-sufficient in oil in Canada, with this scenario if the Beaufort Sea had very little oil and the eastern offshore reserve was also disappointing, my conservative estimate on the basis of the inflationary rate is that that would require something over $100 billion. If you want to maintain or revert the industry to Canadian-owned instead of importing capital to make it American-owned, then you must generate that money in Canada, and if you wish to generate that money in Canada by raising the price of conventional oil, which is depleting at the rapid rate, as I mentioned, of 100,000 barrels a day per year—that is the depletion rate of conventional oil production in Alberta—you would have to raise the price of conventional oil today by $25 a barrel and increase the price of conventional oil today to $38 a barrel to generate the funding required to build sufficient oil sands plants to make this country self-sufficient in oil by 1990.

What is the other alternative? The other alternative is to import oil and export dollars, the wealth of this nation, overseas. That is not an acceptable alternative. As the minister said, it is vital that we act now because an oil sands plant has a lead time of 12 years. It is not something you initiate and build overnight. It takes 12 years from initiation to getting an oil sands plant eventually on stream. So there is no time left. This government, this House and the people of Canada have to act on oil self-sufficiency now, and they will pay these vast sums of money in one of three ways: either by importing capital and selling the ownership of our resources additionally, by taxing the people of Canada at a much higher rate through other forms of taxation within the next few years, or they will pay for it by increasing the price of conventional oil somewhere near to the world price.

As we increase the price of oil toward the world price the United States will start to develop its own hydrocarbon resources, coal in particular. It is going to gasify coal and liquefy coal, and it takes $30 to $50 a barrel to make that kind of process economical. So, this country has no choice, unless it wants to export wealth in vast sums of money as the United States has for the last ten years.

I want to say something else. I wrote a memorandum on August 14, 1979, as a member of the energy committee, proposing a national energy bank. Why do you think I wrote that letter? I was one of the men instrumental, working with others, in setting up the Alberta Heritage Savings and Trust Fund. The province of Alberta owns its depleting oil resources and, as I told the House, it is depleting at the rate of 100,000 barrels a day. Alberta has the right to its royalty, a royalty which it sets in Alberta. Right now that royalty on excess increases is 50 per cent. So the money will accumulate for Alberta under the constitutional prerogative of this country on any price increases.

• (2010)

Alberta has two ways of investing that excess capital. It is within the national context, so it can put it in Canadian chartered banks, and the chartered banks will bring that money back to Canadians very quickly. But this is not directional. The banks' investment of that money would have a

shotgun effect. They would invest it in real estate and in all sorts of other industries. So the idea was to bring back money generated by royalties in Alberta to the national context, and therefore make it directional for energy self-sufficiency by 1990. That is the reason for the energy bank. It is not like Petro-Canada. One of the main reasons is to recycle the Alberta Heritage Savings and Trust Fund money into the national energy bank and reallocate that money in the appropriate way for energy self-sufficiency in the different areas of the nation. We do not want that money invested in Alberta because we cannot handle such growth in Alberta. This growth is too rapid, if we are to achieve oil self-sufficiency from the oil sands alone.

Let me touch on the matter of tertiary recovery. What do you think tertiary recovery will do, because secondary recovery is now in place in many areas of Alberta? The maximum production increase, that is the rate of increase in production which is projected for tertiary recovery, is 150,000 to 200,000 barrels a day, no more than that. It will prolong the life of a field, but it will not increase the rate by very much. As a matter of fact the maximum projections are in the order of 150,000 to 200,000 barrels a day, while at the same time the conventional production supply is decreasing by 100,000 barrels a day in a year. In ten years, the supply from Alberta will have dropped from 1.5 million barrels a day—that is on conventional oil—to 500,000 barrels a day.

Mr. Chairman, when I started my dissertation I asked three questions which I will repeat in the hope that the parliamentary secretary can answer them. My first question of the minister was whether he could indicate to the committee the most likely scenario with regard to the domestic oil supply to make the nation self-sufficient by 1990. Then I went on to indicate that one way of doing so was to build 12 oil sands plants, which was a very difficult, expensive, and involved process. Indeed, those tar sands plants would generate an explosion of opportunities in Ontario because 60 per cent of all the supplies of valves, lines, instruments, and so forth, for those tar sands plants come from central Canada, from Ontario and partly from Quebec. A plant being built there generates tremendous activity in central Canada.

The second question I asked is how much it will cost to gain self-sufficiency.

The third question was where the money is to come from. Is it to come from the Americans, from overseas, from foreign ownership, from Canadian taxpayers, or from the existing energy?

The last question I asked was when are we to start accumulating money. If we are to build oil sands plants or a heavy oil plant, as the Premier of Alberta said yesterday, we would have had to start some years ago. Money is being invested and accumulated for the construction of those two plants which will cost in the order of $13 billion. There is no time to lose. Now is the time to act. We must start accumulating the money now, and we must make sure it goes into oil supply. Indeed, we must bear the brunt of this increase in price to generate activities in terms of oil supply, but at the same time to generate considerable activity in the manufacturing industries in central Canada because, as I said before, whenever we build an oil sands plant in western Canada, the bulk of the money in terms of supplies, equipment, instruments, engineering technology, and so forth, must come from within central Canada. That is why it is good for the entire nation to achieve self-sufficiency from domestic supplies instead of importing that oil.

[Mr. Yurko.]

[*Translation*]

Mr. Pinard: I rise on a point of order, Mr. Chairman. The President of the Privy Council and Minister of National Revenue said it was intended that the Minister of Regional Economic Expansion would be present this evening in Committee of the Whole. We understood that this afternoon we would discuss energy matters with the Minister of Energy, Mines and Resources, and since he had to take the plane this evening for western Canada, we thought that our group would be able to put questions to the Minister of Regional Economic Expansion this evening.

I understand that you have the discretion to recognize anyone you want in this House, but perhaps you were unaware of that agreement, and I am convinced that the members on our side who are interested in energy will feel bound to be present in this House Wednesday or Friday next to hear the answers to objections which have been raised and also to retort if the answers are not deemed satisfactory. However, if we are going to discuss every matter this evening, why refer to an agreement reached this afternoon, because this evening in the House our energy critics could have answered back if necessary.

I merely ask that the agreement be honoured so that we can put questions and speak about the Department of Regional Economic Expansion. Moreover, this evening, the only minister in this House, except the Minister of Public Works who is not involved in the matter, is the Minister of Regional Economic Expansion rather than the Minister of Energy, Mines and Resources.

[*English*]

The Chairman: Does the parliamentary secretary wish to speak on the point of order?

Mr. Jarvis (Willowdale): Yes, Mr. Chairman. I understand that this afternoon it was agreed by the committee that a series of questions would be put to the Minister of Energy, Mines and Resources. These questions were being put when the committee rose at six o'clock and they were left outstanding. It was my understanding that we would have an opportunity to answer these questions when the committee reconvened. I am here and in a position to answer those questions. The chairman recognized the hon. member for Edmonton East who just concluded his comments and questioning which was commenced earlier in the evening. I would advise the committee that the answers to the questions will not be lengthy, following

which the Minister of Regional Economic Expansion, who is present in the committee, will be available to answer questions, as was understood.

Second, I would advise hon. members opposite that at the conclusion of the answers to the questions put, they would not have an opportunity to continue the debate on energy but they will have the opportunity of bringing this matter up at a later time. I am quite certain hon. members opposite are quite capable of reading *Hansard* and will do so when it is available to them tomorrow morning. Accordingly, I would ask that I be given an opportunity to answer the questions put by members of the committee referring to energy, mines and resources.

Mr. Lefebvre: Mr. Chairman, I rise on a point of order.

[*Translation*]

The Chairman: The hon. member for Pontiac-Gatineau-Labelle on the same point of order.

Mr. Lefebvre: Yes, on the same point of order as my hon. colleague from Drummond and about the information to the Parliamentary Secretary to the Minister of Energy, Mines and Resources—

[*English*]

I was one of those members who addressed questions to the Minister of Energy, Mines and Resources and I mentioned that I did not expect him to be available to answer me this evening but that he could come back later in the week, because I was under the impression that he was not in a position to answer some of the questions at that time, and I fully accepted this. I also knew of the agreement that had been made with House leaders that tonight we would be discussing the Department of Regional Economic Expansion.

So, without taking anything away from the parliamentary secretary, I think we should abide by the understanding which was reached.

● (2020)

[*Translation*]

The Chairman: The hon. member for Madawaska-Victoria.

Mr. Corbin: On the same point of order, Mr. Chairman, I should like to remind the hon. member that this afternoon, at five o'clock, I graciously agreed to defer the consideration of bill No. C-216, a private bill to establish a national Family Week precisely in order to provide an additional hour for those members who wished to raise the matter of energy. But it was my understanding that this evening, at eight o'clock, we would resume consideration of the DREE estimates, and I am somewhat disappointed, after having given one hour of my time this afternoon, that we will go on discussing energy matters tonight.

The Chairman: Order, please. On this point of order, I must say, first, that the Chair itself was not party to the agreement, and perhaps hon. members will draw a lesson from this and from now on make it an order of the House or of the committee when they reach an agreement. Then, the committee as well as the Chair would be bound by that order.

[*English*]

It is easy to make agreements between members, but the only definite decisions are those made in committee or those that are made orders of the House, and that has not been done. Tonight when the bell rang to reconvene the committee, I saw officials of the department waiting to come into the chamber. When the parliamentary secretary asked if he could seek the floor, I agreed. His request is reasonable. I have recognized him, and I must allow him to speak.

[*Translation*]

Mr. Lefebvre: I feel that the Parliamentary Secretary to the President of the Privy Council should also be given the opportunity to advise the chair as to the agreement which has been made, even on an unofficial basis. This is an agreement between parties which must be honoured even in the House. I should like the Parliamentary Secretary to the President of the Privy Council, therefore, to confirm the statement I have made tonight.

The Chairman: There is no way I can force any member to take the floor if he does not want to.

[*English*]

Mr. Jarvis (Willowdale): Mr. Chairman, I have just been informed by the hon. Parliamentary Secretary to the President of the Privy Council that the House leaders met earlier this afternoon and that there was such an agreement. As the agreement was made, certainly I intend to honour it and will withdraw my request to answer questions at this time. I understand from the hon. parliamentary secretary that it will be in order for me to place answers on the record tomorrow when the House reconvenes in Committee of the Whole.

Some hon. Members: Hear, hear!

The Chairman: Order, please. I want to make sure we understand what we are engaged in. Hon. members are trying to force the committee to deal with only one subject. We have a schedule in front of us. The minister is here. I know some members are interested in asking the minister questions on regional economic expansion and in making speeches on this subject, but that does not tie the Chair. If an hon. member stands up wanting to speak on external affairs, there is nothing I can do to prevent it, unless the committee adopts an order that this evening will be spent on regional economic expansion.

[*Translation*]

Mr. Lapierre: Mr. Chairman, after all these explanations, I want to return to regional economic expansion. But first I want to thank the minister for making himself available tonight to the committee to hear our grievances and answer our questions. My hon. colleagues from the maritime provinces have abundantly and eloquently spoken of their region. I should like to move closer to the centre of Canada and talk for a while

about the Montreal region. On October 30, *La Presse* published an article with the following headline:

Montreal designated special area; after two years, half a failure.

The Minister of Regional Economic Expansion must have read this article and realized that DREE was to provide $60 million in grants over three-year period.

These grants were to create over $300 million worth of projects and more than 12,000 jobs. We know that the reality was quite different, since only $26.8 million has been spent and not even 5,000 jobs have been created. I read that with great interest since my riding is part of this Montreal special area, and what a surprise it was for me when I read in the same paper, a few days later, November 6, and I quote:

Ottawa to extend Montreal special area program.

I was quite surprised and I read this very closely. I was anxious to see what was in store for the Shefford riding. Unfortunately there was not much news about that riding. I was reading this article; it said it was half a failure, that it had been a nuisance for the city of Granby and also for the city of Waterloo, whose mayor is here tonight and is waiting very anxiously for answers from the minister. It had been said that certainly, when the government would bring about changes, it would take into account the Shefford riding. The fact is the constituency of Shefford was part of the designated area for seven years and has benefited from it.

The press called that special area half a failure; we call it a complete failure as far as our area is concerned. The minister knows my interest in regional economic expansion. I have already had an opportunity to speak to him about it on several occasions and the city of Granby told us that it felt seriously disadvantaged in being part of the special area of Montreal and its suburbs rather than a designated area. I got in touch with the minister, and I told him all that. He gave my request a lot of attention and he will continue to study it in the coming days, but I would like to remind him that, according to the statistics we have, the rate of unemployment in Shefford is 18.9 per cent. I am sure Statistics Canada will not agree with me, but I am talking about real statistics compiled by Department of Employment and Immigration officials, and I am told there are 7,269 people looking for jobs in Shefford.

That is a lot, that is even a lot too much. When I read the last communique of the minister saying he is giving a lot of grants to fight regional disparities, I am very surprised. I am particularly frustrated that we are not part of that famous designated area.

I read the last Revenue Canada publication, and among other things, this is the 1979 edition of tax data. This is not only to complain about the fact that some other cities were designated, but for the information of the minister, I would like to point out to him that Sept-Îles, for example, is the second city in Canada on the basis of average income, the city

of Sherbrooke which is 67th, the city of Trois-Rivières which is 52nd, are all designated for grants while the poor city of Granby, which is 87th, is not even designated. One really wonders whether that department is committed to fighting regional disparities. For seven years we were part of that famous designated area, and changes were made. I was not a member of this Parliament at the time—the former member probably did not bother enough with that—but I come here as a new member and I want to make sure that our industries are eligible for grants. I believe, for example, that soft areas like rubber, textile, furniture and even plastics, of which there are five businesses in Granby alone, are all in need of assistance. Unfortunately, with the present program we cannot get any. I ask the minister, first, whether or not he intends to do something for those poor soft sectors, about which the Quebec government, in many a white paper and statement has said that it intends to do everything possible to help them. My colleague from Drummond, who is here in the House, also needs help in textiles. We all need help to give our people work.

The minister must pursue the same objectives as we do, and I trust he will be able to give us more answers. As for the famous designated area, that is all very well for small businesses because any project can be subsidized. On the other hand, those that are located in the special area of Montreal really get nothing "special". We know that all projects under $100,000 are not subsidized. They claim they want to help small and medium-size businesses and, as we know, projects under $100,000 are really small businesses these days, but they are not entitled to grants. I believe this is an unbearable situation, especially when you want to help those enterprising people who could contribute to the economy. I ask the minister whether he intends to introduce amendments so that small businessmen may participate in the economy of the eastern townships of Quebec and Canada.

• (2030)

One of my colleagues raised the matter of an airport and wondered whether the DREE could do something about it. He had problems with the provincial government. We have also an airport problem. The Bromont regional airport has been an exceptional tool of industrial development. For example, because of that airport, IBM settled in our area. That airport should be financed by the entire community, since it is the cities of Bromont and Cowansville, located in the riding of the hon. member for Missisquoi, the minister's colleague, that now foot the bill. Now if my hon. friend from Missisquoi is not willing to look after that dossier, I will take over for him. What I want to say to the minister is that we need his co-operation. that airport will have to shut down unless someone takes an interest in it.

Bromont, which is in dire straits, and Cowansville must now absorb the cost of this regional airport. I am afraid that he will answer that his colleague the Minister of Transport

can help me, but I must tell him that I have checked with the Minister of Transport and have been told that there are almost no funds available for this type of airport. Let the ministers stop passing the buck and try to find a solution, because any major company which may want to settle in the area will require transportation facilities and the Bromont airport is an essential tool for our regional development.

I am also concerned about other matters, not in a partisan way but simply as a federal member of Parliament. As concerns the DREE grants, of which there are not enough in my constituency but which are given out elsewhere, I would like to know whether the minister intends to use billboards. What I mean is that when the Canadian government does something, we, in Quebec, like people to be aware of it and to be able to appreciate it. I would like the minister to ask his public relations officer to see to it that billboards are put up so that at least the people will know what is being done. For instance, the Granby Farming Co-operative has obtained a grant of over $1 million for a major project, but the only mention of this is in a single line. I believe that there should be a whole billboard. At the time when Mr. Marchand, who is now a senator, was the minister in charge, we had these billboards, and they were greatly appreciated by the people because they were at least able to see what the Canadian government was doing. I now see that we are about to lose all the direct assistance to individuals. Last night the Prime Minister said that he was cancelling the insulation program. We made our presence felt in this manner, but not any longer. However, the government could create a federal presence in Quebec through the DREE grants, and everyone knows how important this is at the present time.

I have another question that I would like to ask the minister, not out of any partisanship but because I want to promote the interests of Canadians. Many people in my constituency and elsewhere in the province are under the impression that grants are given to large companies which then often go bankrupt and that the administrators of these large companies simply put the money in their own pockets. I would like the minister to say for the record what legal means are available to recover the grants already awarded. And that is very important, in my view.

I will give you an example from my riding: the Manic was supposed to be the outstanding car for Quebec but the firm, which was heavily subsidized by the federal government, went bankrupt. That was very badly interpreted. One gets the impression that there was a misuse of public funds. I would like the minister to give the House, and the Canadian public, some explanation on the subject.

There is also another very obvious thing. Towns like Granby, Waterloo, Rock Forest, Saint-Césaire and Valcourt, expect a lot from the minister because of their high rate of unemployment, and yet the Minister of Employment and Immigration decides to abolish all Canada Works projects—

An hon. Member: Shame!

Mr. Lapierre: Shameful indeed, and my colleague is quite right. I think the minister could help those municipalities by amending the Montreal special zone program.

The mayor of Waterloo is in the gallery tonight, expecting, I am sure, a favourable answer from the minister. I am certain he will bring new business to his area. Mr. Dupuis expects the Minister of Regional Economic Expansion to help him reduce regional disparities between his town and the city of Montreal. I would therefore like to conclude by thanking the minister who has been very co-operative so far, and I trust that in the future he will remain so in both words and deeds.

[*English*]

Mr. MacLellan: Mr. Chairman, I would like to speak to the minister concerning, first of all, the very importance with which we regard the Department of Regional Economic Expansion in Atlantic Canada. The very concept of the Department of Regional Economic Expansion goes to the heart of confederation and the idea which we feel in Atlantic Canada is very important for the well-being of the economic success of our area.

We in Atlantic Canada do not ask for handouts; we ask merely for an investment in the future of our region. There were very disturbing reports not so long ago which came to my attention, and those were that the Department of Regional Economic Expansion would be ceasing to exist as a government department. This would strike a devastating blow to the rising and the actual expectations of the Atlantic area, because to take away DREE from the concept of regional development in this country would set the whole idea back a considerable number of years. To take away this concept would take away the vehicle for putting into practice the impetus of creating economic stimulus in the areas of Canada which are less economically fortunate than some of the more fortunate areas.

I would just like to mention a few examples of what could possibly happen and of the travesty with regard to the development of the economy in this country, and in particular of the areas which we are trying so hard to concentrate on at the present time.

The first example I would mention would be fisheries, where the plight of the inshore fishermen is now being ignored in favour of the processors and the larger companies. In the case of transportation, CN Marine, operating in Nova Scotia, is being passed over by the Department of Transport which is granting to Clarke Steamships Limited a subsidy of almost $16 a ton to compete with CN Marine which is the government's own Crown corporation.

● (2040)

This afternoon we heard some glowing statements from the government side with regard to energy, yet we heard nothing

from the government about Atlantic Canada. There have been tremendous statements about how, this winter, Atlantic Canada will be safeguarded from the problems of oil shipments being diverted to other areas. Yet we have not heard from the minister of energy or the government exactly how this will take place. I suggest that the government does not have a program, that one has not been put forward, and that these are merely bland platitudes.

When asked about the natural gas pipeline, the minister stated that it would go as far as Quebec, but he did not know if it would go to the Atlantic provinces. There is no commitment by this government to the future of Atlantic Canada. I asked the minister of energy during the supplementary estimates hearing when it was detailed that the government would spend over $6 million to buy 49 per cent of the shares of the Lower Churchill Falls Development Corporation, whether the energy coming from that development could be channelled into the grid system for Atlantic Canada. The minister could not say. I then asked him if Atlantic Canada could meet the price that was asked by this corporation should this hydroelectric energy be channelled into Atlantic Canada, and again he could not say.

Even when Atlantic Canada is competitive, when it is not asking for anything that is any more or less than any other part of Canada, it is still not being given consideration by this government. The situation is worse when we look at the problems of the coal industry, which is so vital and, as the government has stated, completely indispensable to the future of Nova Scotia and completely indispensable, when it is related to the high cost of oil, as a lower cost, more reasonable source of energy. The government has made no commitment whatsoever to the province of Nova Scotia. It recognizes a need for coal, but it is not willing to make the financial commitment to do anything about its problems.

Coal is now a viable resource, but even when something is economically feasible this government does nothing whatsoever. There have been repeated requests for financial aid to the Donkin mines by the province of Nova Scotia, the citizens and groups of that province, and the workers and miners of that province, but there has been no positive response whatever by this government.

The estimates contained a provision for the spending of $10 million for the opening and the initial development of the Prince Mine in Bras d'Or near Sydney Mines. This was a commitment of the prior government. It is still in the estimates, but there is no indication that this money will ever be put forward for the purpose for which it was intended. The President of the Treasury Board was asked in the House when this money would be forthcoming, and he did not know a thing about it. This is the minister who controls the purse strings, controlling the money which is a source for DREE in its efforts to reactivate and stimulate the economy of Atlantic Canada.

An hon. Member: What did you do when you were in?

[Mr. MacLellan.]

Mr. MacLellan: I was not here, and if the hon. member would read, he would know that. I am sorry that I woke him up. Perhaps I could speak a little lower. The commitment has not been met. It is only with the determination of Devco itself that there is any coal industry at the present time in the Sydney Mines area, and it is only because of its commitment of $4.7 million, which was allocated for other purposes, that we have a start on the Prince mine at the present time.

Another industry important to eastern Nova Scotia, and particularly Cape Breton Island, is the Sydney Steel Corporation. For years clouds of uncertainty have hung over that corporation. Of recent date there have been studies. The British North American Committee stated that the cost of production of basic resources in this country is increasing at the rate of three times the rate of inflation, and that if something is not done by the government of this country, the ten basic products to which it referred would be in serious difficulty by the turn of the century. One of the basic products to which it referred was steel.

The steel corporation has experienced a difficult period and only now is it finding the markets and a viable presence in eastern Nova Scotia. This industry now requires the assistance and commitment of this government, but it has not received that commitment. It has received $7.2 million, but it has not received a firm commitment. The minister for DREE very kindly stated at the Standing Committee on Regional Development that his government and his department were committed to the existence of Sydney Steel Corporation and in fact this existence, unreduced, would exist until permanent solutions to the corporation's problems were found. I thank the minister for his commitment, and I know that it provides a great deal of comfort to the people of industrial Cape Breton. Until this time, however, there had been no commitment. There was always the shadow that at any time this very vital industry which employs 3,000 people could be closed. I feel, having received the word of the minister, that this concern has been laid to rest indefinitely.

It is so important to keep the concept of regional development before the eyes of the Canadian public. If we lose this concept of helping areas which are less economically fortunate, then Canada loses the idea of what it is all about to help one another and that certain areas which at the present time are more fortunate should have the largess to supplement and invest in the future success of another area of the country. This concept is very important to Canada and to the Atlantic region. If we lose this concept we lose the binding force which this country has at the present time.

I would ask the government not only to consider the role of DREE, but the roles of all the departments which affect the Atlantic region, and to look at the jobs created by these departments, the life which exists in this area, to assure these people that they have a right to the lifestyles they have been living and the jobs at which they have been working all of these years. If the government can do this, then it will have gone a long way toward the creation of a true Canada.

Mr. MacKay: Mr. Chairman, I do not want to take up the time of the House because I realize that my friends opposite have questions and points they wish to put forward, but I would like to respond briefly to the hon. member who first spoke to assure him that, within a reasonable length of time, I think I will be in a position to honour some of the questions which he has raised.

I would like to say to the hon. member for Cape Breton-The Sydneys that I appreciate the sincerity and the eloquence with which he has spoken tonight on behalf of his particular region. I would suggest to the hon. member, however, that although this is the place to raise such matters, he not be too emphatic in saying that this government has no commitment to the province of Nova Scotia, to regional development, and particularly to those projects about which he has just spoken. I want to say to him—perhaps he was not aware of it—that at the time some of my colleagues and I went to Nova Scotia in connection with the trips we made to various provinces to find out about provincial priorities, we said then that we were committed to making certain that the economic well-being of Cape Breton Island was protected, and that included Devco and Sysco. I was pleased to give him that assurance again in committee.

● (2050)

I do want to remind him, though, that if I do have an idiosyncracy, and I suspect I have many—I do not like to make over-statements. I would prefer to be in a position to say something and then do it reasonably quickly. I do not want to be unkind, but I do want to remind him, although he was not here, that there was ample opportunity over the last ten years for a greater commitment to have been made so that when we did come into office, perhaps with the benefit of hindsight, it would have been possible for the former government to have taken some tangible steps over and above what they did. It might be said in defence of this government that perhaps the commitment and the will that they had to attack these problems were not all we might have expected.

We have only been in this new Parliament for a month. In a small way I think we have begun to address these problems. For example, we have done something tangible in the first phase for the Halifax shipyard. I hope before too long we will be able to make another announcement there. Is is true in terms of grandiose and large commitments that $7.2 million does not sound like a lot, but it has been done and it has had a beneficial effect. I hope and trust when the time comes we will have more money there.

With regard to the program to assist Devco, assisted by the province of Nova Scotia, as I said to my hon. friend last night from the same province, the fact that the province and DREE are working together should not be taken in a pejorative way. We have made arrangements for them to do certain things. We will reimburse them. There is no one more anxious than I to see these projects proceed. As far as I am concerned we are still within a reasonable time frame. If we ever get behind that time frame, I will be the first one to concede. I will continue to press for these particular projects. I appreciate the support that I am getting from members opposite.

I want to say that I will attempt not to make over-statements about what I am going to announce until I am in a position to say something tangible. I would caution them not to be too condemnatory about the past. After all, it was not too many months ago that they were in a position to have done something about it. Some of the problems we have now, we have inherited. I do not want to go on, and be too pejorative about it, but I think the facts speak for themselves.

Mr. Hogan: Mr. Chairman, I can agree with the minister in passing, especially in regard to co-operation. I want to congratulate the new member for Cape Breton-The Sydneys. It is the first time I have heard him speak. He speaks sincerely and eloquently. I am sure the hon. member for Cape Breton-The Sydneys is tough enough to take one little slap on the wrist from the minister. As far as I am concerned, what the minister was saying about the past government in relation to the Sydney Steel plant is dead on. They practically ignored it. This government has had to inherit a mess.

To be fair to the Liberals, they did a lot for the Cape Breton coal industry. We have to pay attention to that. However, we have to call a spade a spade, and there is no need for anybody to criticize this government about the Sydney steel plant.

Mr. MacKay: Yet!

Mr. Hogan: Yet, exactly. But there is plenty to criticize about the foot dragging respecting Donkin. It is not only that side. The last government had a feasibility study finished on March 8. There was an election on May 22. We were damn lucky to get the drill rig in August. Confirmation of the rig should have been arranged for between March 8 and May 22 to confirm that the Donkin mine had adequate and good reserves.

Having said that, as the hon. member for Cape Breton-The Sydney's and the hon. member for Shefford said, when you are in an area in which there is 20 per cent unemployment or anywhere around that level, you cannot afford to be that bipartisan. The people elected you in order to try to correct the situation. You have to work with the government and suggest ways and means.

I come back to what I said last night and what I repeated in the DREE meetings today: as everyone knows there is no simple answer. Pouring money in just does not do it.

On the question of government spending and government cutting, which I hope to be able to speak on if I have the opportunity during the budget debate, there is a lot of nonsense being talked about that by the President of the Treasury Board. Nevertheless, there has been a lot of waste. And if the waste and inefficiency were taken out or pared down, it will be something worth while.

To talk about wholesale cuts at a time when you are forced, according to the government in power, to follow the tight money policy of the United States, and at the same time you say you are forced by conditions in the economy, if I under-

stand the speaker from Edmonton East correctly and if I understood the Minister for Energy, Mines and Resources correctly today, to go to higher prices faster, then you can only stand back and see that there is a possibility for a scenario of disaster. This scenario of disaster will occur if certain cushioning effects do not take place in that budget. If you cut expenditures too much in order to cut the deficit, and if you keep interest rates going up in order to cut out consumption and investment, then higher prices are put on oil which will add to inflation and to the cost of manufacturing, especially in Ontario, and you are bound, unless there is a change, to create much more national unemployment. You are bound to forgo output that could be produced and will be not produced. That is a waste. Do not forget that. It is a serious waste when you fall into negative GNP or fall into a growth that is so far from our potential that we cannot even catch up to it in the next three or four years.

We all recognize there are these problems as well in the western world. The Canadian regional problems have to be put into that context. That is what is so desperately despairing. Like to hon. member for Shefford, like the hon. member for Cape Breton-The Sydneys, myself and indeed the minister, not so much now but in the past, but even yet, that plant in Trenton in his riding producing the hopper cars we hear about day in and day out for the grain growers in the west, that plant has to be looked at very carefully. The same people who owned the Sydney steel plant, Hawker-Siddeley, walked out. They walked out of the Cape Breton coal mines and left the people high and dry. I tell the hon. minister not to be taken in by this short, run type of thing that is happening in his area. They will walk out on you. If you go through the axle plant as I have done, and I know the minister has, the machinery in that plant by and large was put in by the government at the time of the last war, and just not in Cape Breton, so at Trenton, they are not putting in sufficient new equipment and machinery in order to stay abreast of an internationally competitive game.

The market in Canada and internationally is a partially administered one, or an administered pricing one by the large corporations. For many small and medium-size firms it is "price competitive" as well as being competitive in the broad sense that the businessmen use that term as opposed to the specific way the economist uses the term thinking only of price competition.

It is within the context of this serious over-all problem of Canada and Canada in the western world that the regions and sub-regions are feeling the pinch more. We cannot hide the fact that the Department of Economic and Regional Expansion can only do certain things. Unless there is some co-operation and co-ordination everybody, including the minister, knows it is not an easy thing to get a grip on. High interest rate policies, tight money policies, the whole history of Canada and the maritime provinces, any child in grade 12 that wants to read it—

An hon. Member: Louder.

[Mr. Hogan.]

Mr. Hogan: I can speak louder if you want me to. Any child can see that has brought trouble to the Atlantic region. It has been continuous. When you cut out expenditures in that region in order to save money resources and so on, it will cause, as it has in the past, even greater trouble. There is no easy answer to this whole problem of co-ordination for development, but we have to find a key. I suspect from talking to the minister he is going to try to take that question seriously.

• (2100)

It easily happens, that one department of government can wreck expenditures what even the Department of Regional Economic Expansion is doing in the regions by not co-ordinating the expenditures of taking funds away at a time when they should be kept if you are trying to build up a collective area.

A small example in my riding is fishing. As we all know, the Atlantic region has a new lease on life because of the 200-mile limit. The actualities are already there, and the possibilities are great. However, we now have what seems like a national economic crisis. We talk to the Minister of Regional Economic Expansion about development, while at the same time Treasury Board has taken $10 million out of the small crafts harbour budget since July of this year—$1¼ million out of Nova Scotia. There was no co-ordination.

No one in their right mind would have stopped the dredging of the Glace Bay harbour in my constituency knowing the total problem of unemployment there and the development that is needed. They would say, "Look, if we are going to ask the Minister of Regional Economic Expansion to do something in Cape Breton and put money in there, we are not going to put what could be a valuable supplemental industry in that area on its you-know-what by not even dredging the harbours there."

We all say we are for the small businessman. However, an entrepreneur put up money along with government subsidies to purchase three fishing boats at $1 million each, and he could not even get into the blooming harbour because the money was cut off for the project. That is an example of lack of co-ordination, and potential fishing and processing jobs are lost. A government coming into power for the first time can be forgiven for that type of thing. But what about the art of planning, which is supposed to be a socialist word? There is a prime example among the large corporations where the third largest automobile manufacturer, Chrysler, failed to plan adequately, and is now being rescued by government. Corporate planning, what some people call corporate socialism, is part and parcel of our way of life. It is not the textbook type of capitalism we read about. There is a difference of kind as well as degree between me and my brother, and my friend over here and my friend over there, just getting together and putting up risk capital to test the marketplace and see if we can sell something competitively. We take a chance on losing all.

Most businesses in Canada are small private enterprises. We must not fool ourselves into thinking so many of these larger ones are just that. You need that type of planning among corporations in order to survive, grow, and get your share of the market, even though it may not maximize profits as the

textbook theory suggests. You do not have to be a socialist or communist to see that is even more true for government. If the government decides to take a particular area in Quebec, for example, the Gaspé, or Cape Breton or Shefford, it should put all its co-ordinating forces into that. That was explicit in the minister's paper today at the DREE meeting, but not developed because we do not have enough time in these committees to deal with the whole question of one-industry towns. Somebody has to take a hard look at these problems soon, and in a planning context.

We are now worried about our depleting oil resources and trying to find substitutes. Some of our towns are built on some of these depleting resources. Sudbury, Cape Breton, and other places were by and large built on non-renewable resources. Surely to God we will not sit back and say that the market of private enterprise can look after that. I am willing to listen to the President of the Treasury Board when he preaches doctrinaire free enterprise stuff, but it is nonsense to say it will always work, or always work better than Crown corporations.

Markets by themselves in a laissez-faire sense or even in the plain sense of the government providing superdepletion, special depreciation allowances, or special tax write-offs, will not of themselves settle these problem areas. It is no good to say, although I do not know if he said it, but he was blamed for it, as Walter Gordon, a former Liberal finance minister said, that if we cannot help the maritimers, they should get the hell out.

Mr. Dionne (Northumberland-Miramichi): Watch your language.

Mr. Hogan: I do not want to be dishonest. Maybe that is a popular version of what he said. It is sheer nonsense in any case. In other words, where will we put them all now? When I was going to high school and to college in Nova Scotia, we were told we could all go to Ontario. Well, Ontario is no longer a very attractive place for jobs. Now everyone says we can all go to Alberta. Of course, if everyone goes to Alberta what it will take is mainly engineers, scientists, technicians and so on. What about those who built this country, the steelworkers, the miners and fishermen and others? Are we to have a conglomeration of four or five big cities in this country? Are we to say, this is Canada, look how different we are from the United States? We will be ignoring our own regions.

I realize there is no simple answer. There are sociological and psychological efforts that have to be brought to bear on these matters, as well as economics. However, let us not put people in charge who can contravene the decision-making process of ministers of regional economic expansion and others in government and say these areas must test the marketplace or not survive. Are we so stupid as to stand for that in the last part of the twentieth century, going back to a nineteenth century answer that has failed repeatedly?

I repeat that I am not saying there is any easy answer. Even in these areas the market place can play a certain role. The other day I read an article by Professor Kenneth Boulding, a professor of economics who is quite student of North American society. He pointed out some of the failures of the profit system in the twentieth century. As we all know, nobody needs to be so doctrinaire about it. Nobody wants to go to the crazy system of the state owning and running everything, except for a few fanatics. I am afraid on the other hand that doctrinaire free enterprisers have a little more power than they should have in this government. They want to go to the other extreme. They say it is only private enterprise and private property that can do the job. There has to be some kind of mid-way.

We have a mixed government system. It is a hybrid. Let us apply it to our regions. Let us apply it in terms of the region I represent, Cape Breton, as well as the region represented by one of the former speakers and, in fact, all regions. I have talked privately with the minister. As far as I am concerned, his philosophy is sound. He will be glad to know I agree with him. There is no monopoly on care for poor people or poor regions in any party. The damned trouble is that not enough of them rise to the surface and get credit. Often they are put down by people in a higher position because of the clash and the power struggle. They lose out.

With regard to regional economics, it is time for everyone in this House who does not accept some of the conventional wisdom about what can be done to get behind the whole program of regional expansion and see what can be done. We can and will be partisan in other environments. We must not just talk, but ensure that the regions and subregions of Canada have an opportunity to survive in the future.

I repeat what I said before. I was told by some of my confreres to the right, but not all, that if Quebec had 4 per cent unemployment today, there would not be the question of separatism, except among 15 per cent of the people in that province.

An hon. Member: That is an over-simplification.

Mr. Hogan: It may be, but it is pretty close. Well, we have some separatists in Cape Breton. There are separatists in western Canada. What is so wrong about that? But if your people are working, and working for a worth-while incentive so that they can bring up a family, they are not going to fool around with that nonsense.

• (2110)

In the twenties my father was a coal miner and they were told in Cape Breton that the only answer for our people was communism. But the co-operatives came along and people organized credit unions; they got the unions and so on. We know communists are not the answer. As the minister may know, the Marxist-Leninists are down there now. They are watching to see what is going to happen to the Sydney steel plant. What Mr. MacDermott, the head of the Canadian Labour Congress, said, might have been right or wrong in that context, I don't know, but members should not kid themselves that these men, and women, too, are not in places like the industrial area of Cape Breton, where if there is any trouble, they are sniffing around hoping to turn over the system—not in a peaceful, evolutionary way, either. There are bigger issues involved than just putting the correct economic policies in

place, and so on. There is a whole social system involved and, without getting paranoid, there are people out there who are ready to destroy it, and that is one of the reasons, though not the best reason, why we should co-operate to make sure that these regions become strong in a united Canada.

Mr. Taylor (Bow River): Mr. Chairman, I shall not detain the committee for long but I want to add one or two things to what I said last night in connection with the DREE program.

I appreciate the information given by the minister, namely, that the program has to remain regional. I would not want to argue against that proposition; I realize this is a regional expansion program. But what I am asking is that the program be made more flexible than in the past, and that the regions be made smaller.

To put one-third of a province the size of Alberta with 250,000 square miles into a region and apply the DREE program only within its boundaries is not being fair to the people, in my view. As a matter of fact, officials in the department with whom I spoke during the regime of the former government, would express with great sincerity their regret that they could not consider a worth-while project elsewhere in the province where men and women could be employed, where industry could be started, and where there was an excellent chance of success. All I am really asking the minister to consider—and I believe he said he would do so—is that the program be made a little more flexible, that there be a certain amount of innovation and ingenuity in selecting areas where there are raw materials and prospects of employment, and a good chance the industrial or manufacturing enterprises will continue to operate for a number of years. The objective is to provide employment, which is an excellent objective, to establish industry, and possibly to carry out some research.

When I hear that Montreal with its huge population has depressed areas and requires some assistance through DREE, I am not surprised because it is obvious that the buoyancy of Montreal is not felt by everyone in that vast city. Many feel the pangs of hunger and experience inhumanity when they cannot find work, and it is proper that they should be assisted through a program such as DREE. Similarly, a small city like Drumheller, for instance, where there are only 7,000 people and 7,000 people in the surrounding valley, has its depressed areas and there is, in my view, a proper place for DREE to come in and provide employment by strengthening the industrial base. I want to emphasize that this employment is employment for people throughout Canada.

I always feel kinship with those who talk about the coal mines of Cape Breton because I have known so many people by their first names in the Drumheller Valley and the Grand Cache area who came from Cape Breton to go down into the bosom of the earth to mine the coal. I know what that life is like because I, too, come from a coal mining family.

This brings me to the next point I should like to mention. I am heartened when I hear a large number of members of this House emphasize the need to develop our coal resources. We have vast deposits in Cape Breton and Alberta. We have deposits in Saskatchewan and British Columbia, and possibly in other provinces as well. At one time there were 23 coal mines in the Drumheller Valley, sometimes called the Valley of the Canyon of the Red Deer, and a payroll of a million dollars. But coal could not compete with gas and oil. Today, though with the price of oil and gas rising, coal is becoming competitive, and I would like to see a great deal of emphasis placed on re-establishing our coal mines, because in addition to providing jobs for our people they would furnish an alternative source of energy.

Until I was 17 years of age I knew nothing except coal being used in our home for heating and cooking. Until I was 17 years of age we used coal in all the manufacturing carried out in the area. Today we should look upon coal as a necessary fuel, one which will play an integral part in this country's energy program. When we think of all the uses that can be made of coal as a solid fuel, as a gas, as a liquid, we have some idea of the important role it could play in the drive toward energy self-sufficiency.

Those who oppose the mining of coal do so mainly on the ground that it is destructive of the environment. Mr. Chairman, there are ways and means of mining coal without destroying the environment. It can be done. I was delighted to hear the Prime Minister tell us the other day that coal would play an important part in the government's energy policy. In the East Coulee field alone, only a small part of the Canyon of the Red Deer, a mining inspector who, incidentally, came from Nova Scotia, said his experiments had indicated that there were more than one million tons of coal in that small area which is not difficult to mine, and which can play an important part in the thrust toward energy self-sufficiency.

• (2120)

I am pleased to have heard from the minister already that he is prepared to consider the DREE program a more flexible program of selecting the regions, and also that coal is going to play an important part in that program and in the energy requirements of Canada.

[*Translation*]

Mr. Bujold: Mr. Chairman, I wish to take the few minutes at my disposal this evening to ask some questions of the Minister of Regional Economic Expansion. First I should like to thank him for having set aside a few minutes to answer questions and to point out to him important issues related to my constituency in particular, to the Gaspé peninsula and the province of Quebec. I must say that the Prime Minister made a good choice in selecting the member for Central Nova to head the Department of Regional Economic Expansion, a member who can understand the problems of regional disparities and of isolation experienced in areas remote from the large urban centres.

If the Prime Minister made a wise choice when he appointed this minister, I feel he did not do as well in other departments. In any event, I would now like to try to explain to the minister a particular problem and a major one in the constituency of Bonaventure-Îles-de-la-Madeleine, and I am referring to the salt mine. I have already had the opportunity on several

occasions in the House or in private conversation with the minister to stress the importance of that project. But I feel that, in order for the minister to be in a position to make a wise decision based on all aspects of the situation, there is good reason to point out and stress problems which may have escaped his attention or which his officials may have overlooked. They may not have had the opportunity of visiting the area to meet interested parties and give them a chance to explain all facets of the problem.

To my mind, it would be advisable to give a brief history of the Îles-de-la-Madeleine salt mines problem. It goes back to 1970 when SOQUEM and Texaco discovered salt deposits there. From that time onwards, studies were made on the environment by SOQUEM and the Quebec Natural Resources Department, to see what the implications of developing those mines would be on the environment, fishing, transportation, in short, on all related fields. Later on, the federal government also developed an interest in the project. It will be remembered that, in 1975, more specifically on March 26, an agreement was signed between Canada and Quebec on the industrial infrastructures required to develop especially the fishing hamlets, in particular, of the Gaspé peninsula. I trust the new minister will also take into account that important fishing problem and see to it that other subsidies are also provided for in that agreement.

On the other hand, that agreement was altered on January 24, 1978, to allow for ad hoc interventions in specific programs, and if my information is correct, the former government did provide, within the scope of those ad hoc agreements, allotment of funds to the development of the Îles-de-la-Madeleine salt mines. The new government, again according to the information I was able to obtain, pursues the same objective. So, if those data are correct, there already are, under those ad hoc agreements, funds that are now frozen for a subsidy to the Quebec government to be used for developing the transportation system required by those salt mines. However, since the Quebec government announced they wanted to go ahead with the salt mines, we have seen other provinces intervene against the project, in particular Nova Scotia and Ontario where the majority of salt mines in Canada are now in operation.

On the other hand, I wonder about the comments of those members who are residents of those two provinces when they said that would be detrimental to producing provinces, particularly in terms of jobs. As I suggested earlier, Quebec has been talking about the possible operation of a salt mine in the Magdalen Islands since 1970. So how is it those two provinces did not anticipate that and try to find outlets for their salt outside Quebec?

And now, in 1979, those two provinces, and more particularly the province of Nova Scotia, are objecting to the development of that salt mine by saying that it would be detrimental to production in their provinces. They waited nine years to realize that salt mines could be developed in the Magdalen Islands. Are there not provinces other than Quebec in which they could sell their salt? Are there not other outlets across Canada or North America? That is a question I ask myself. I would like the minister to look into that and contact the members from his province to see why they did not take seriously the study made by the government of Quebec in co-operation with the federal government to develop that salt mine.

I would also point out to the minister the importance of developing a salt mine in the Magdalen Islands. As I suggested earlier, the riding of Bonaventure-Îles-de-la-Madeleine—and the same thing goes for the whole Gaspé area—has to put up with regional disparities and remoteness from large centres. That is the area in Canada with the highest rate of unemployment, particularly the Magdalen Islands. And when I see my colleague from Shefford who comes from the Magdalen Islands, who went to school there and, like most young people in our area, had to expatriate himself to finish his studies, I am sure he understands what I mean when I talk about the importance of the salt mine for the Madgalen Islands.

Some people ridiculed the fact that the operation of a salt mine in the Magdalen Islands would create 125 permanent jobs. But the minister should grasp the significance of creating those 125 permanent jobs because they are nearly the equivalent of what exists today in terms of permanent jobs in the Magdalen Islands. Perhaps in other areas it seems insignificant to invest so much money to open a salt mine and create 125 jobs. However, in an area like the Magdalen Islands where people really need those jobs, where something will be created around those 125 permanent jobs because the well-known problem is that the Magdalen Islands are as far away from Prince Edward Island and Nova Scotia as from the centre of Bonaventure riding, should this project ever get off the ground it will mean infrastructures and related services, and this will probably have a multiplier effect of two or three on employment in the Magdalen Islands. That is a fact that cannot be forgotten. It is a fact that the Magdalen Islands people consider in a particular way. They hope that the Canadian government will decide in a way that will offer that small corner of the earth something other than fishing and work for the government or its agencies.

We now have an opportunity to create in the Magdalen Islands permanent jobs which will offer a choice besides what there is now. Other colleagues represent ridings bordering on the sea. Fisheries is a concern to them. But we have an opportunity to make something else available to those people.

I know that pressure is being brought to bear by your colleagues, various groups and the provinces on the federal government not to refuse this grant. I hope you will not give way to this kind of pressure and that you will be able to make an enlightened decision and to keep in mind the fact that you will be creating directly 125 jobs and perhaps 250 or 300 others because of the impact of this decision on neighbouring communities.

Having said this, I would like to call your attention to another very important point which concerns those who want to destroy this project and who are saying that it is impossible, unthinkable and irresponsible for a government to invest so much money to create such a small number of jobs. I would like to say that a salt mine in the Magdalen Islands will have a favourable impact not only on the islands themselves, but also on the whole Gaspé area because, as you know, this salt mine would enable us to have a sodium carbonate plant in Gaspé which could create 100, 150 or 200 jobs. Therefore, to those who say that a salt mine in the Magdalen Islands would create only 125 jobs, I would reply that there would be two plants, one in the Magdalen Islands and one in the Gaspé area. In addition to creating jobs directly in these two plants, there will be all the jobs related to the transportation of the salt and the work in harbours and on barges used to transport the salt.

In such a case, can we talk about figures? Can we say that there will be 300, 400 or 500 jobs? All hon. members know as well as I do and as well as my colleagues for Matapédia-Matane and for Manicouagan know what 500 direct jobs can mean in areas like the Gaspé peninsula and the Madgalen Islands.

Those are the facts I want to bring to the minister's attention in order that he may take a sound decision with his officials, who know the area, who know the facts and studied the problem.

In his referendum campaign the Quebec premier visited Bonaventure, in my constituency. He said all those things about Ottawa, that he would develop his salt mine without help from Ottawa. Personally I do not believe it. And I am convinced that with what I have told him, the minister will be in a position, with his officials and in co-operation with officials from Quebec, SOQUEM, the Department of National Resources, to take sound decisions for the benefit of people in the Gaspé peninsula and Magdalen Islands.

Before I conclude, Mr. Chairman, I would like to refer to an important problem in my area, and I am sure the clerk of the municipality of New Richmond, who is here tonight, understands perfectly the problems I would like to bring to the attention of the House.

Remoteness from large centres, as I said earlier, is a most serious problem for the people in my area. It is indeed disastrous. When we deal with DREE and have to travel from 180 to 200 miles to reach the nearest office, or again to go to Quebec or Montreal and finally Ottawa to submit an application, this is quite discouraging for people wishing to launch economic development projects in our area.

When people want to study a problem or explore possibilities, and they often do this on a voluntary basis, travelling over such distances is certainly discouraging. I would therefore urge the department and officials to get nearer to the people, to come to our areas. There is not better way than going into the field to meet the people, to see the problems and to be in a position to take decisions.

[Mr. Bujold.]

His officials should come to visit us more often and establish contact with the people so that they will not have to make long-distance telephone calls only to get some information. As I said earlier, the minister comes also from an area remote from large centres and he is aware of those remoteness factors. The minister should tell his officials that trips outside Ottawa are not only beneficial to members of Parliament but can also be beneficial to civil servants.

Those are the comments that I wanted to make this evening to the minister, especially those dealing with the important problem of the salt mine in the Magdalen Islands. I hope that he will take these into account when making a decision. He will then realize all the economic and political implications.

● (2130)

[*English*]

Mr. Lumley: Mr. Chairman, I will be very brief tonight because I know there are several members who wish to speak.

Since this is my first opportunity to address the minister in his new role, I first want to congratulate him. Having worked with him on the committee for three years, I know he understands regional development problems as well as anyone in the House and I look forward to working with him in the future.

I should like to ask the minister two questions about the proposed general development subagreement for eastern Ontario. As the minister knows, I have been working on this for four and a half years with many of my colleagues from eastern Ontario on both sides of the House, trying to develop a rural development agreement. Last November the government of Ontario and the minister's predecessor announced a "high priority" focus on a resource and rural development agreement for eastern Ontario, which was to be brought about by the spring of 1979. For several reasons, many of which I believe cannot be justified by the government of Ontario and the previous Government of Canada, this agreement was not signed.

I wonder if the minister can give members of the committee an update on this agreement, particularly with respect to the agricultural sector. If I am not mistaken, it amounted to approximately $25 million to cover the ARDA program, which was cancelled last March, on drainage, agricultural technology, and industries relating to the further processing of agricultural products in eastern Ontario.

As the minister might recall, when we first looked at this agreement three years ago with officials of the two levels of government, we discussed another development called "hybrid poplar". To expedite that aspect of the agreement at the time, it was separated and a year and a half ago a $5.2 million agreement was signed by the government of Ontario and the Government of Canada. I should like to ask the minister, if he cannot proceed with the small business portion or with the tourism portion of the proposed agreement, whether there would be a possibility that he could proceed with the agricultural sector alone. I realize that the minister has to give consideration also to the counties in the province of Quebec adjoining the province of Ontario, something which was not considered before. I hope the minister can give us an update on this agreement.

Mr. MacKay: Mr. Chairman, I can say to my hon. friend that I am in a position to give him an update in the sense that this afternoon in our economic development committee we considered this matter. We considered also the matter to which he referred relating to the Montreal special area. I cannot make a definite announcement here tonight but I can tell the committee, with pretty nearly absolute certainty, that I will be able to give a definite answer on both these important initiatives.

I know the hon. member opposite has worked on this and has a particular interest in it, and I suggest that because of a lot of the background work that he and the former government did, we had this particular concept in pretty good order. It was something on which I could build. I will be able to give a definite indication of what will be done certainly before Christmas and, I hope, by the end of this month.

● (2140)

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Chairman, first I wish to congratulate the minister for his appointment and the responsibilities that the right hon. Prime Minister (Mr. Clark) vested in him. I understand that his department is quite difficult to administer particularly in the present context where, throughout Canada, subsidies are needed to establish new industries, create jobs, to allow existing industries to expand in order to create new jobs or to allow multinationals already established throughout Canada to increase their production and create jobs at the same time.

Mr. Chairman, I wish to draw a specific situation to the attention of the minister. I think it is time to do it. It concerns the south shore area. I ask the minister to take note of that name, the south shore area which reaches eastward from Lévis and includes the Bellechasse riding which I have the honour to represent, the ridings of Kamouraska, Rivière-du-Loup and Rimouski, and an area more to the east.

What I always disliked in the past was that the government, by agreements with the Quebec government, made the Quebec City region a designated area as was done for Montreal and its suburbs. As the south shore area is a little further, it was too far to benefit from the advantages granted to a designated area. We could not get specific recognition for the south shore area. You may check if you want, I have studied the matter since I was first elected, and many small and medium enterprises are included in this territory. However, because of the concentration in larger centres and the possibility for competitive industries to produce at lesser costs because of the reduction of transportation costs, little by little the small industries which employed many local residents had to move to Montreal, Hamilton, Toronto or to the Pacific coast, in British Columbia. So the young people whose parents had made many sacrifices to give them a good education, teach them a trade and give them a good professional training, did not find any job in the area and had to move, leaving us with the financial burden of their high school and university education. I regret very much the situation prevailing in the south shore area and I am not proud of it.

It is an area which did not develop as fast as it could because government policies were not set up to encourage the development of existing industries and the creation of new ones. And yet we live in Canada, we live in the province of Quebec, and surely we would like to get the same benefits other areas get. I would like to draw the minister's attention to that. I see that my colleagues on the other side are getting restless not so much because of my remarks because I am sure they all agree with them but because, when they were in power, they feigned deafness. As I see today that they agree with me, I urge the minister, whom I have known for many years and who has fought many an epic battle while sitting on the other side, I urge him now that he sits on this side and that he has the power to take my remarks into consideration and to ask his officials to take the whole situation into account when requests are submitted to DREE. Just lately, an industry wanted to establish itself and create employment in a small community, but its project was not accepted under the pretense that other industries were already operating in the same field in Quebec.

Mr. Chairman, I am quite willing to recognize there are others, but we are also entitled to make a living. The Canada Works program for this year recommended that special attention be given to job creation in the regions where there are many women in the work force and where there are no jobs available for them. So, in the textile industry, Mr. Chairman, I certainly would suggest that the establishment of such industries in the south shore area be taken under consideration. With a view to allowing them to survive and compete with industries in greater Montreal, they should be given some income tax credit for transportation to enable them to deliver their products at a competitive price compared to those of industries located in the city of Montreal or in the Montreal metropolitan region.

I will cut my speech short because we will have the occasion to come back to that. I am sure, Mr. Chairman, that after analysing my comments you will agree with the requests that will be made by intelligent people from my riding and from the whole south shore region, because we are entitled to make a living too, we want to survive, and we want to give our children the opportunity to use their energies, their diplomas to do something productive instead of receiving welfare payments and getting discouraged by the thought that they have nothing to do in their own country. I insist strongly on the establishment of a policy which would make possible and encourage the development and the establishment of new industries in the South Shore region.

[*English*]

Mr. Dionne (Northumberland-Miramichi): Mr. Chairman, for the last several months I have been trying to take off some weight, and during the last hour and a half or so I thought I

had overdone it. In any case, I am glad to have a few minutes to address myself to some of the problems in the Miramichi area of New Brunswick and in New Brunswick generally. I do not want to be too parochial.

I should like to make some suggestions, if I may, to the minister. I should like to begin by congratulating him on his appointment to that portfolio. I look forward to his effort and interest on behalf of the underdeveloped areas of the country. I include my own area in that comment. But I want to point out to the minister that, from the point of view of New Brunswick, the Miramichi area is the second largest industrial area in New Brunswick. It probably has the greatest potential for development of any of the areas of New Brunswick. It has the third largest port facility in the maritime provinces. We have the most diversified industrial base of any area in New Brunswick, but we have more potential to continue to diversify and to develop existing exploitation of our resources. We need some assistance, and I hasten to add we have been studied to death. One of the things we do not need is more studies.

● (2150)

We have the problem of the deepening of the channel of the Miramichi River, which is not a responsibility of DREE, I hasten to add, but I am bringing it up here because it fits in with the economic development of the region. That has been studied for something like 25 years. In the last few years, from 1975 or late 1974 until 1977, it was studied intensely. A design model was built. It was determined that it was economically feasible, that it was technically feasible to dredge the channel, but there was an event occurred earlier this year that delayed the project.

I am bringing it up now because I want the minister to use his influence with his colleagues in Public Works and Transportation, and more particularly in Treasury Board, to ensure that this project does go ahead next year and, with it, the necessary wharf development and harbour facilities to make the Miramichi the kind of port facility it should be and that northeastern New Brunswick needs for its further development.

The second project I want to commend to the minister's attention, which is very important again for the economic development of the Miramichi, is the establishment there of a federal institution. We have not been fortunate enough to have received one of the units in the decentralization program which, of course, we would gladly have accepted, but we did have an opportunity to have a maximum security prison located at Renous on a site already owned by the federal government. That would have created in capital works about $30 million input. I have no idea of the number of jobs, but it would have provided somewhere in the vicinity of about 265 full-time, good paying jobs upon completion, with an average operation and maintenance cost of about $7 million.

For some reason, and I am not casting any aspersions, Mr. Chairman, that project has been on hold now for several months and I would hope again that I could have the minister's support with his colleague, the Solicitor General, in trying to come to a relatively quick decision to get that project moving so that economic input will be there in an area that needs it.

There are communities still in the Miramichi where the rate of unemployment in winter months is virtually 100 per cent because the workers in those areas rely on seasonal occupations, and in the wintertime those occupations just do not exist. This is a situation which all of us who are interested in economic development seriously and urgently want to overcome. It is not a good social situation for people to come into the habit of working only for a few months of the year and then living on unemployment insurance or other social benefits. They do not like it, governments do not like it, and certainly we should try to do something about it.

If we can get those two major developments I have just mentioned, we will be well on the road to being able to attract the new industry that will provide the kind of long-term full-time jobs, in conjunction with the development of our fishery, and the security the people of the Miramichi have long sought, have long deserved, and should have.

I want to commend one other aspect of development to the minister's attention tonight, if I may. We have a problem in New Brunswick with regard to the orderly economic development of the province. If you take a map of the province of New Brunswick and draw a line from just north of Moncton in a northwesterly direction across the centre of the province, you have one half of the province, the southwestern part, which is developed, and the northeastern part, which is underdeveloped. For some reason we have never been able to impress upon the government of New Brunswick that it is in fact the government of all of New Brunswick, and that all of New Brunswick has a right to an equal distribution of provincial funds. Surely if the distribution of the wealth of Canada, or the redistribution of it through equalization payments, has any meaning at the federal level, it must have the same meaning at the provincial level. I would commend to the minister's attention the hope that he will impress upon the government of New Brunswick that in the development of New Brunswick they must do their share as well.

In the construction of roads, for instance, it has been made clear on several occasions by the Minister of Transport that the only major construction of highways in northeastern New Brunswick—the only way it will occur is if the federal government cost-shares it. I think that is wrong, and I will urge the minister to put additional funds into highway construction in New Brunswick, but I will urge him at the same time to try to convince the province that those of us who occupy the northeastern part of New Brunswick have a right to a fair share of the provincial largesse. Mr. Chairman, I am not going to take any more time. Someone else may want the few remaining moments. I thank you, sir.

Mr. MacKay: Mr. Chairman, I wish I had a bit more time to respond to some of the very reasoned and eloquent submissions made by a number of my colleagues. I have about one or two minutes, so perhaps I can respond without any particular order.

Speaking to my friend, the hon. member for Northumberland-Miramichi first, I want to assure him that for some time the premier of his province has been very supportive of the Miramichi dredging project. I want him to know that, and that I will make those representations on his behalf about highways he has just made.

I want to say to the hon. member for Bonaventure-Îles-de-la-Madeleine that I have not yet had a decision that has troubled me as much as this one, because I understand how important it is to the region. I was interested to hear about the factor regarding sodium that I was not as conversant with as I should have been. He does realize, however, that there are enormous funds allocated to creating 125 direct jobs; I believe $51.5 million is the ball park figure. He is also aware, I think, that the first we knew officially about Quebec's official request was on September 12 of this year. There are other departments involved; Environment; Fisheries; Energy, Mines and Resources; and Industry, Trade and Commerce. We have to get recommendations from our departments and we hope to have them very soon. I want members to know that I will take a very close look at this on the ground of economics as well as the particular needs of the region.

I think it would be fair to say that we need all the help we can get in terms of promoting regional economic development in the country. If we look at our federal budget, roughly $50 billion, in ball park figures, and I think my friend from the Treasury Board will agree, about $24 billion of that is primarily on the social distribution side, and by that we are talking about pensions, UIC, health and welfare.

● (2200)

The Assistant Deputy Chairman: Order. I regret to interrupt the hon. minister, but it is now ten o'clock.

Mr. Lefebvre: Mr. Chairman, I think that there might be general agreement that we not see the clock and that there be a few more minutes to allow the minister to sum up.

The Assistant Deputy Chairman: Is that agreed?

Some hon. Members: Agreed.

Mr. MacKay: Mr. Chairman, I will not abuse the privilege. I just wanted to make the point that out of this budget of $53 billion, approximately $24 billion is oriented toward the social distribution of wealth. Of this money, only $8 billion is directly concerned with the creation of this wealth that we are so anxious to distribute. The rest of it, of course, is allocated to things like transfer payments, national defence, external affairs, and so on. So, there are really three main categories as I see it.

I think that some of these programs that have such vocal constituencies are based on participation, some are indexed, and some are statutory. This is not the case for many of the programs which are on the economic development side. That is why I appreciate support, initially at least, on a bipartisan basis in trying to get the kind of priorities in the budgetary allocations to approach economic development on a co-ordinated basis with those of my colleagues who have those particular responsibilities, and to work as closely toward the creation of better economic circumstances and investment in the country which will not only create jobs and reduce unemployment, but which will give the country a greater capacity to create that kind of wealth that we can distribute, as we have done in the past.

I know that there are many members who feel that they have special claims to DREE funds because of the particular circumstances in their constituencies. We must focus the DREE programs more definitely on these kinds of areas. On the other hand, there is some virtue in having a national presence. For example, in the province of Alberta from which the hon. member for Bow River comes, and which is one of the most dynamic and economically stable provinces, there are six subagreements, and DREE has spent over the last several years approximately $73 million in that province.

There are some who think that we should not be spending any money in a province like Alberta. I think that certain parts of that province require a certain amount of assistance, but my preference, generally speaking, is to focus attention on areas of the country where the need is greater, as we did with our Canada Works program this year. Only under certain circumstances were the provisions of the Canada Works program triggered, and it was mostly in areas where the rate of unemployment was in excess of 9 per cent. This indicates a definite tilt toward helping the areas of the country which need help the most.

I propose to try to work with those of my colleagues in the economic development committee who have special responsibilities to help develop the country, and to get them to make a special effort to focus the resources of their departments on development in a co-ordinated way to relieve economic disparities. At the same time I will take into careful account the representations that have been made tonight by hon. members. It would be unrealistic to try to proceed on too broad a front at once. I hope that we will have announcements to make, as I said earlier, within a reasonable time, to give the House the decision on the long-standing situation in eastern Ontario and western Quebec. If we can come to some agreement or arrangement on that matter, then we can focus on some of the other areas.

Progress reported.

PROCEEDINGS ON ADJOURNMENT DEBATE

[*English*]

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

Adjournment Debate

PENITENTIARIES—REPORTED RIOT AT KENT INSTITUTION—GOVERNMENT ACTION

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, on the night of October 28 there was a riot in the Kent institution in British Columbia. On October 29, as it is reported, in *Hansard* at page 692, I asked the Solicitor General (Mr. Lawrence) the following question:

Can the Solicitor General confirm or deny reports that there was a riot at the Kent institution last night and tell us, if there were damages, to what extent and whether or not an investigation is going on?

This incident is really the culmination of a lot of activity on the penitentiary scene in British Columbia and the Pacific regional district. On checking the history of that district, I found that in February, 1975, there was a hostage taking incident in the gym of the B.C. penitentiary when a recreation officer named Mr. Blady was held. In June there was the famous hostage taking of 15 people in which Mary Steinhauser was killed, and which produced the Farris commission report. I might add that in all of the riots and in all of the hostage takings in British Columbia, that is the only one that produced a report from outside of the department. There were 15 hostages at that time. In July of that year a man was held in a barber shop.

● (2205)

In February, 1976, there was a hostage taking in the special correctional unit; two officers by the name of Crawford and Ford were held then. In the PC unit an officer by the name of Frew was held hostage in May, 1976. In September, 1976, a Mr. Kitchen and Mr. Wally Day were held. At the same time the inmates smashed the east wing of the B.C. penitentiary to the tune of about $1 million damage. I might add the great administration we had in the Pacific regional district rebuilt the whole wing even though they had already decided to abandon the B.C. penitentiary two or three years later. So there we have a million dollar expenditure for a wing that has hardly been in evidence since then and was planned to be abandoned later on. That is great administration in the Pacific regional district. The regional district officer really knows how to handle the situation.

In February, 1978, there was another hostage taking by the famous Andy Bruce and his confederates. They smashed the visiting and correspondence area at the entrance to the B.C. penitentiary and held hostages there. One of them had gained a weapon on the way down. They ruined files, they burned and scrawled all over that area. From 1975 to the present something like seven or eight riots, hostage takings, and destruction to the B.C. penitentiary took place.

Now we come to the riot and another lot of damage caused to the brand new B.C. penitentiary at Kent which is the Hilton of the B.C. penitentiary service. These are the same officials who are administering the policies of the Solicitor General's department in the penitentiary service out there who have been carrying on over the last few years. They are the ones who are instituting the reverse merit principle by which they can unload those people who are not very effective. I have stated in this House before that if we are going to apply the reverse of order merit principle, we ought to start at the top and get rid of the director and the assistant director of penitentiary services in the Pacific regional district.

● (2210)

There is an internal inquiry going on in British Columbia, in fact, I think it has just been completed, regarding the latest incident there. Having the penitentiary services in British Columbia Pacific regional district carry on an internal inquiry is like having the Ku Klux Klan determine whether there is racism in that organization. It is like asking the Mafia if they believe in violence. As I said before, it is like sending lettuce by rabbit. They will not find anything of any consequence.

The officers who work there, not even at the Kent institution, knew there would be a riot. The grapevine told them. A week before that a prisoner slashed his wrists. Where is the great administration that is instituting the reverse of order merit principle that knows how to get rid of the junior officers but preserves their own positions? They are looking after their own hides but getting rid of the junior officers who have tenure but are out of their favour.

We need an investigation not only into the Kent institution riot, but into the administration of the senior officers of the Pacific regional district of penitentiary services. Those boys do not know how to handle this. We need an audit of the kind of management we have there to see what kind of capacity they have to administer that district, to see whether they have the expertise. When we have seven or eight riots and hostage takings in a matter of four years, that ought to be sufficient evidence they do not know how to handle this. We ought to bring in people who know how to handle it.

The Solicitor General said an investigation was going on. I believe it has been completed. I do not look for any stern results out of that investigation. It will produce the same kind of reports we had from all the other investigations except for the Farris commission report. We will get the same kind of whitewashing. Nothing will happen until we get a housecleaning in the senior levels of the Pacific regional district.

Mr. Bob Jarvis (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I rise to answer the question on behalf of the Solicitor General (Mr. Lawrence). First, may I advise the hon. member for Surrey-White Rock-North Delta (Mr. Friesen) that the incident in question can hardly be characterized as a riot and certainly does not fall into the category of a hostage taking incident. The facts of the matter are as follows.

At 11.40 p.m. on October 28, 1979, an inmate began creating a disturbance in his cell when his request for more medication was refused. At 11.44 p.m. that evening, the automatic smoke detector sounded in his cell. The inmate had barricaded his cell door and the door was jammed. The automatic door would not open and the cell door had to be forcibly opened by the staff. The inmate was removed to the

institutional hospital where he was treated for superficial burns to his hands and nose.

Following the inmate's removal to the hospital, all other 23 inmates in his unit began damaging their cells. This behaviour spread, and 11 out of 24 inmates in another unit, and five inmates in a third unit also damaged their cells. The total population of the institution at the time of the disturbance was and at present remains 66 inmates. During the disturbance five inmates were superficially injured.

The warden and assistant director of security were present at the institution which was kept under lock-up during the day of October 29 and all inmates remained in their original cells. Also on the same day, October 29, the inspector general, at the request of the commissioner of penitentiaries, was sent to Kent Institution to head up an inquiry.

• (2215)

On October 30, two meals a day were being served, all institutional programs were stopped, and the situation remained stable. The citizens' advisory committee toured the institution on October 30. The initial damage caused by the inmate disturbance was estimated to amount to between $25,000 and $35,000. Kent institution is in the process of being returned to normal, and inmates have been returned to their cells on completion of the clean-up.

SEARCH AND RESCUE—SERVICE ON WEST COAST

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I rise to follow up a question I put to the Minister of National Defence (Mr. McKinnon) on October 17. It pertained to the lack of primary search and rescue resources along the coast of British Columbia.

In response to that question the minister indicated that the department had under way the SARSAT program and a small vessel replacement program. I know the minister is very concerned about this subject, so my comments are more by way of a request for clarification than criticism. I should like some information, first of all, with regard to primary resources, that is to say, the helicopters and aircraft stationed at Comox in the 442 squadron. Has the minister considered distributing these aircraft, particularly the helicopters, along the coast of British Columbia, possibly at Canadian Forces Station Holberg and Canadian Forces Station Massit? This would reduce response time and make the aircraft more effective in case part of the coast is closed down by weather.

I would also like to ask for clarification of the SARCUP program. There are two types of helicopter in use; the Labrador is apparently more effective than the Voyager which has limited fuel capacity—it has a 1600 gallon rubber bladder inside the fuselage carrying extra fuel in an attempt to make it move effective in terms of range and endurance. However, the added weight, together with the fact that this extra fuel cannot be jettisoned in an emergency, limits this helicopter severely in terms of the altitude it can achieve and so on; in fact, it could well become a flying crematorium for the crew working in it should an emergency arise. This is an important question and one which should be clarified, not only for the sake of those who live and work on the coast of British Columbia but also for the crews who operate that particular type of helicopter. The necessary action should, in my view, be one of the high priorities of the SARCUP program.

The third area I should like to deal with concerns the SARSAT program, the proposal to create a search and rescue satellite to detect ELT signals. Over the last couple of years the government has experienced a problem getting emergency locator transmitters back on every aircraft in Canadian airspace. Unless those ELTs are in the aircraft, and aboard vessels at sea, the search and rescue satellite is virtually useless. So we do need clarification of the government's position with regard to these transmitters. Dozens and dozens of air searches have been carried out this summer over the coast of British Columbia, and it is a fact that the cost of one major air search would pay for placing an ELT in every aircraft in Canada.

Finally, I would appreciate clarification of the minister's reference to the small vessel replacement program. I believe he was referring to the 20-metre vessels which were proposed for coastal search and rescue activities. It is my understanding that a number of these vessels were to be constructed. Could the hon. gentleman tell us how many contracts have been signed for the construction of these vessels and, if any have been signed, where these vessels will be developed? Specifically, are any of them destined for the west coast of British Columbia, particularly for areas like Prince Rupert, Campbell River, and locations on the central coast?

• (2220)

Mr. Bob Jarvis (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, obviously it is my night to answer questions. I suspect that it is because at one time I was a member of the air force stationed with a search and rescue squadron that I have been asked to answer this particular question. Unfortunately, even with my background in the air force and in search and rescue, I do not have the specific answers to the three specific questions raised by the hon. member for Comox-Powell River (Mr. Skelly); in particular, the safety of the helicopter and the status of the fuel tanks in that helicopter; second, the exact status of the ELT equipment which has been placed in some doubt in the past few years; and, third, whether any specific contracts have been let with respect to the 20 metre vessels.

I will pass on to the minister the hon. member's specific questions and undertake that the answers to those questions will be returned to the hon. member. I know these remarks are not specific answers, but I will see that they are obtained, delivered to the hon. member, and placed on the record.

Adjournment Debate

[*Translation*]

INTERNATIONAL TRADE—INQUIRY WHETHER PROVINCES CONSULTED RESPECTING CHICKEN IMPORT QUOTAS

Mr. Marcel Ostiguy (Saint-Hyacinthe): Mr. Speaker, I am happy to have this opportunity to address the House tonight. Following the non-answer the Minister of State for International Trade (Mr. Wilson) gave during question period on November 1 last, I wish to pursue this matter of the alarming situation which the Progressive Conservative government has created for the chicken producers of Canada and, of course, Quebec and my riding of Saint-Hyacinthe. The fact that the Quebec market has been flooded with American chicken meat is a threat for our poultry farmers. The Minister of Agriculture (Mr. Wise) or his colleague in charge of international trade give us a classical answer when we criticize them for having made overly generous concessions for chicken imports from the United States: The negotiations will take into account the international obligations of Canada, in particular section 11 of GATT, the General Agreement on Tariffs and Trade.

We all know that under section 11 of GATT, Canada can impose quotas on imports to support a domestic supply management program. The quotas, as the minister said, are based on import levels recorded during a recent and typical period. It is to be noted that in this war on chicken prices the Minister of State for International Trade teams up with his colleague, the Minister of Agriculture and the Minister of Industry, Trade and Commerce (Mr. de Cotret.) The latter has the power to issue permits authorizing foreign producers to sell their poultry here in Canada and that, since last October 22. They have told us that the quota for the remainder of 1979 will be set at 8.75 million pounds or 3,900 metric tonnes, which they claim to be the proportional share of an annual quota of 45 million pounds or 20,412 metric tonnes.

The Minister of State for International Trade, in his more or less accurate but somewhat evasive answers, referred to statements made by the Minister of Agriculture to the effect that import quotas have been imposed on chickens to support the Canadian Chicken Marketing Agency in its efforts to manage supplies. The minister told us that, setting the level at which imports will be controlled will enable the agency to establish, with greater certainty in the future, still according to the minister, the level of Canadian production required to meet the demand.

It is with the greatest concern that poultry producers, Canadians and Quebeckers who have interests in that agro-food sector of our economy, see their commercial outlets flooded with products imported from the United States and, which is worse, with the blessing of the government. Mr. Speaker, we are all aware that the Quebec chicken producers are subject to a joint provincial plan since February, 1971, and to the policies of a national agency since December, 1978. The Fédération des producteurs de volailles du Québec, also known as "Volbec", administers the joint plan and its chairman is also the vice-chairman of the national agency. An editorial in the magazine *Le producteur agricole* asked a very important question:

How is chicken doing in Quebec?

We can reply that chicken in Quebec is doing pretty badly, and it is in this context that I wish to denounce the situation which is seriously harming the Quebec poultry producers. Mr. Speaker, the serious problem of American chicken import quotas is even more serious for Quebec poultry producers. We know that Ontario, for instance, is using all the means at its disposal to obtain an increase in its share, whether this be from over-quota production or even from its American imports. We are therefore constantly faced with a strategy which stops at nothing to increase daily the Ontario share of the domestic production. Meanwhile, in Quebec, strict compliance with quota regulations, in addition to penalizing all the producers by reducing their share of the domestic production, means that the Quebec market, and more specifically the Montreal market, is an ideal place for Ontario dumping. The amount of dumping is escalating rapidly: one million pounds of chicken come into Quebec each week at clearly lower prices than those set by Volbec, the Fédération des producteurs de volailles du Québec.

The Minister of Agriculture informs us that the quota for the remainder of 1979 is 8.75 million pounds. That is over and above the ever-increasing volume being dumped from Ontario and the more than one million pounds of chicken entering Quebec every week, at substantially lower prices. It is not surprising then that we should sound the alarm and that from my seat as member for Saint-Hyacinthe I should request from the Minister of Agriculture and his colleague for international trade an in-depth analysis of this dramatic situation. I would ask them to reconsider as soon as possible this decision of shamelessly imposing on Canadian and Quebec chicken producers this quota of American imports.

● (2225)

[*English*]

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. The hon. member's time has expired. The Minister of State for International Trade (Mr. Wilson) has the floor.

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, I appreciate very much the comments that the hon. member has made about the chicken marketing situation at present, and I understand the concern of farmers in having to deal with a level of chicken imports quite a bit higher than the one which existed in the early 1970s. But what I have not been able to understand during the whole period when this matter was under debate both inside and outside the House, is why the criticism is directed our way. The criticism

should be directed right over there at the former minister of agriculture.

Earlier in this decade, specifically in 1974, the former minister of agriculture announced a supply-management system for chickens would be put in place. Quite some interest was shown by chicken processors, and naturally the level of chicken imports started to increase in anticipation of the system. What has happened since 1974? Until the early part of 1978, when an order in council was finally passed three and a half years later, precious little took place. During the whole of 1978 we waited—there was little action. Finally, at the end of 1978 some action was taken, but it was not until the middle of 1979 before the basis of the supply-management system was agreed upon.

This government acted very quickly in initiating negotiations with the United States to come to an agreement on a level of import quotas. During that period of time there was an increase in the level of imports from about 11 million pounds a year in 1974 to nearly 60 million pounds a year in 1977-78. It was on that basis that we had to go in and negotiate with the Americans. If the previous government had taken action sooner, we would have been able to negotiate on a much more favourable historical basis. But we are bound by GATT, as the hon. member pointed out. It was on that basis that we negotiated. We believe we negotiated a good deal under the circumstances we are faced with. We cut off 1979 which was a year not completed, and we were able to add the year 1975 which extended to four years what is normally the period of three years used in GATT negotiations.

● (2230)

I believe we are able to do a good job for chicken farmers under the circumstances. Last Friday I met with a group of chicken producers in the Chateau Laurier. I stood up and explained the basis on which we made our negotiations. I looked around for the hon. member for Essex-Windsor (Mr. Whelan), the previous minister of agriculture, and nowhere could he be seen.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.31 p.m.

HOUSE OF COMMONS

Wednesday, November 14, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

SOCIAL SECURITY

FUTURE OF FAMILY ALLOWANCES PROGRAM—MOTION UNDER S.O. 43

Hon. Roméo LeBlanc (Westmorland-Kent): Mr. Speaker, I rise on a question of urgent and pressing necessity under Standing Order 43. Given the fact that the Minister of National Health and Welfare refuses to take a clear stand on the question of family allowances, and in the light of repeated kite-flying by Tory strategists on this subject, I would move, seconded by the hon. member for Madawaska-Victoria (Mr. Corbin):

That this House request the Minister of National Health and Welfare to state clearly that the deficit problems of the Minister of Finance will not be solved on the backs of those who look to family allowances as a right and not as a charity.

Some hon. Members: Hear, hear!

Mr. Speaker: This motion, under the terms of the Standing Order, can be put to the House only by unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

TAKING OF U.S. HOSTAGES IN IRAN—MOTION UNDER S.O. 43

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Mr. Speaker, I rise on a question of urgent and pressing necessity under the terms of Standing Order 43.

In view of the fact that 65 American citizens are being forcefully detained in the American embassy in Tehran, and in view of the fact that their detention is unwarranted and against international law and understanding, and in violation of the sanctity of embassies throughout the world, I ask leave to move, seconded by the hon. member for Parkdale-High Park (Mr. Flis):

That the government and people of the United States of America be commended for their courage and approach in dealing with this tragedy.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member will realize that the Chair has consistently set aside motions of this sort put forward under the Standing Order.

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

REHABILITATION OF DISADVANTAGED CANADIANS—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the terms of Standing Order 43. Since it is well known that Canada Mortgage and Housing Corporation owns several hotels, and since many low income areas are receiving insufficient funds to make possible the decent rehabilitation of old housing stock, I would move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That CMHC get out of hotel business and become more deeply involved in the rehabilitation of senior citizens, disabled pensioners and lower income Canadians.

Mr. Speaker: Does the House give the hon. member unanimous consent to present the motion under Standing Order 43?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HAZARDOUS PRODUCTS

LEGISLATION TO ENSURE SAFETY IN TRANSPORTATION—MOTION UNDER S.O. 43

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I rise on a matter of urgent and pressing necessity to seek the unanimous consent of the House to put forward a motion under the provisions of Standing Order 43.

I believe it is imperative that new regulations to protect the public from accidents caused by the transporting of dangerous, toxic and explosive materials in an unsafe manner be presented immediately. Dozens of accidents on our railways could cause disruption and create extreme danger for members of the public anywhere in Canada, as was the case for 250,000 people in Mississauga last weekend. An inquiry by the Canadian Transport Commission will not be able to ensure more than a public hearing. I would, therefore, move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

S.O. 43

That to avoid delay, the Minister of Transport refer to the Standing Committee on Transport and Communications the matter of hot box detectors, the separation of dangerous commodities and the proper identification of all containers as to contents and risk to persons, with instructions to recommend amendments to ensure safe transportation of such dangerous products and prepare legislation for speedy passage at the earliest possible date.

Mr. Speaker: Presentation of such a motion, under Standing Order 43, may be made only with unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

INQUIRY WHETHER OUTAOUAIS REGION WILL BE DECLARED DESIGNATED AREA—MOTION UNDER S.O. 43

Mr. René Cousineau (Gatineau): Mr. Speaker, I ask for the unanimous consent of the House, under Standing Order 43, to move a motion concerning a matter of urgent and pressing necessity.

Considering that the President of the Treasury Board has stated that the Outaouais region should not be considered a designated area; that the Minister of Supply and Services has stated for his part that this region could be recognized as a designated area in early 1980; and that the municipalities of this area are entitled to be told clearly the position of the federal government, I move, seconded by the hon. member for Sherbrooke (Mr. Pelletier):

That the Minister of Regional Economic Expansion settle this question as soon as possible so that the Outaouais region will know what to expect.

Mr. Speaker: Under Standing Order 43, such a motion can be moved only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

AIRPORTS

REQUEST FOR EXTENSION OF LANDING STRIP AT SAINT-LEONARD TO CREATE JOBS—MOTION UNDER S.O. 43

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, under the provisions of Standing Order 43, I seek unanimous consent to move a motion on a matter of urgent and pressing necessity.

[Mr. Peters.]

Since the Minister of Employment and Immigration (Mr. Atkey) promises to create jobs for seasonal workers but does nothing to deal with a tight situation in northwest New Brunswick where the unemployment rate is soaring, and since the Prime Minister of Canada (Mr. Clark) made a public and formal commitment in May last to extend to 6,000 feet the landing strip at Saint-Leonard regional airport, I move, seconded by the hon. member for Westmorland-Kent (Mr. LeBlanc):

That this House urge the Prime Minister of Canada to fulfil immediately his election promise by instructing the Minister of Transport (Mr. Mazankowski) to complete construction of the regional airport in northwest New Brunswick, in order to give work to the unemployed who wish to work.

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

Some hon. Members: Yes.

Some hon. Members: No.

* * *

[*English*]

INQUIRY OF THE MINISTRY

SUGGESTED MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House, noting that the Leader of the Official Opposition has used New York disco-dancing as a method of curing a bad cold, instructs the Minister of Finance to inquire into the feasibility of making expenses for all such medically-related dancing acts deductible for purposes of taxation.

Some hon. Members: Hear, hear!

Mr. Paproski: Shame, Eddie.

* * *

NORTHERN AFFAIRS

TRANSPORTATION SERVICES INTO AND OUT OF THE YUKON—MOTION UNDER S.O. 43

Mr. Keith Penner (Cochrane): Mr. Speaker, I rise, under the provisions of Standing Order 43, on an urgent and pressing matter regarding a request to the Canadian Transport Commission by the Minister of Indian Affairs and Northern Development (Mr. Epp) to inquire into and report upon the state of rail service and other surface transportation services into and out of the Yukon.

Since the letter from the minister to the CTC expressed a sense of urgency in this matter, since Federal Industries Limited has requested extensive financial aid from the Government of Canada to keep the White Pass and Yukon rail operating, and since there is widespread interest and concern

in the Yukon about this rail line, I move, seconded by the hon. member for Timmins-Chapleau (Mr. Chenier):

That this House instruct the Minister of Transport and the Minister of Indian Affairs and Northern Development to direct the CTC to broaden its inquiry into a full-scale public hearing to be conducted in the Yukon.

Mr. Speaker: Such a motion can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

HOUSING

REQUEST ASSISTANCE BE PROVIDED TO CONSTRUCTION INDUSTRY TO ALLEVIATE UNEMPLOYMENT—MOTION UNDER S.O. 43

Mr. Michel Veillette (Champlain): Mr. Speaker, under the provisions of Standing Order 43 I ask for the unanimous consent of the House to present a motion concerning a significant and urgent matter.

The prefabricated homes industry represents 25 per cent of the single-family home construction industry in Canada, and in Quebec, in 1978 alone 36 plants produced a shipping value of $83 million and employed almost 1,500 workers. Following the excessive interest rate increase ordered by the present government, 50 per cent to 60 per cent of orders have been cancelled or delayed, which will mean the closing of 50 per cent of those plants and the lay-off of two-thirds of the workers. So, I move, seconded by the hon. member for Drummond (Mr. Pinard):

That this House instruct the government to act immediately to help industries which must go out of business and reduce the effects on the Canadian economy of the economic policies it has implemented until now and that result in an increasing number of lay-offs and higher unemployment rates in the country.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

TRANSPORT

MISSISSAUGA DISASTER—RIGHT OF VICTIMS TO SUE CPR—COMPENSATION

Mr. Peter Stollery (Spadina): Mr. Speaker, my question is directed to the President of the Privy Council, in the absence of the Minister of Transport. It concerns the train disaster which took place in Mississauga on the weekend.

● (1415)

In view of the statement by the CPR that they are setting up a claims office and want people to sign a waiver to sue the CPR in order to receive basic compensation for food and lodging, will the minister publicly advise people that under no circumstances should they sign a waiver which takes away their right to sue the Canadian Pacific Railway?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I take it the question was put to me as President of the Privy Council and not as a member of the Bar of Ontario. As a member of the Bar of Ontario, as a member of the House and as a member of the government, I would publicly caution anyone not to sign any waiver without being appropriately advised of the effect thereof. I think it is axiomatic that no one should do that and I thank the hon. member for giving me the opportunity to give that advice.

Mr. Stollery: Would the minister inform the House—and I thank him for his response—what forms of compensation the government is considering for the 250,000 people who have been displaced by an accident that has taken place because of rail damage on track administered by the Government of Canada?

Mr. Baker (Nepean-Carleton): As I think I said in answer to a question from another member of the hon. member's party the other day, there is a federal-provincial agreement in existence with respect to aid and assistance in that matter. With respect to anything further than that by the Government of Canada, I would, naturally, take the question as notice and bring it to the attention of the Minister of Transport.

Mr. Stollery: Mr. Speaker, we are aware that in normal circumstances this kind of compensation is initiated by the province, but I think that what the House would like to know and what the people of Mississauga would like to know, in the shortest time possible, is whether the Government of Canada, in this case which is unique in Canadian history, will initiate the form of compensation to be made to these people and not wait for the province of Ontario to ask the Government of Canada.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): There are rules that I spoke about and of which the hon. member says he has knowledge, and about which I reported to the House a few days ago—rules that were in existence long before this government took office—that were brought in by the hon. gentleman's party. As I said in answer to the second question, I would take notice with respect to all those matters, I will speak to the appropriate members of the government and I will be delighted to report to the hon. member.

SAFETY MEASURES FOR CARRIAGE OF HAZARDOUS PRODUCTS

Mr. Jesse Flis (Parkdale-High Park): Mr. Speaker, my question is for the Minister of Transport. Given the fact that trains carrying dangerous goods cross through metropolitan Toronto on a regular basis, and the fact that the very train that derailed on the weekend was following a course which would have taken it right through each of Toronto's six municipalities, I would ask the minister if, in light of the questions raised about safety standards pertaining to the rail transport of dangerous goods as a result of this crash, the minister has any plans to impose interim regulations on these trains which pass through populated areas. We cannot wait for the investigation. Tomorrow the same train might have an accident at Yonge and St. Clair, wiping out hundreds, even thousands of lives.

Some hon. Members: Hear, hear!

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, yesterday the Minister of Transport, in answer to a question from the hon. member for Stormont-Dundas, I think, gave a very full and detailed response, which he is allowed to do and I am grateful to Mr. Speaker that he could do that.

I want to assure the hon. member that urgent consideration is being given within the Department of Transport to that very kind of thing. I think it should be recognized by the hon. member, and indeed by all hon. members, that this is regarded as a very serious matter by the Government of Canada, not just generally with respect to this matter but with respect to what it could portend for the future if nothing were done. I want to assure the hon. member that the Minister of Transport has the matter under active and urgent consideration within his department.

Mr. Flis: If this issue were not serious, I would not have raised it in the House.

Some hon. Members: Oh, oh!

REDUCTION IN STAFF OF CTC

Mr. Jesse Flis (Parkdale-High Park): My supplementary question is directed to the President of the Treasury Board. Would the minister explain to millions of Torontonians and Mississaugans, whose lives and safety are imperilled by trains carrying poisonous material, why the government body responsible for the conduct of these trains, the Canadian Transport Commission, is being forced to reduce its already inadequate staffing by 100 people at a time when it requires more people to do its job, not fewer?

Some hon. Members: Hear, hear!

• (1420)

Hon. Sinclair Stevens (President of Treasury Board): Mr. Speaker, I think it is totally wrong for the hon. member to be making such statements, and I would very much like him to back up those statements with a little stronger, more concrete evidence than he has given the House to date.

* * *

SOCIAL SECURITY

UNIVERSALITY OF FAMILY ALLOWANCES PROGRAM

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Thousands of Canadian families are deeply concerned about reports that the government is about to abolish the universal system of family allowances by cutting off great numbers of women from the baby bonus.

Since the reported proposal favoured by the government would destroy this sole, direct source of income for literally thousands of Canadian women, I should like to ask the Minister of National Health and Welfare if he can give the House today an unequivocal assurance that there will be no termination of our present system of universal family allowances.

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, I should like to advise the hon. member, as I think I did a week or so ago in the House, that family allowances form part of the review the government has been making respecting the whole social security system. Also, in response to a question from a member of the member's own party, I indicated that there would be no change in the family allowance in 1979 and in 1980.

I further indicated—and I would reassure the member and the House—that throughout 1980 we will be carrying on those investigations I indicated earlier, such as the pension review, the review with respect to handicapped and disabled persons, the review with respect to the voluntary sector and its ability to assist with respect to the handicapped and disabled. Also, I would point out that it is essential, in any change in a social security system, to take into account the needs and requirements of the provinces. That is why I met yesterday in Toronto with ministers of welfare, ministers of social services and ministers of social policy. They support the undertaking of a review of the social security system. Also, I might point out—

An hon. Member: Order.

Mr. Speaker: Order. Perhaps the minister could continue in answer to a supplementary question.

Mr. Broadbent: Mr. Speaker, I think the only inference we can draw from that answer is that beginning in 1980 the government, if it survives that long, indeed plans to terminate the system of universal family allowances.

Some hon. Members: Shame.

Some hon. Members: Oh, oh!

Mr. Huntington: Misleading.

Mr. Broadbent: He did not give the assurance. If the minister will deny it, I would like to hear the denial. In that context, I should like to ask if he will confirm that a cabinet meeting which took place within the past month made two decisions: that, indeed, it would terminate the universal system of family allowances; and that there would be no additional family allowance payments to low income families.

Mr. Crombie: Mr. Speaker, first of all, let me make sure the member understands, because I have now said it twice. There will be no change in the family allowance in 1980.

Some hon. Members: Oh, oh!

Mr. Crombie: I want to make sure that the hon. member does not repeat the same mistake. There will be no change in the family allowance in 1980.

Some hon. Members: Hear, hear!

Mr. Crombie: Second, in my discussions with members of the government including the Prime Minister—as, indeed, I indicated the other day in the House—I indicated my desire to engage in social policy changes for the 1980s. In order to do that it is essential that I carry out the reviews I have already mentioned with all provincial ministers, because the changes I might make will affect them. That is why the matter will be discussed at a meeting at St. John's in January with all provincial ministers.

Mr. Broadbent: I accept the correction of the minister but I should like to tell him that for us, injustice coming in 1981 is no better than injustice in 1980.

Some hon. Members: Oh, oh!

Mr. Broadbent: It is no better. I should like to ask him a third question.

Some hon. Members: Oh, oh!

An hon. Member: Be honest.

Mr. Broadbent: Who says "honest"? Listen to your own minister.

[*Translation*]

Did the minister receive a letter from his colleague from Quebec regarding possible changes to the family allowances program, changes which would cost $1,000 to a Quebec family with five children? If this is a fact, will the minister tell the House why his government is looking for a new confrontation in this area where there is none now?

● (1425)

[*English*]

Mr. Crombie: Mr. Speaker, I received a telegram from the minister of social services for the province of Quebec yesterday which he sent on Friday. It dealt with press reports that the family allowance was to be dropped. Like the hon. member, the minister of social services for Quebec was mistaken. There is no intention to drop the family allowance in 1980.

I might say, Mr. Speaker, that the purpose of the meeting yesterday—to which Mr. Lazure, the minister for Quebec, was invited—was, indeed, to discuss those items which are of concern to people in the province of Quebec. If the hon. member is interested in justice today and, indeed, to get justice tomorrow, I suggest he might well read a book called "Women in Poverty"; then he might find out why it is important to carry out a social security review—because this government is determined to make sure that the review takes place. It is something that should have been done by hon. members who were in this House ten years ago.

FAMILY ALLOWANCES—APPROACH OF MINISTER OF FINANCE

Hon. Roméo LeBlanc (Westmorland-Kent): Mr. Speaker, one is tempted to ask if perhaps a decision about family allowances was taken in the inner cabinet, where the minister is not represented. For that reason, I would direct my question to the Acting Prime Minister.

Has the inner cabinet made a decision along the lines that the kite-flying which we now read about indicates and is, in fact, the Minister of Finance looking to the social programs of the Minister of National Health and Welfare—because he does not sit in the inner cabinet—as a source of income to reduce his deficit?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, if I were the hon. member, I would not want to claim ownership of the deficit, either. The short answer to the question is no.

LEVEL OF GUARANTEED INCOME SUPPLEMENT

Hon. Roméo LeBlanc (Westmorland-Kent): Mr. Speaker, a supplementary question to the Minister of National Health and Welfare. Since this government seems to be obsessed with the idea of raising the price of oil, heating oil especially, and interest rates—

An hon. Member: And of fish.

Mr. LeBlanc: —may I ask the Minister of National Health and Welfare if he intends to do as we did a year ago, that is, to give those on guaranteed income supplements an immediate raise so they will not have to wait for some futuristic self-sufficiency deal which they are talking about on that side?

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, I appreciate the question from the hon. member because—as the hon. member may know—he will be sitting on the committee. The pension review committee has before it sufficient terms of reference in terms of both public and private pensions. Therefore, the members on that committee will have the opportunity to make recommendations to the committee, which I will entertain. I would be pleased if the hon. member would raise the matter there.

* * *

TREASURY BOARD

STUDY OF CROWSNEST PASS RATES

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, my question is for the President of the Treasury Board. Over a week ago I asked the minister a question regarding the study of the Crowsnest Pass rate that was undertaken by his department. Since I respect the fact that ministers do not always know everything that is undertaken by a department, and since I know that the study was initiated prior to his appointment, I would like to ask the minister if this report has been completed, or are his colleagues and him still studying the report; and when will the report be made public?

Hon. Sinclair Stevens (President of Treasury Board): Mr. Speaker, in answer to the hon. member, the question he actually put to me, sir—as you will recall—was, are we presently conducting a study in respect of the Crow rate situation and my answer was no. My answer today is again no.

● (1430)

I take it the hon. member is referring to the interdepartmental study that was concluded in January of this year. Since the hon. member raised this question I have had an opportunity to review that study. The hon. member has indicated that he would like the study to be tabled. As far as we in Treasury Board are concerned, while we chaired the ongoing study at that time we were not the only participants in it. Consequently, we are currently asking the other participants whether they have any objection to the study being tabled in the House.

Mr. Lumley: Mr. Speaker, my supplementary question is also for the President of the Treasury Board. Since the Minister of Transport has recently indicated that there will be changes to the Crowsnest Pass rate—

An hon. Member: No, no!

Mr. Lumley: —can the President of the Treasury Board advise the House what preparations are under way to ensure that the interests of farmers are protected; and would the minister also indicate whether or not he believes that the Crowsnest Pass rate is a detriment to the efficient movement of grain in western Canada?

Mr. Stevens: Mr. Speaker, it is rather unfortunate that the hon. member would want to convey an impression that is totally erroneous. The fact is that there has been absolutely no decision made with respect to the Crowsnest Pass rates. Obviously, if no decision has been made, then the hon. member's question has no relevance at the present time.

* * *

TRANSPORT

MAINTENANCE OF CROWSNEST PASS RATES

Mr. Robert Bockstael (St. Boniface): Mr. Speaker, in the absence of the Minister of Transport, I direct my question to the Minister of State (Transport). The Minister of Transport has been quoted as saying that the value of the Crow rate would be maintained, and the previous speaker said that no study is being undertaken. Is it the function of the newly appointed transport co-ordinator to come up with recommendations that the Crow rate should be abandoned or, on the other hand, reinforced and extended to the transportation of beef and livestock?

Hon. J. Robert Howie (Minister of State (Transport)): Mr. Speaker, I believe that the answer to the last part of the hon. member's question is no. The answer to the first part of his question is in the affirmative, in that it is the intention of the Department of Transport to preserve for farmers the value of the Crowsnest rates.

* * *

RIGHT TO PRIVACY

INCLUSION OF ONE'S NAME ON DIRECT MAILING LISTS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of State (Treasury Board), of which I have given him notice. It concerns the minister's responsibility for privacy legislation. In view of increasing consumer concern over the fact that common purchases or business transactions can result in one's name becoming part of a mailing list which is then sold to direct mail soliciting firms, can the minister assure the House that no government department or agency under federal jurisdiction now participates in this practice?

Hon. Perrin Beatty (Minister of State (Treasury Board)): Mr. Speaker, I thank the hon. member for giving me notice of her very worth-while question. To the best of my knowledge, no mailing lists containing personal names are presently being sold by the federal government. It was the practice some years ago that the Post Office created mailing lists for personal directories by constituency where such commercial lists were not available. That practice has been discontinued. I, personally, would discourage the sale by the federal government of mailing lists containing personal information.

Miss Nicholson: Mr. Speaker, I thank the minister for his answer. Is the minister considering including some prohibition with regard to the sale of such mailing lists in the privacy legislation which will be forthcoming?

Mr. Beatty: Mr. Speaker, as a result of the hon. member's representation I will be undertaking a more formal check to determine whether or not the practice is taking place at the present time. If it is taking place, I will certainly give every consideration to the hon. member's representation.

* * *

[*Translation*]

SHIPBUILDING

CONTRACT WITH POLAND—REQUEST FOR PROGRESS REPORT ON NEGOTIATIONS

Mr. Jean-Louis Leduc (Richelieu): Mr. Speaker, I would like to direct my question to the Acting Prime Minister.

Over the weekend in Sorel, where ships are built for the Polish government, I met some officials of that government who told me they were prepared to have 20 ships built in Canada. Such a contract means three years of work for all Canadian shipyards. The previous government had sent a delegation to Poland to make an agreement with the Polish government.

Mr. Speaker: Order, please. Would the hon. member put his question?

Mr. Leduc: Will this government go on with the negotiations opened by the previous government?

[*English*]

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, the answer is yes.

[*Translation*]

INQUIRY AS TO DISTRIBUTION OF $150 MILLION IN CONNECTION WITH CERTAIN CONTRACTS

Mr. Raynald Guay (Lévis): Mr. Speaker, I would like to direct my question to the Minister of Supply and Services, the left arm of the right hon. Prime Minister. I would like to know what came of last week's meeting with CNTU representatives, a so-called ministerial meeting, because as the member for Richelieu has just said—he is not talking about long term, but right now—there are still massive lay-offs in shipyards, especially in Quebec. This is really disturbing and I would like to know if his department has made any decision and how the $150 million in contract money announced by the previous government was allocated throughout Canada and Quebec shipyards.

Hon. Roch La Salle (Minister of Supply and Services): Mr. Speaker, as my colleague indicated a while ago, we keep on negotiating all propositions made to us. The government, our government, also undertook to consider projects which might help the shipyards.

Also, the member is asking if I have met the shipyard union. I say to him that the meeting is scheduled for this week and that I am quite prepared to listen and consider the recommendations which might be made concerning Lauzon and other shipyards in Quebec.

* * *

[*English*]

INDIAN AFFAIRS

PASTURE LANDS FOR SASKATCHEWAN INDIANS

Mr. Rod Murphy (Churchill): Mr. Speaker, I direct my question to the Minister of Indian Affairs and Northern Development. It concerns the long-standing grievance of the Indian people of Saskatchewan. In 1975, the Government of Canada wrote to the Premier of Saskatchewan requesting him to honour outstanding Indian land entitlements as provided under section 10 of the resources transfer agreement.

In view of the fact that the government of Saskatchewan showed its readiness and co-operation in finding a satisfactory agreement in dispersing provincial pasture lands in its submission to the former minister last April, and in view of the fact that the present minister wrote to his Saskatchewan counterpart on October 19 saying that the federal government is reviewing the availability of federal lands and the federal government's obligations, would the minister inform this House and the Indians of Saskatchewan when he will have finished reviewing and be ready to start negotiating with the Saskatchewan government and the Indian people on this matter?

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, the government is determined to complete negotiations on the Saskatchewan land entitlements. The hon. member has asked when. I would indicate to him that we have agreed to a meeting in Saskatchewan next week among the Indians of Saskatchewan and my own department. I am also meeting later this week with the 15 chiefs who have land entitlement claims, in an attempt to get the negotiations going.

Mr. Murphy: Mr. Speaker, I have met with the same chiefs to whom the minister referred, and as far as I know from their submissions to me this morning they did not know about a meeting next week on land claims. The actions of this government in the matter, in reneging on the COPE agreement and in allowing mining and other developments to take place—

Mr. Speaker: Order. Does the hon. member have a supplementary question?

Mr. Murphy: Under the circumstances, what guarantees are there for the native people that they will not be denied valuable land and will not be left with wastelands as they have in the past, if these negotiations do not take place now?

Mr. Epp: Mr. Speaker, when the present government came into office it was obvious that the question of land claims had

to be reviewed. The government has committed itself, and we did so as a party as well, to an early and equitable settlement of land claims. That is our purpose and we are continuing that. With reference to the COPE situation that the hon. member has raised, we are meeting with the lawyers, representatives of COPE later this afternoon.

● (1440)

Mr. Maurice A. Dionne (Northumberland-Miramichi): I had a supplementary question for the President of the Treasury Board, Mr. Speaker, but he has just left the House. Perhaps I could ask it when he returns.

* * *

[*Translation*]

SUPPLY AND SERVICES

INQUIRY AS TO DECENTRALIZATION OF CERTAIN PROJECTS

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, my question is directed to the Prime Minister but in his absence I would like to put it to the Minister of Supply and Services. The Prime Minister, in the House, as well as several ministers of the new government, promised that the new approach of this government would be to give greater consideration to regional problems. I would like to know, in that context, whether the Prime Minister is ready to reconsider some decentralization projects announced by the former government and which were left in abeyance during the summer.

Hon. Roch La Salle (Minister of Supply and Services): Mr. Speaker, I would like to inform the hon. member for Sherbrooke that when we came into power there was a huge deficit compelling us to defer some projects, and even if we recognize their importance they will have to wait some time. As for the project which the member may want to describe to me, it is one of those that will have to wait.

* * *

HOUSE OF COMMONS

INQUIRY WHEN CERTAIN QUESTIONS WILL BE ANSWERED

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, I have a supplementary question.

Ever since the beginning of the new session the government answers our questions by saying that it is studying the matter. I understand that this is a government of students, but just the same I should like to know whether, once the study session is over, we shall obtain in the House replies to our questions, because we have been unable to obtain any over the past month.

Hon. Roch La Salle (Minister of Supply and Services): Mr. Speaker, it is indeed true that we need a lot of time to study the awfully bad administration of the former government. But as far as the question is concerned, I can clearly reply that we have decided to postpone this project because we must curtail our expenses, something on which all Canadians certainly agree with us.

[*English*]

CONVENING OF COMMITTEE ON DISABLED AND HANDICAPPED CITIZENS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the President of Privy Council in his capacity as government House leader. The hon. gentleman indicated last week that he has an agreement with the House leader of the NDP to approve the motions on the order paper setting up the four select committees following one day's debate.

In view of the urgency of getting the work of the committee on disabled and handicapped citizens under way so that it can report prior to the Rehabilitation International Congress to be held in Winnipeg next June, has the government House leader been able to negotiate the same agreement with the House leader of the official opposition, or is that party continuing its long-standing policy of opposing the establishment of this vitally important committee?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I want to thank the hon. member for that question. I am grateful for the position taken by the hon. member for Winnipeg North Centre. I remain hopeful that the four select committees, in one of which the hon. gentleman has an interest, will be debated in short order in the House prior to what I anticipate would be the normal adjournment at Christmas time. I want to assure the hon. gentleman that I will be pursuing with my friends this discussion on that important subject.

* * *

[*Translation*]

IMMIGRATION

INQUIRY WHETHER HAITIAN REFUGEES WILL RECEIVE SAME TREATMENT AS BOAT PEOPLE

Mr. Claude Tessier (Mégantic-Compton-Stanstead): Mr. Speaker, I would normally put my question to the Minister of Employment and Immigration, but in his absence I will direct it to the government House leader.

Since Canada seems to be a temporary refuge for Haitians who are fleeing their country for reasons that are assumed but which nobody seems able to state categorically, can the minister say what steps he intends to take to put a stop to this shameful traffic of Haitians that is going on here; whether he is prepared to treat these Haitian refugees in the same way as the "boat people" from Asia, and to what extent he is prepared to grant regular status to Haitians already here, to save them

from the kinds of reprisals they would face if they were sent back to their country?

[*English*]

Hon. Lincoln M. Alexander (Minister of Labour): Mr. Speaker, I want to thank the hon. member for a very important question. I am sure that he knows the record of this government when it comes to refugees. He knows that we have shown compassion and understanding; that we have a heart when it comes to those who are less fortunate than we are.

I have no hesitation in saying to him that the question he poses is extremely important and I will see that it is passed on to the Minister of Employment and Immigration, who will get back to him with, I think, the answer that he deserves.

An hon. Member: A study.

Mr. Alexander: There will be no study; there will be an answer given.

* * *

[*Translation*]

NECESSITY OF IMPROVING PATROLS AT BORDER POINTS

Mr. Claude Tessier (Mégantic-Compton-Stanstead): Mr. Speaker, I have a supplementary for the Minister of National Revenue.

Will the minister be prepared to discuss with his colleagues, the Minister of Employment and Immigration, as well as the Solicitor General, the need to improve patrols at border points and to increase the number of employees? Far from blaming the present staff, which is doing an excellent job, we must recognize their number is altogether insufficient because of budgetary restrictions and purely administrative limitations of which the rank and file are victims but which clearly entail insufficient control and an unacceptable level of surveillance at border points.

[*English*]

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I do not know whether that is a supplementary question to the first question. In any event, let me assure the hon. member that the Department of National Revenue, which supports generally the policy of restraint through the method of computerization and the appropriate allocation of man-years, is coping at the moment with the question the hon. gentleman raises, and I think it is coping quite adequately. If the hon. gentleman is aware of anything specific that he might bring to my attention as minister, I undertake to have it investigated.

TRANSPORT

REDUCTION IN STAFF OF CTC

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, my question is directed to the President of the Treasury Board and is supplementary to that asked by my colleague, the hon. member for Parkdale-High Park. Will the minister tell the House directly whether the Canadian Transport Commission has suffered a reduction in man-years as a result of government cutbacks?

An hon. Member: Order paper.

Mr. Speaker: Order, please. The hon. member for Broadview-Greenwood.

* * *

TREASURY BOARD

FUNDING OF NEW STOL AIRCRAFT

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, my question is for the President of the Treasury Board. It concerns de Havilland and their plans for developing a new plane, the Dash X which is the new short take-off and landing plane.

I wonder if the President of the Treasury Board can confirm or deny that he and his department have been sitting for two months on approval by a committee in the Department of Industry, Trade and Commerce that the de Havilland corporation be given a grant of some $2 million, for the next six or seven months development of this critical plane in the plans for the future of the Canadian Aircraft industry.

Hon. Sinclair Stevens (President of Treasury Board): Mr. Speaker, as we indicated at the time we announced the possible privatization of de Havilland, we did not intend to cut off any ongoing funding of that organization which might otherwise be available to it. That is still the government's position.

The specific matter to which the hon. member refers has not been drawn to my attention. I will look into it to see whether there has been any type of procrastination with regard to a funding that is otherwise in order.

Mr. Rae: A supplementary question, Mr. Speaker. I think there is a very real danger that the future of this plan and this company will be sacrificed on the altar of the flat-earth economics currently practised by the government with respect to privatization.

My supplementary question for the President of the Treasury Board is this. In view of statements that have been made to the committee and outside this House by his colleague, the Minister of State for Small Businesses and Industry, that it was not the plan of the government to sell off de Havilland for at least a year, and possibly even longer, and in view of the conflict that this has with the statement made to the House on Thursday by the President of the Treasury Board, I wonder if he could tell us what this insecurity, this doubt and this

confusion about future funding and the security of the workers and of the technology in that industry, is doing for the future of the Canadian aircraft industry?

Mr. Stevens: Mr. Speaker, I think it is increasingly obvious that the main confusion is in the mind of the hon. member. The statement of my colleague to which the hon. member refers perhaps shows the difference between an optimist and a pessimist. I am optimistic enough to believe that we will have the co-operation of this House to get de Havilland returned to the private sector quite soon. My colleague is perhaps being a little more realistic and thinks it will take longer than I think it will. Frankly, I think it is in everybody's interest to get the de Havilland situation returned to private ownership, which was the stated position of the government of the day when they initially purchased de Havilland.

* * *

● (1450)

TRANSPORT

CAPITAL ASSISTANCE FOR URBAN RAPID TRANSIT SYSTEMS

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce and Minister of State for Economic Development, but since he is in the other place I would probably, appropriately, ask the Prime Minister for his comments. But he is not here either, so I will ask the minister who is looking after the matter, probably the Acting Prime Minister.

Last week I was assured by the Minister of State (Transport) that the application for assistance for Ontario's Urban Transportation Development Corporation's new rapid transit system was under very intensive study. He sent me a letter indicating that in July, 1979, the Ontario government submitted a proposal to the Department of Industry, Trade and Commerce requesting financial assistance and that the project is still under very active evaluation. In view of the fact that the Ontario transportation minister, James Snow, stated—

Mr. Speaker: Order, please. Does the hon. member intend to put a question?

Mr. Robinson (Etobicoke-Lakeshore): Yes, Mr. Speaker. Can the minister tell me how much longer the government needs to study this issue, and when can Ontario's transit industry expect some financial assistance?

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): Mr. Speaker, this is a very high priority issue. The studies and papers have gone to the ministers, who have met on this issue and are continuing to meet on it. One of the problems that remains is the resolution of the Buy America program. My colleague, the Minister of State for International Trade, is busy at work on that issue. This government places a high priority on the potential of that new industry. We want to make sure there is not only a domestic market but international markets for it.

[Mr. Rae.]

COAST GUARD

CONSTRUCTION OF COLLEGE AT POINT EDWARD, NOVA SCOTIA

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is for the minister of state for marine transport. It arises from a Standing Order 43 motion that I moved a couple of weeks ago, wherein I stated that plans for the second phase of the coastguard college in Nova Scotia had been approved but financing had not been granted for it. Could the minister tell me if any developments have occurred on this facility since that time?

Hon. J. Robert Howie (Minister of State (Transport)): Mr. Speaker, the government places a very high priority on the coastguard and the training of Canadians who wish to serve in that branch of the service. When plans for the coastguard college were submitted to Treasury Board over a year ago, the facility for recreation and health care—essentially the gymnasium—was deleted. I plan at an appropriate time to resubmit that deleted portion to Treasury Board in the hope that now we have a new chairman who is both generous and intelligent, we might be able to have this matter reconsidered.

Mr. MacLellan: Mr. Speaker, I wonder if we are talking about the same President of the Treasury Board. I would ask the President of the Treasury Board if he will consider the application for approval of financing for the second phase of the coastguard college when it is submitted to him.

Mr. Speaker: Obviously, the question is hypothetical in its own terms.

* * *

METRICATION

CONVERSION BY RETAIL SECTOR

Mr. Ray Chenier (Timmins-Chapleau): Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs. In view of the fact that an aide to the minister said in a recent newspaper article that a freeze is planned on the requirements for the retail sector to convert to metric, I would like to ask the minister how he intends to ensure that metric conversion is completed, or does he intend to act on his own to dismantle the program?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Certainly not, Mr. Speaker. The government is still wedded to the concept of metrication. There have been some administrative and regulatory difficulties, mainly arising out of actions of the previous administration, that have caused a great deal of concern not only in the retail area but in the consumer area; and certainly, as far as the administration of some of these matters is concerned, in the government.

With an overview committee now taking a look at certain aspects of the metrication program, obviously it would be ridiculous to start prosecuting some people in some of the pilot

areas for alleged defects as far as conformity to the regulations is concerned. That is a matter that has been put in a "hold" situation until the government has the benefit of the views not only of cabinet but of the overview committee.

Mr. Chenier: Mr. Speaker, I would like to ask the minister, by way of a supplementary, if he plans to enforce conversion as his officials have done in Peterborough—one of the metric test cities. In Peterborough, an official of his department closed down a meat shop the day after the proposed deadline for acquisition of metric scales, costing the owner $500 in lost sales. Does the minister plan to replace an orderly conversion with dictatorial tactics, or is he trying to put a bad name on the program in order to raise public fear?

Mr. Lawrence: Mr. Speaker, I think the hon. member was either not listening to me or he misunderstood what I said. I said that, especially in the three pilot projects—and I would hope he would understand that Peterborough is one of those areas—some very real problems have been encountered as a result of the regulations passed by the previous administration. That resulted in these enforcement actions. As a result of problems that have come to the top of the picture since then, a "hold" has been put on some of those enforcement provisions until at least the overview committee has had the opportunity of reporting to cabinet.

* * *

SMALL LOANS ACT

AMENDMENTS TO PROTECT BORROWERS AGAINST HIGH INTEREST RATES

Mr. Gordon Gilchrist (Scarborough East): Mr. Speaker, my question is for the Minister of Finance: it has to do with the Small Loans Act and today's high interest rates. Because of the difficult, if not impossible, conditions under which the co-operative credit associations must lend small loans under $1,500, and recognizing that although designed to protect the interests of the borrowers against high interest rates, this may in fact be causing persons to borrow more than $1,500 in order to get around the fact that there is no 12 per cent money around today, can the minister indicate whether he might be prepared to amend the Small Loans Act—which has been described as an act having no redeeming features—to grant relief to co-ops and caisses populaires which now may have their very existence threatened?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, that is a matter which has been under review by the Department of Insurance, for which I am the minister responsible, and the Minister of Consumer and Corporate Affairs whose department in recent years has been in charge of policy in this area. We are both aware of this problem. We want changes made to the legislation, and legislation will be coming forward in the New Year unless special dispensation can be arranged with the House, because we already have much legislation before us.

Obviously, this limit is no longer satisfactory in today's conditions. The act was passed originally in 1956 when that rate was set. There does need to be relief. The act needs to be revised and we will continue to see which institutions should come under it and which should not. This is definitely an area which requires action as soon as possible.

Mr. John Evans (Ottawa Centre): Mr. Speaker, I would ask the Minister of Finance if he would elaborate a little further. What does he intend to do to offset in the interim between now and the time this legislation is introduced into the House—which could be late in the spring—the negative impact that his high interest rate policy is having on credit unions and caisses populaires in this country?

Mr. Crosbie: Mr. Speaker, the interest rate condition in which we have been left by hon. gentlemen opposite is certainly causing some problems. In our upcoming budget we will deal with that, as the hon. gentleman knows. We certainly do not have to wait until the spring to introduce legislation on this matter. If we had the co-operation of members opposite, it would be introduced in a matter of weeks.

* * *

RESEARCH AND DEVELOPMENT

FUNDING OF SCIENTIFIC ORGANIZATIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a question for the Minister of State for Science and Technology. He made a number of statements in Parliament and in committee about the review he is making with regard to increased funding for scientific research and development.

I would like to ask the minister whether he has had requests from scientific organizations to meet with him to discuss future policy before he finalizes the program. If the minister has received such requests, has he agreed to meet with them; and if not, why not?

● (1500)

An hon. Member: Happy birthday, David!

Hon. Heward Grafftey (Minister of State for Science and Technology): I should like to say to the hon. member that we have studied the universities' five-year plan, and for the last number of weeks I have been meeting with numerous people from the scientific community who have been giving me invaluable advice in terms of formulating policy. I have met with numerous people both from the private and the public sector at all levels of government.

Oral Questions

METRICATION

TERMS OF REFERENCE OF OVERVIEW COMMITTEE

Hon. Jean-Luc Pepin (Ottawa-Carleton): Mr. Speaker, as far as I know, the Minister of Industry, Trade and Commerce is still responsible for the conversion to the metric system. Therefore, I want to give him an opportunity to correct an impression that he gave yesterday when he is quoted as having said there is a possibility that there will be a postponement of the conversion to the metric system, planned for January 1, for grocery stores, farmers and food packing and processing plants.

My understanding is that conversion in these areas, processing and packaging, is very much advanced—80 per cent completed—and that it is expected to be finished early next year. I should like to give the hon. gentleman the chance to correct the impression he has created.

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): Mr. Speaker, the question is a good one and it arises out of the failure of the previous government, in the implementation of the metric process, to read and put into the process one of the key recommendations of the white paper on metrication.

The fact is, the whole process has been handled very well by the Metric Commission, who are engineers, who have been dealing with sectors of industry and associations, who have had time to sit down and study the various implications and problems involved. What has happened is this: in the process, the people outside have been forgotten and the human element has been completely ignored.

Some hon. Members: Hear, hear!

Mr. Huntington: This is a very important issue. I should like to read from the white paper—

Some hon. Members: Order.

Mr. Speaker: Order, please. The minister will have to recognize the limitations of the question period.

Mr. Pepin: What we have just heard is a lecture. What I wanted was an indication of what the decision would be. Could the minister tell us what the decision is with respect to the application to the packaging industry and the processing industry? Is there a change?

Mr. Huntington: Mr. Speaker, it would take the hon. member to know a lecture when he hears one. The essential corrective mechanism which has been recommended to me by the overview committee—it has not gone before cabinet yet—is to postpone the immediacy of the implementation of part two of the gazetting order. The period of extension has not been decided, and we are awaiting the second report of the overview board.

[Mr. Grafftey.]

PRIVILEGE

MRS. APPOLLONI—ANSWER GIVEN BY MINISTER OF NATIONAL HEALTH AND WELFARE

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, I rise on a question of privilege and thank you for giving me the opportunity, one which I do not take lightly and which I assure you I shall not abuse either through length or content of intervention.

I intend to centre my presentation on two main points, both of which concern the derailment of the CP freight train which occurred at midnight on Saturday, November 10.

At 7.02 a.m. on Sunday, November 11, CKO All News Radio in Toronto reported that chlorine was leaking from one of the tank cars. A similar report was made by Newsradio of Ottawa at 7.15 a.m., and was confirmed by CKOY Ottawa at eight o'clock on Sunday morning. Reports of the chlorine leak were also carried by CBC, CTV and Global on Sunday, over their respective television stations. Monday newspapers, including the Montreal *Gazette*, *The Toronto Sun*, *The Ottawa Journal* and *The Citizen*—to mention only a few—all reported a chlorine leak. The early edition of *The Globe and Mail* of November 12 specified, on page 10, that "between 2 a.m. and 3 a.m. chlorine gas was discovered leaking from a derailed tank car".

At 2.30 on Monday afternoon, sir, I asked the Minister of National Health and Welfare (Mr. Crombie) what specific steps were being taken to protect the people of Mississauga and of neighbouring communities from possible chlorine vapours arising from the leakage. The minister's reply, as reported at page 1182 of *Hansard*, was:

> Mr. Speaker, certainly I would not want to give any comfort to the suggestion of a rumour that there is a leak.

Some rumour! I should point out that in an effort to be fair to the minister, lest I had heard him incorrectly, I went upstairs to check the *Hansard* blues but was advised I could not cite the rough copy in the House. The minister had a further opportunity to correct his statement at the end of the question period but chose not to raise a point of order, so as to do so. It was then, sir, that I rose on a point of order and asked leave to be recognized on a question of privilege, later postponed until the minister's return to the House.

My first point, then, is that by his cavalier dismissal of confirmed reports I have documented from reputable news agencies, as mere rumour, the minister not only damaged their credibility but seriously impugned my integrity and that, by denying the premise of my question, he effectively obstructed me from representing the deep and legitimate concerns of my constituents.

Concern for my constituents and, indeed, for all the people of Canada, brings me to the second phase of my question of privilege, because when referring to the leak, the minister went on to say "I have no such knowledge of that." I would remind the House that confirmed reports show that the leak occurred between 2 a.m. and 3 a.m. on November 11, yet some 36 hours after the accident occurred, and despite several well-publicized

reports, the minister glibly informed the House that he had no knowledge of what, but for the grace of God, could have been the most serious threat to health and even life that Canadians have faced since the First World War.

Mr. Speaker, my honour and credibility as a member of Parliament have been seriously questioned by the minister, but I suggest that the broader threat posed by this incident is to the confidence the people of Canada can place in this minister and his advisers. I therefore move, seconded by the hon. member for Spadina (Mr. Stollery):

That this entire matter be brought before the Standing Committee on Privileges and Elections.

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, I have had an opportunity to look at the blues. I was not in the House yesterday. My understanding, initially, of the hon. member's question was, indeed, that she was referring to another leak. I can assure you, Mr. Speaker, and, indeed, anyone else, that I was aware there was an initial leak because I was in Toronto on Monday, on the way back from Regina to get in touch with my mother and sister who are both evacuated. So I can assure the hon. member and anyone else who is interested in the matter that I was well aware of the leak.

I heard the hon. member's question. She used the words "I gather there already is". I thought she was referring to a second leak. My concern was not to give any credibility to the suggestion there was another leak, because anyone who has been involved at any time in an evacuation operation knows that one of the greatest enemies of evacuation is panic.

• (1510)

My assumption was that the hon. member was talking about another leak. Clearly, anybody who was in the country knew that there was a first leak. I was in Mississauga and, as I say, there were members of my own family being evacuated, so I was clearly aware of a leak. It appears when I read the blues that the hon. member was clearly not talking about a second leak, but that was the way I took the question. Certainly as I read the blues I can understand her concern, and I hope she will accept my apology in the matter.

Mr. Speaker: The minister's declaration that he had made an honest error in interpretation of the question and his extension of an apology, of course close the matter fully.

I also have notice of a question of privilege from the hon. member for Parkdale-High Park (Mr. Flis).

MR. FLIS—STATEMENT MADE BY PRESIDENT OF TREASURY BOARD

Mr. Jesse Flis (Parkdale-High Park): Mr. Speaker, my question of privilege arises from the statement made by the President of the Treasury Board (Mr. Stevens) when he said that I should not have made certain statements in this House without checking out my facts. The facts he was referring to were the facts I mentioned in my second question, that the Canadian Transport Commission is being forced to reduce its already inadequate staffing by 100 people. Yesterday in the Standing Committee on Transport and Communications the commissioner of the CTC gave us those facts.

My question of privilege makes three requests of the President of the Treasury Board. First, would the minister withdraw his remarks about the accuracy of my statement? Second, knowing that the facts are accurate, will he give this House a responsible answer? We are dealing with people's lives here. Third, will the minister apologize to the constituents of Parkdale-High Park, because they elected a member who has his facts correct and accurate?

Hon. Sinclair Stevens (President of Treasury Board): Mr. Speaker, I will make two comments. I would be very interested in your ruling as to whether that in fact is a question of privilege, but if the hon. member reads my reply to his earlier question I think he will find that I simply said that I would like him to give whatever concrete evidence he has to support his question. That is where it sits. If this is the concrete evidence he is offering, fine, I will take it from there and look into the statement he has made.

Mr. Speaker: We have dealt with the matter rather briefly, and that is all to the good. The fact of the matter is that the disagreement was exactly that, a disagreement, and it is confirmed as such because in fact it relates to a policy or a future event again. As I recall it now—it has been raised and contributed to by both parties—it deals with a possible reduction in staff. I believe there was some possibility of intended cutbacks in personnel. In any case, once again it is a matter not of privilege but a matter of legitimate disagreement between the two members involved.

I have a notice of privilege from the hon. member for Churchill (Mr. Murphy).

MR. MURPHY—ANSWER GIVEN BY MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Mr. Rod Murphy (Churchill): Mr. Speaker, my question of privilege refers to the answer I received today from the Minister of Indian Affairs and Northern Development (Mr. Epp). As you are aware, I had asked when negotiations would be taking place between the Saskatchewan government, the federal government and the Federation of Saskatchewan Indians. In his reply the minister left the impression that these negotiations would be taking place next week.

During the question period I had my office check with the minister responsible in the Saskatchewan government, with the National Indian Brotherhood and with the Federation of Saskatchewan Indians. Each group and individual denied any knowledge of a meeting taking place next week. The impression which was left was that negotiations would be taking place next week on this matter, and I believe it is a very important matter.

I do not wish to take the time of the House to review my position which I put forward earlier, but native people quite

often feel that they are being left out and not being considered by the government. We have delay after delay by the government, and if there is another delay in this regard, I would like to know about that.

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, I question again whether these are questions of privilege, but I will try to answer to clarify for the hon. member and for the House.

Mr. Speaker: Order, please. We are in precisely the same situation. The minister has now given again an indication not of a past event, which might be a matter of record, but of a future event. Granted, however, it has been a practice from time to time when members who have put questions and received an answer from a minister and state that the answer may have a misleading effect, to give the minister an opportunity to change that, if indeed it needs changing. To that extent I am prepared to hear the minister briefly, but if it is simply an argument as to whether the minister is correctly predicting a matter under his own authority that cannot constitute privilege.

Mr. Epp: Mr. Speaker, I accept your interpretation, and I want to indicate to the hon. member again, so that there will be no question among the native community—or anyone else for that matter—that I am meeting tomorrow between ten o'clock and twelve o'clock with the president of the FSI at which time it is our understanding that the question of land entitlement will be discussed. With regard to the meeting I referred to last week, we are putting into place meetings specifically on the Prince Albert situation. The hon. member possibly knows that that is also part of the land entitlement situation, and it has been the agreement that what we should do is meet with all the parties concerned in order that we can amicably come to a conclusion on that one as well. I indicate to the hon. member that I am willing to meet at any time. I have done that and obviously have had meetings with Indian groups and made myself available for that purpose.

MR. DIONNE (NORTHUMBERLAND-MIRAMICHI)—PROCEDURE DURING QUESTION PERIOD

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, early in the question period today the hon. member for Parkdale-High Park (Mr. Flis) asked a question of the President of the Treasury Board (Mr. Stevens) referring to the Canadian Transport Commission. He said in part, "Is the commission being forced to reduce its already inadequate staffing by 100 people at a time when it requires more people to do its job, not fewer?" Immediately following his question I rose to ask a supplementary. When you did see me, Mr. Speaker, the President of the Treasury Board had left the House, so I suggested that perhaps you might see me again when he returned, which you generously did, and I put what I thought was a very straightforward, direct, and important question, asking directly whether in fact the Canadian Transport Commission had suffered a reduction in man-years as a result of government cutbacks. For some reason I was cut off by Your Honour.

Mr. Speaker, I want to assure you that I was in no way trying to flaunt the procedures of the House, and I ask for your guidance in respect to what manner my question offended the procedures of the House.

Mr. Speaker: The hon. member will realize, of course, that he had asked a question supplementary to the one just discussed. He clearly rose just after or during the question by the hon. member for Churchill (Mr. Murphy) of the Minister of Indian Affairs and Northern Development (Mr. Epp). He used the word "supplementary" when he got to his feet which, whether I was wrong or not, left clear the impression that he was trying to ask a supplementary on that question to that minister and on that subject. When I recognized him, he moved to a different subject.

If I am to follow the practice, as I did in this case, I had him on the list of questioners and would have recognized the hon. member for his own question on his own. I accelerated his position because he indicated to me that he had a supplementary question. When a member rises in his place and uses the word "supplementary" to the Chair, that to me means that it is supplementary to the question just dealt with, and if I tried to treat it any other way, it could be chaotic.

The hon. member was attempting to put a question which was supplementary to the very first question asked in the question period, and if I were to allow all members to use that way of getting recognized during question period, I could not keep any kind of order at all. I have to take "supplementary" in that way to mean supplementary to the question which is on the floor at the present time, and I therefore break up the expected rotation to go to a member to follow the same subject. If it is not on the same subject that is on the floor, the results can be chaotic and, I think, unfair to members. For that reason I did not let the hon. member put his question.

* * *

POINTS OF ORDER

MR. LEFEBVRE—HARSH LIGHTING IN CHAMBER

Mr. Thomas H. Lefebvre (Pontiac-Gatineau-Labelle): Mr. Speaker, I rise on a point of order. I realize in bringing this point of order to your attention and to the attention of the House that it might be put down as just a member complaining. However, on behalf of the official opposition it has been brought to my attention by many members—and there may be others on the other side of the House as well—that the lighting system in this House installed for the televising of debates is becoming more and more uncomfortable and very hard to put up with.

Some hon. Members: Hear, hear!

Mr. Lefebvre: I would like to bring this to your attention, Mr. Speaker, as the final authority in this House, to see if you

can ask for an inquiry by experts into this situation—perhaps consultants—so that something could be done so that the televising could continue but that we would not have to wear coloured glasses, eye shades, and everything else that we may end up having to wear.

● (1520)

Mr. Speaker: The hon. member raises a good point. I can tell him that in fact engineers were put to work on a re-evaluation of the lighting levels in the House a few days ago. As soon as I have their preliminary review, I will pass it along to the House.

MR. KNOWLES—NECESSITY TO REPRINT BILL C-24

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. It may seem to be just a technicality, but I regard it as an important one. If, by any chance, you have noticed it, I am sure you would agree with me. It is very clear that the only persons who can have bills before the House of Commons are members of the House of Commons. But yesterday there came to my desk a printed copy of a bill that had been introduced in the name of the Minister of State for Federal-Provincial Relations (Mr. Jarvis). On the front it reads "The Minister of Justice". Sir, the Minister of Justice is a good friend of mine, and it was a pleasure to travel with him in September to China, but he is not a member of this House. I urge very strongly that this bill be reprinted. It is all right for the Senate to pass bills and send them over to us, but when it is a House of Commons bill, it should be in the name of a member of the House of Commons, not in the name of a senator.

Mr. Speaker: The hon. member has a point well taken. Again I may say that the administration has anticipated the point and the bill is already being reprinted.

Mr. Knowles: Thank you, Mr. Speaker.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

AGREEMENT ON TIME ALLOCATION WITH RESPECT TO BILL C-23

Mr. Baker (Nepean-Carleton): Mr. Speaker, there have been some very amicable discussions among members of the House, the House Leader of the Official Opposition, the hon. member for Winnipeg North Centre (Mr. Knowles), and also the hon. member for Bellechasse (Mr. Lambert), with regard to how we might deal with Bill C-23. As a result of the discussions I have a motion to propose to the House and I would like the unanimous consent of the House to allow me to propose it. If there is that unanimous consent, I would like to move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That on Friday, November 16, 1979, the hour for private members' business be suspended; and that at 4.45 p.m. Mr. Speaker shall interrupt the proceedings then before the House and put every question necessary to dispose of all remaining stages of Bill C-23, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1980.

In moving that motion I would like to thank my colleagues for their help and co-operation.

[*Translation*]

Mr. Pinard: Mr. Speaker, obviously it is with the spirit of co-operation which is our characteristic that we have agreed to that motion. I want to say that this afternoon the President of the Privy Council (Mr. Baker) had the courtesy to assure us that in Committee of the Whole we could question the Secretary of State for External Affairs (Miss MacDonald) and that next Friday we could also question the Minister of Employment and Immigration (Mr. Atkey), and that the opposition will be quite free to use all the time put at its disposal. In those circumstances, we are pleased to co-operate again with the government, to ease passage of the legislation and to adopt the motion.

[*English*]

Mr. Knowles: Yes, Mr. Speaker, it is correct that there have been consultations with respect to this motion and it has our consent.

Mr. Speaker: Does the House give its consent to the presentation of this motion at this time?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 47, 56, 93, 188, 203, 211, 226, 272, 283, 304, 356, 362, 386, 396, 399, and 421.

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

Order Paper Questions

[*Text*]

NATIONAL GALLERY—EXECUTIVES

Question No. 47—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice-presidents of the National Gallery of Canada?

2. What is the annual salary in each case?

Mrs. Diane Stratas (Parliamentary Secretary to Secretary of State): I am informed by the National Museums of Canada as follows:

1. (a) Director, Dr. Hsio-Yen Shih

(b) Assistant Director, Collections and Research—Mr. Brydon Smith

Assistant Director, Public Programs—Mr. Michael Bell

Assistant Director, Finance and Administration—Mr. Michael Carroll.

2. The annual salaries of each officer are as follows:

Director (SX-3 level)

Salary Range: $43,000—$59,000

Assistant Director, Collections and Research (HR-5 level)

Salary Range: $32,000—$38,000

Assistant Director, Public Programs (PM-7 level)

Salary Range: $32,000—$38,000

Assistant Director, Finance and Administration (AS-7 level)

Salary Range: $30,000—$37,000

CANADIAN FILM DEVELOPMENT CORPORATION—EXECUTIVES

Question No. 56—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice-presidents of the Canadian Film Development Corporation?

2. What is the annual salary in each case?

Mrs. Diane Stratas (Parliamentary Secretary to Secretary of State): I am informed by the Canadian Film Development Corporation as follows:

1. (a) Mr. Michel Vennat

(b) Vacant

2. (a) $225 per day up to a maximum of $29,500 per annum.

(b) No remuneration is given other than the normal fees for members of the Corporation's Board of Directors, namely $125 per day when the board meets.

CANADA WORKS PROGRAM—RIMOUSKI

Question No. 93—**Mr. Allard:**

Since 1978, did the Department of Employment and Immigration finance projects in the constituency of Rimouski as part of the Canada Works program and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

Hon. Ronald Atkey (Minister of Employment and Immigration): Yes.

(a) see list below

(b) (i) $3,107,723

(ii) see list below

(c) see list below

Canada Works
Project Listing
1978

Project Number	Project Name	Federal Contribution	Project Location
1367EH0	Comité Dépannage Socio-Culturel	35,100	Price and three localities
1369EH6	Atelier de Production vidéo	55,100	Rimouski
1517EH0	Atelier la Relève	72,200	Val Brillant
1520EH4	Entraide Saint-Octave et Padque	40,700	St-Octave et Padque
1588EH1	Couturière Pour le Troisième Âge	47,788	Mont-Joli and three localities
2135DH1	Vivre une Expérience de Travail Normalisé	19,318	Mont-Joli, Ste-Flavie
2137DH7	Auto Assistance	14,222	Mont-Joli
2733EH2	Gerjean	26,649	St-Moïse
2734EH0	Relance des Loisirs à Sayabec	33,281	Sayabec
2768EH8	Service Communautaire Municipalité Ste-Jeanne D'arc	38,800	Ste-Jeanne D'arc
2773DH9	Radio Étoile Filante	15,200	Rimouski
2930EH4	Nous Voulons Survivre	95,691	St-Gabriel and 18 localities
2936EH1	Vie Alimentation	38,100	Mont-Joli
2939EH5	Amis Joie	20,832	Trinité des Monts
2940EH3	Centre Activités Communautaires	55,963	Mont-Joli
2942EH9	Handicapé C'est Qui?	50,000	Rimouski
2944EH5	Progrès Travail	90,175	Rimouski
2968EH4	Économie Régionale Bois XIX Siècle	23,100	Iuuummio/LM
2969EH2	Aides de L'âge D'or	19,344	Les Hauteurs
2972EH6	Sports A Tous	43,800	Rimouski
3394DH3	Atelier de Reliure	27,600	Rimouski
3586DH4	Centre Polyvalent	60,117	St-Gabriel
4183EH8	Loisino	22,320	St-Noël
4192EH9	Office Régional du Tourisme de l'est du Québec	25,644	Rimouski
4195EH2	Étape Relais Pont Rouge	97,138	Trinité des Monts
4199EH4	Initiative locale Ste-Luce	11,380	Ste-Luce
4216EH6	Drogue-Secours	44,200	Rimouski
4217EH4	Mont-Joli 78	60,800	Mont-Joli
4219EH0	Le Temps D'une Saison	19,915	Rimouski
4220EH8	Protection Sécurité Pour Tous	43,318	St-Charles Garnier
4222EH4	Handicapés Physiques et Déficients Intellectuels est Québec	56,700	Rimouski and Region
4601EH9	Aménagement des Lieux et Programmation Pour Service de Loisirs	40,800	Ste-Luce
4609EH2	Retour Aux Sources	30,200	St-Donat
4611EH8	Participation Familiale a l'apprentissage à L'Handicapé	44,800	Rimouski
4612EH6	Développement Économique	27,600	Mont-Joli
4614EH2	Synthèse Historique du Bas St-Laurent	30,200	Rimouski
4617EH5	Embellissons Notre Milieu	92,585	St-Cléophas
4641EH5	Artmico Relève Loisirs	47,477	St-Gabriel Les Hauteurs
4644EH9	Bout D'Choux	22,500	Mont-Joli
4687EH8	Préservation du Patrimoine	28,800	St-Marcellin
4690EH2	Amitié Soleil	124,100	Rimouski and 11 localities
4693EH6	Animation Coopérative à Cooprix	25,200	Rimouski
4700EH9	Centre Mobile de Vente D'Artisanat	35,532	Rimouski
4709EH0	Ameliora, 106 Milles Carrés	53,418	St-Valérien
5106EH8	Plein-Air Scolaire	17,112	Rimouski
5107EH6	Tech/Art	38,070	Bic
1219GH1	Dépannage 3e Âge et Handicapés	14,136	Price
1229GH0	Les Pionniers	27,168	St-Charles Garnier
1234GH0	Les 150 Ans de Ste-Lucie	28,530	Ste-Luce
1337GH1	Nutrition Parents Enfants	24,726	Rimouski

1338GH9	150e Anniversaire St-Germain	28,530	Rimouski
2848GH6	Bouffe D'Air	31,512	St-Donat
2922GH9	Qualité de Vie St-Moïse	31,512	St-Moïse
2923GH7	Nutri Vie	38,040	Mont-Joli
2927GH8	Action Communautaire St-Gabriel	39,112	St-Gabriel
2928GH6	Recherche Folklore Reg	23,560	Rimouski
2930GH2	Ensemble Dans L'Action	22,824	St-Octave de Métis
2932GH8	Situation Environnement Sanitaire	28,530	La Rédemption
3033GH4	Conseil Régional pour Initiative pour Progrès Économique	21,204	Rimouski
3035GH9	Développement Et Promotion du Tourisme à Rimouski	28,530	Rimouski
3039GH1	Centre Communautaire	26,260	Ste-Blandine
3043GH3	Promotion Pour la Qualité de la Vie	30,424	Mont-Joli
3046GH6	Eco Plein Air	27,840	Ste-Blandine
3051GH6	Céramique et Poterie un Loisir pour Tous	28,530	Mont-Joli Price
3133GH2	Opération Embellissement	23,723	Ste-Flavie
3135GH7	Allons de L'avant	28,530	La Trinité Des Monts
3137GH3	Papyrus	21,204	Rimouski
3138GH1	Vivre Grandir et Vieillir à St-Marcellin	28,530	Saint-Marcellin
3139GH9	Amélioration Ste-Luce	21,204	Ste-Luce
3142GH3	Structuration de la Grande Ourse	21,760	Rimouski
3143GH1	Étude Et Aménagement De la Zeo Bas St-Laurent	22,229	Ste-Irène
3670GH3	Prévention Domaine Budget Familial	18,848	Mont-Joli
3777GH6	Embellissons Notre Milieu	31,512	St-François Xavier Hauteurs
3811GH3	Structuration du Plein Air dans Duchenier	31,512	Esprit Saint
3837GH8	Nouvel Essor	41,415	St-Donat
3839GH4	Patrimoine qui Veut Revivre	50,250	St-Valérien
3843GH6	Théâtre des Marionnettes ne Polluent pas L'air	39,390	Rimouski and Area
3850GH1	Allons de L'Avant	31,512	Ste-Jeanne D'arc
3851GH9	Reflets Nouveaux	39,390	St-Narcisse
3852GH7	Mont-Joli Centenaire	28,530	Mont-Joli
3853GH5	Val Rives	37,120	Val Brillant
3854GH3	Dynamo II	26,260	Saint-Noël
3855GH0	Loisirs Culturels et Sportifs 78/79	19,020	Sainte-Angèle
4202GH4	Ressuscitons L'Environnement	23,775	Sayabec
3144GH9	Faune Chez Nous, La	15,400	St-Cléophas
3145GH6	Aménagement du Centre Communautaire	16,492	Rimouski
3147GH2	Intensification des Activités de Plein Air	26,260	Ste-Irène

SECRETARY OF STATE—NUMBER OF EMPLOYEES

Question No. 188—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Department of the Secretary of State's payroll on March 31, 1979?

Mrs. Diane Stratas (Parliamentary Secretary to Secretary of State): (a) 3,090; (b) 181.

ENERGY, MINES AND RESOURCES

Question No. 203—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Department of Energy, Mines and Resources' payroll on March 31, 1979?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: (a) 3,426; (b) 366.

TREASURY BOARD—NUMBER OF EMPLOYEES

Question No. 211—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Treasury Board's payroll on March 31, 1979?

Hon. Sinclair Stevens (President of Treasury Board): (a) 885; (b) 19.

ATOMIC ENERGY OF CANADA LIMITED

Question No. 226—**Mr. Caouette:**

How many persons are employed by Atomic Energy of Canada Limited in each province and what is the percentage of Francophones?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Atomic Energy of Canada Limited reports as follows:

Province	Number of Employees	Percentage of Francophones
Ontario	4,945	5.2
Manitoba	864	5.2
Nova Scotia	770	1.4
Quebec	304	44.7

OPEN HOUSE CANADA PROGRAM—PARTICIPANTS

Question No. 272—**Mr. Herbert:**

How many persons participated in the Open House Canada Program in (a) 1977 (b) 1978 (c) 1979 to date, and what is the estimated total for 1979 and 1980?

Mrs. Diane Stratas (Parliamentary Secretary to Secretary of State):

(a) 1977—4,132 participants

(b) 1978—28,014 participants

(c) January to October 17, 1979—27,420 participants

Estimated total for:

1979—37,992 participants

1980—cannot be projected until program budget is determined for fiscal year 1980-81.

CBC—FORD BUILDING—MONTREAL

Question No. 283—**Mr. Herbert:**

Is CBC using the old Ford Building on Dorchester Blvd., Montreal, and, if so (a) for what purpose (b) what is the size of the floor space in use (c) what is the intended future use of the building?

Mrs. Diane Stratas (Parliamentary Secretary to Secretary of State): I am informed by the CBC as follows: No. The property in question was sold by the Department of Public Works, as agents for the CBC, as authorized by order in council P.C. 1979-1523 dated May 17, 1979.

Order Paper Questions

MAURICIE NATIONAL PARK—CONTRACTS

Question No. 304—**Mr. Roy (Beauce):**

Did the government grant contracts, without calls for tender, for the (a) study (b) design (c) development (d) various projects for the completion of the Mauricie National Park and, if so, in what amount in each case?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): (a) Study: Yes, $134,480 (3 contracts); (b) Design: no; (c) Development: no; (d) various projects: yes, $25,600. (1 contract).

PUBLIC SERVANTS—OFFICIAL TRIPS—VACATIONS

Question No. 356—**Mr. Herbert:**

1. Does the government discourage public servants from taking vacations while on official trips?

2. Were directives issued concerning the practice that would enable public servants to have part of the cost of their holiday travel paid by the taxpayer?

Hon. Sinclair Stevens (President of Treasury Board): 1. No. It is recognized that on occasion a public servant may wish to combine personal matters with legitimate business travel. While this is not prohibited, the additional costs related to the private portion of the trip, including travel, accommodation and meals, must be borne by the employee. In addition, vacation leave credits must be used for the time spent away from the office which is not specifically related to the authorized business travel.

2. No.

CANADIAN ARMS EXPORTS—END USER CERTIFICATES

Question No. 362—**Mr. Herbert:**

Which department is responsible for granting end user certificates on Canadian arms exports?

Hon. Michael Wilson (Minister of State for International Trade): In so far as the Department of Industry, Trade and Commerce is concerned: The Department of Industry, Trade and Commerce has requested end user certificates as a condition for the issuance of export permits for certain Canadian arms exports. The recipient importing country issues these end user certificates.

NATIONAL ACTION COMMITTEE ON THE STATUS OF WOMEN—GRANT

Question No. 386—**Mr. Mitges:**

1. For the fiscal year 1979-80, did the National Action Committee on the Status of Women apply to the Department of the Secretary of State for a grant and, if so, for what amount?

2. Was the application approved and, if so, in what amount?

[Mrs. Stratas.]

Mrs. Diane Stratas (Parliamentary Secretary to Secretary of State):

1. The National Action Committee on the Status of Women applied for a grant during the fiscal year 1979-80 in the amount of $110,000.

2. A grant was approved for the amount of $50,000.

ST. LAWRENCE ISLANDS NATIONAL PARK

Question No. 396—**Mr. Cossitt:**

1. What is the approximate number of persons who made use of the St. Lawrence Islands National Park during the 1979 season and, how many were (a) estimated to be residents of Canada (b) visitors from the United States?

2. Is there any division of figures available as to how many who visited the National Park during the 1979 season made use of the (a) mainland part at Mallorytown Landing (b) various island parks in the system?

3. What was the total (a) revenue collected (b) expenditure made in connection with Parks operations in 1979?

Hon. John A. Fraser (Postmaster General and Minister of the Environment):

1. The approximate number of persons making use of St. Lawrence Islands National Park during the 1979 season was 239,955.

(a) Residents of Canada—192,655

(b) Residents of United States—47,300

2. (a) Visitors to mainland (Mallorytown Landing)—28,771

(b) Visitors to islands—211,184

3. (a) Revenue 1979	—Camping	$ 7,221
	—Day Use Area	$ 6,015
	—Overnight Docking	$ 29,317
	Total	$ 42,553
(b) Expenditures	(Operations)	
1979 Budget:	Salaries and Wages	$489,000
	Operating Expenditures	146,000
	Purchase of Operating Services	21,000
	Summer Youth Employment Program	11,900
	Youth Job Corps	14,000
	Total	$681,900

HISTORIC SITES AND MONUMENTS BOARD—LEEDS-GRENVILLE

Question No. 399—**Mr. Cossitt:**

1. Did the National Historic Sites and Monuments Board designate any places in the constituency of Leeds-Grenville and, if so, what is a list of such places, their locations and details?

2. Are any further locations presently under consideration and, if so, what are their locations and details?

3. Was consideration ever given to MacDonald House in Gananoque, Ontario and Block House Island in Brockville, Ontario?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): 1. Yes—See list below.

2. No.

3. No, but the board would be pleased to do so if requested.

National Historic Sites: Leeds-Grenville

(i) Battle of the Windmill, declared to be of national historic significance in 1920. Plaque erected near Prescott in 1923.

(ii) Fort Wellington (National Historic Park) declared to be of national historic significance in 1925. Plaque erected in 1926.

(iii) Gananoque, declared to be of national historic significance in 1936. Plaque erected in Gananoque in 1948.

(iv) Merrickville Blockhouse, declared to be of national historic significance in 1939. Plaque erected in Merrickville in 1940.

(v) Grand Trunk Station, Prescott, declared to be of national historic and architectural significance in 1976. Plaque to be erected.

(vi) Sir William Buell Richards, declared to be of national historic significance in 1938. Plaque erected in Brockville in 1949.

(vii) Sir Richard William Scott, declared to be of national historic significance in 1938. Plaque erected in Brockville in 1949.

(viii) Bridge (Chimney) Island, declared to be of national historic significance in 1936. Plaque erected at Mallorytown Landing in 1937.

(ix) Fort de Lévis, declared to be of national historic significance in 1925. Plaque erected in Johnstown in 1926.

(x) Lansdowne Iron Works, declared to be of national historic significance in 1932. Plaque erected in Lyndhurst in 1935.

(xi) Pointe au Baril declared to be of national historic significance in 1927. Plaque erected in Maitland in 1931.

(xii) Leeds-Grenville County Courthouse, declared to be of national historic significance in 1966. Plaque erected in Brockville in 1979.

(xiii) Old Stone Mill, declared to be of national historic and architectural significance in 1970. Plaqued in Delta in 1973.

MORTGAGE INTEREST AND MUNICIPAL TAX DEDUCTIBILITY PROGRAM

Question No. 421—**Mr. Herbert:**

What is the estimated cost of the administration of the Mortgage Interest and Municipal Tax Deductibility Program for each of the first five years of the Program?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue):

The estimated cost of the administration of the Mortgage Interest and Municipal Tax Deductibility Program is as follows:

First year: 1979-80—71 person-years and $1,810,000. This first year is a partial year.

Second year: 1980-81—266 person-years and $3,437,000.

Subsequent years: costs will be dependent on the volume of returns and increases in price.

[*English*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call notices of motions for the production of papers Nos. 3, 4 and 12? Notice of motion for the production of papers No. 15 is acceptable to the government.

CANADA MORTGAGE AND HOUSING CORPORATION—DEDUCTIBILITY OF MORTGAGE INTEREST AND PROPERTY TAXES

Motion No. 15—**Mr. Herbert:**

That an Order of the House do issue for a copy of the last report prior to March 31, 1979 and a copy of any reports made since that date by the Canada Mortgage and Housing Corporation on the deductibility of mortgage insurance and/or interest and also property taxes for income tax purposes.

Mr. Speaker: Is it the pleasure of the House that notice of motion No. 15 in the name of the hon. member for Vaudreuil (Mr. Herbert) be deemed to have been adopted?

Some hon. Members: Agreed.

Motion agreed to.

VETERANS AFFAIRS—DECENTRALIZATION TO PRINCE EDWARD ISLAND

Motion No. 3—**Mr. Herbert:**

That an Order of the House do issue for copies of all correspondence, notes, minutes of meetings and other communications relating to the decentralization of the Department of Veterans Affairs to the province of Prince Edward Island.

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, on behalf of the Minister of National Defence and Minister of Veterans Affairs (Mr. McKinnon) may I ask the member to withdraw his motion because part of the material requested involves ongoing negotiations which may culminate in agreements between the federal, provincial, and municipal governments involved, and therefore cannot be released. However, I invite the hon. member to visit the Department of Veterans Affairs, and the minister will make available to him that material which need not be excluded because of negotiations.

Motions for Papers

Mr. Herbert: Transfer for debate.

Mr. Speaker: Transferred for debate.

TRANSFER OF QUEEN MARY VETERANS HOSPITAL IN MONTREAL

Motion No. 4—**Mr. Herbert:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence, notes, minutes of meetings, agreements and other communications between the government and the province of Quebec concerning the transfer of the Queen Mary Veterans Hospital in Montreal.

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, on behalf of the Minister of National Defence and Minister of Veterans Affairs (Mr. McKinnon) I would ask the hon. member to withdraw the motion on the grounds that the papers requested are of a voluminous character and would require an inordinate cost and length of time to prepare. However, I invite the hon. member to visit the Department of Veterans Affairs at which time our files containing the required documents, except for any correspondence requiring provincial agreement before it is shown, will be made available to him for perusal.

Mr. Herbert: Withdrawn.

Mr. Speaker: The motion is withdrawn.

REGISTERED RETIREMENT SAVINGS PLANS

Motion No. 12—**Mr. Herbert:**

That an Order of the House do issue for a copy of a list of the registrations of companies, incorporated or otherwise, that are permitted to deal with Registered Retirement Savings Plans.

Mr. Ron Ritchie (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I have to report that the information requested by the hon. member for Vaudreuil (Mr. Herbert) does not exist.

Subsection 146(1) of the Income Tax Act sets out the requirements for registered retirement savings plans and the definition of "retirement savings plan" in paragraph (j) thereof provides the qualifications necessary for a person to issue registered retirement savings plans. Neither the Department of Finance nor any other federal department maintains a listing of the individual companies or other organizations which qualify under these provisions to issue RRSPs.

Therefore, I would ask the hon. member to withdraw his motion.

Mr. Herbert: Transfer for debate.

Mr. Speaker: Transferred for debate.

Shall the remaining notices of motions for the production of papers be allowed to stand?

Some hon. Members: Agreed.

[Mr. Kilgour.]

• (1530)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

APPROPRIATION ACT NO. 1—1979-80

The House resumed, from Tuesday, November 13, consideration in committee of Bill C-23, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1980—Mr. Stevens—Mr. Scott (Victoria-Haliburton) in the chair.

The Assistant Deputy Chairman: When the committee rose on Tuesday, November 13, 1979, schedule D of the bill was under consideration.

On schedule D—

Mr. Jarvis (Willowdale): Mr. Chairman, when the debate was under way in committee yesterday, there were a series of questions posed for the Minister of Energy, Mines and Resources by certain members. The minister had to leave to attend a conference, and I sat in for the latter part of those questions.

First I should like to advise the committee that the questions of the members posed when the minister was in attendance will be answered in writing to the particular members and, in particular, the question posed by the hon. member for Pontiac-Gatineau-Labelle will be answered directly by the minister. The questions I should like to answer were those posed by the hon. member for Regina East, the hon. member for Ottawa Centre, and the hon. member for Edmonton East.

I should like to start first with the questions posed by the hon. member for Regina East. At the opening of his statement the hon. member asked if the reason the federal government was able to keep oil prices down was because the government had made some kind of a deal to compensate the province of Alberta through gas exports. The answer to the question is, categorically, no. Oil pricing is a matter of national concern. Hon. members are aware that a first ministers' conference took place earlier this week and that a meeting is now taking place between the Prime Minister, my minister, and representatives of the producing provinces. That meeting is taking place this week. The procedure will be for the price of oil to be set through that process.

With respect to the price and the quantity of gas exports, that is a matter for the National Energy Board. The National Energy Board will make its decision on findings as to the amounts of natural gas which are reasonably surplus to Canadian needs and based on finds and capped reserves within the gasfields.

Then the hon. member for Regina East raised a series of other questions concerning the use of insulation within homes in Canada as part of the conservation program. He questioned the safety standards that were being used for insulation or some types of insulation materials for houses. In particular I

advise the committee that cellulose insulation products are now regulated under the Hazardous Products Act. Standards have been set by the Canadian government specification board. There is regulation of the manufacture of these products which is now administered by the Department of Consumer and Corporate Affairs. His concern with respect to safety standards, while I appreciate it being raised, is one that has been met by the government.

Then the hon. member went on to suggest that four policies should be adopted with respect to the insulation program. He suggested that the first policy should be adequate research. I should like to advise the member that research in this area is a responsibility of the National Research Council, in its division of building research, which has an ongoing program specifically related to energy conservation. It has a current operating budget of about $2.5 million for research in this area. In addition, the Department of Energy, Mines and Resources has an ongoing supportive research program under CANMET, the Canadian Centre for Mineral and Energy Technology. Under a division of CANMET, the division of Canadian combustion research laboratories, a further research program on the effectiveness of insulation is being carried out.

The second question or head the hon. member posed had to do with proper regulation. The federal government is a leader with respect to regulation. It adopted a national building code which it urges all provinces to adopt. The jurisdiction for the adoption of the building code lies with the provinces. However, the federal government has taken the lead. Also I should advise the hon. member that the national building code subcommittee's "Measures for Energy Conservation in Buildings," a recently published additional document, sets out even more stringent standards which are now being urged upon provincial governments.

Also the hon. member suggested that the program should cover more than just insulation of roofs and walls. I should like to advise the member that the program now covers in addition to insulation, caulking, weatherstripping and vapour barriers. For consideration in the future will be improvements to doors and windows.

His suggestion was that the program should not be turned over to the provinces, with funding by the federal government. However, his fourth point was that the entire program should be personalized and should use community facilities. It is for that reason the program is being turned over to the provincial governments. The provincial governments, and local municipalities under provincial government auspices, have inspection programs, training programs, all the training programs for installers and builders. All licensing programs are under the jurisdiction of the provinces. It is within the provincial jurisdiction that the most effective control can take place.

There is a failing in the program which we recognize, and that is that rental accommodation is not being upgraded. Neither the landlord nor the tenant, because of the term of the tenancy or the tenure in the dwelling, is taking advantage of the program. We have made representations to the provincial jurisdictions for amendments to their landlord and tenants act which will bring about encouragement in this particular area. I trust that my comments have answered the questions posed by the hon. member for Regina East.

I should like to turn very briefly to the questions posed by the hon. member for Edmonton East.

Mr. Lefebvre: Mr. Chairman, may I interrupt for one moment?

The Assistant Deputy Chairman: The hon. member for Pontiac-Gatineau-Labelle.

Mr. Lefebvre: I wish to thank the parliamentary secretary for his courtesy in advising me that the minister would reply to my question by letter within the next few days. Will the minister be present in the House between now and Friday? We have all day today, but tomorrow is an opposition day and it would not be opportune for the minister to answer my question at that time. We will be dealing in committee with this bill until Friday at 4.45 p.m. Will the minister be in the House between now and then? My question is on the record of this House, as reported in *Hansard*, and I think it would be more appropriate if the minister's answer were as well. Can the parliamentary secretary reply to that comment? If not, I will see.

Mr. Jarvis (Willowdale): Mr. Chairman, the Minister of Energy, Mines and Resources is attending a conference at this time which has to do with the question of pricing, a federal government and producing province jurisdiction. I am not certain whether the minister will be back, but I will make inquiries this afternoon and advise the hon. member if it will be possible for the minister to be in the House either tomorrow or Friday, when this matter is being considered in committee.

Mr. Lefebvre: Thank you.

Mr. Jarvis (Willowdale): Very quickly I should like to respond to the questions posed by the hon. member for Edmonton East and the hon. member for Ottawa Centre. The hon. member for Edmonton East asked if there was a domestic oil supply scenario for 1990. Now, that could be the subject of many hours of debate. However, I should like to advise the hon. member that in very short terms the fall in the production of light crude oil is noted and is taking place.

• (1540)

This fall in the production of light crude must be replaced by other sources of energy, and there are only certain other sources of energy. It would be this government's policy to pursue actively the search for all of these sources, and they would include the following: development of heavy oils both in the tar sands and in situ, such as proposed at Cold Lake; enhanced recovery, or research and development into enhanced recovery procedures for the recovery of additional oil from old fields and now producing fields; oil and petroleum products that will come about through new finds, and these finds must take place in the existing Alberta basin and in the frontier regions, which would include both the north and the east coast

areas; production, or if you will, energy consumption also controlled through conservation, and this government will pursue an active program of conservation in all areas of energy use; and lastly, there will be a program of substitution, substitution from petroleum-based products, or oil-based products to gas, biomass and other renewables, the utilization of our coal resources, thermal resources and so on. It will be through a program pursuing all of these areas that we will achieve energy self-sufficiency by the year 1990.

The hon. member also asked if we knew the cost. No, we do not know the cost. We do know, or we can hazard a guess, that in the petroleum area it could cost as much as $100 billion between now and 1990 to become petroleum self-sufficient.

The member then asked where the money would come from. Frankly, Mr. Chairman, I have to advise the member that there is no good fairy. Canada is not going to win a world lottery and come up with all of the money. This money is going to have to be earned by Canadians working here; it is through the efforts of Canadians, through their savings, through their industry, through their exports, and through their activities in the world that the money will be raised. It is Canadians who are going to have to raise the money to pay for this. No one else is going to come to our rescue. We must look after ourselves.

The last question was, when do we start collecting the money necessary to pay for this program? Mr. Chairman, I would advise that we will start collecting the moment the oil prices are set and the budget comes down. That is the reason we have had the first ministers' conference this week and why there is a conference taking place in western Canada, and why we have budgets. The collection of this money will come about as soon as the Prime Minister returns and announces to this House the policies with respect to the taxation and collection of revenues from the increased prices for oil products.

Lastly I would like to turn to the questions posed by the hon. member for Ottawa Centre. He posed four questions, the first of which was: what price is required to bring on new supplies? It is much the same question as was posed by the hon. member for Regina East, and I hope he will take the same answer. It was put if we had no exact number on the price then we should not embark on this program until we knew the price. I must advise the hon. member that we do not know the price, but the kind of question he posed was one such as, what price to find a cure for cancer; what price to find a cure for poliomyelitis, or what price did we pay for the eradication of smallpox?

We in Canada face a situation which requires action. We as a nation must bear the price, whatever it is, because as a nation we require energy self-sufficiency. With our given resources, with the given knowledge with respect to what we have in the ground in this country, we know that the price is the most reasonable price that can be paid by any industrialized nation in the world.

[Mr. Jarvis (Willowdale).]

He also asked what will be the rate of return to the investor for new supplies and, Mr. Chairman, I would advise the member that the rate of return will be the reasonable rate of return for any investor, along with what is required for the activity to take place in this country. The rate of return is something that is now being discussed by the Prime Minister and my minister in their meetings out west, and it is something that has been discussed with the other first ministers, and it will be announced to the House when the program has been set and established. I would have to ask the hon. member to wait until the program is announced by the Prime Minister.

The hon. member also suggested that we could effect conservation by raising prices above world prices. I think the statement he made was that we could dampen consumption by going above world prices; we could dampen consumption to a nil basis simply by raising prices up. That is correct, but it is not reasonable or feasible.

The last question that he asked had to do with the distribution of additional revenues. I would again advise the hon. member that the distribution of additional revenues which will accrue to the federal government is for energy self-sufficiency and increased productivity; to finance the goal of being self-sufficient by 1990. The collection of those revenues and the percentages that will be assigned to the various jurisdictions are what are now being negotiated. I would point out to the hon. member that the old program, the program that we have been following since 1975, of a dollar and a dollar every six months, resulted in a surplus in production in 1975 of over 300,000 barrels per day, but a shortfall in November, 1979, of over 314,000 barrels a day, so clearly the old regime was not working and was not bringing us toward self-sufficiency.

Mr. Evans: Thank you very much, Mr. Chairman. I just want to clear up one point. I have just finished reading *Hansard* of yesterday and the statement that I made, and nowhere in that statement did I ever refer to charging a price to consumers to dampen demand which would be higher than the world price. I said at that time the price to achieve conservation was unknown, and we did not know what it was. It may be higher or lower than the replacement cost. Certainly I never said that consumers in Canada should be charged more than the world price in order to dampen demand.

Mr. Jarvis (Willowdale): Mr. Chairman, I accept the statement of the hon. member. My notes that I made at the time and my recollection are incorrect. I certainly welcome his statement and suggestion that we should never charge more than world prices.

Mr. de Jong: Mr. Chairman, if I could rise on a similar matter, I would like to clarify that I am not against turning the home insulation program over to the provinces. I did raise some things, however, that I felt a national home conservation program should have, and I was concerned that some of those matters would be missing if you just turn it over to the provinces. I think I was making suggestions that allow the provinces to be in, but keep the federal government in as well.

Mr. Jarvis (Willowdale): I also thank the hon. member for his statement and clarification.

Mr. Rae: Mr. Chairman, I want to take the opportunity of having the Secretary of State for External Affairs in the House to raise certain questions with her concerning her department and concerning Canadian foreign policy.

I want to begin by publicly repeating the congratulations which I have given the Secretary of State for External Affairs on her appointment, and to promise her that there are many in this party who follow her speeches, statements, and the policies of her department with great interest. Needless to say, I am one of those members who, for personal reasons, has long taken an interest in her department and will continue to do so.

There are basically four areas to which I would like to address myself, and I beg the indulgence of the minister, if I may, for a few minutes, to put forward a point of view and then to ask her some questions.

Three really concern peacekeeping and Canada's role, first of all in Cyprus, second of all in the Middle East, and third of all in Rhodesia; and finally I have some questions concerning her speeches and the statements by the Minister of Finance concerning Canada's future intentions with respect to foreign aid.

● (1550)

With regard to the Cyprus question, Canada has had a long history of very close involvement in the difficulties of that island since 1963. I would like to put to the minister a slightly different history and conception of the problems on that island from the concept I suspect she is receiving from her department and which, indeed, is American foreign policy and the foreign policy of many of the NATO countries with respect to Cyprus.

There was extraordinary tension between the Greek Cypriot population and the Turkish Cypriot population from before the Zurich agreement in 1960 and the declaration of the republic soon afterwards, all of which is well known to the minister, and it is not necessary for me to go into that. We are dealing with an island that has a population of approximately 600,000 people, of whom over 80 per cent are of Greek origin and about 20 per cent are of Turkish origin. There were a number of internecine and intercommunal problems and problems with respect to the civil rights of the minority, which Canadians have faced in our own history and to which we have found our own constitutional solutions.

There was the dramatic withdrawal by the Turkish Cypriots from the national government in the early 1960s, and a continuing and difficult problem of internal violence which was met by the arrival of the United Nations peacekeeping force in 1964, of which Canada was a member. There was a failure on the part of the population of Cyprus to come to an agreement which would provide for a truly national government. On the one hand there were complaints by the Turkish population that they were a beleaguered minority economically, and were in a more difficult circumstance than the Greek majority because they were unable to express their civil rights in a political way and in many cases, they said, to express their religious rights.

On the other hand the majority 80 per cent of the population viewed the island as a whole integral island on which their homes stretched from Kyrenia in the north to Limassol in the south and Paphos in the west, and to which no part of Cyprus was alien to them. There were Greek villages and Turkish villages side by side. Admittedly there was intercommunal violence at times, but there was also a certain amount of intercommunal co-operation and certainly of people living together.

At that time it was the position of the Canadian government that it would do everything it could through advice given by private individuals, our work at the United Nations and our membership in the peacekeeping operation, to attempt to encourage the Cypriots to come to a constitutional solution that would provide for the guarantee of minority rights within the context of a republican government which would apply throughout the island.

Prior to 1974 the difficulties in Cyprus could be described as intercommunal, conflicts between a majority and a minority, which could arise in any country. It was in the summer of 1974 that a dramatic transformation of the difficulties on Cyprus took on an international flavour of far more serious proportions. I am referring to the invasion of the island of Cyprus by the army of Turkey, and the occupation by that army. Indeed, if it were not for the presence of Canadian troops in Nicosia, it, too, would have been occupied by Turkish troops. Were it not for the role which the United Nations played in that incident, there would have been even more and greater violence and conflict then there was.

The net result of the Turkish invasion of 1974 was the occupation of one third or perhaps more of the island of Cyprus, and this resulted in the creation of some 200,000 refugees in a land with a population of 600,000. One-third of the population was rendered homeless, and every single Greek community, with the exception of a small village, was eliminated from the entire northern part of Cyprus and shipped to the south. All Turkish Cypriots living in the southern part of the island were encouraged by the Turkish leadership to leave, and they themselves went to the northern part of the island.

The important part of this history is that whereas before the conflict was of an intercommunal nature within the island of Cyprus between Cypriots, it was now a very different situation. Since 1974 the conflict has been not only between Turkish and Greek Cypriots, but between Turkish troops, Cypriot troops, the government of Turkey and the government of Cyprus which, as the minister knows, is recognized by the Canadian government as a legitimate government for the whole of Cyprus.

Since 1974 there have been a series of proposals and counterproposals from the Turkish side and from the Cypriot side with respect to the political government of the island, the withdrawal of Turkish troops, and the return to a unified country on the island of Cyprus. Since that time Canadian

troops have remained on the island and, indeed, play a critical role in the United Nations peacekeeping force, stationed as they are in Nicosia, which is the hottest point of potential conflict between the two communities. During my visit to Cyprus, and while talking with the commander of Canadian troops there, he made it very clear that the Canadian troops were the linchpin of the military and political operation which the United Nations peacekeeping force is playing on the island of Cyprus.

Cyprus has become not only an international question, but one which involves the policy of the Canadian government. Soon after the election in May, the minister of defence raised publicly for the first time in recent memory the question of the future position of Canadian membership on the peacekeeping force in Cyprus. What the minister had to say concerned me very much because it reflected a popular view of the conflict on the island of Cyprus which, in my view, does not coincide with the facts. The view is that there are two sides and two kinds of Cypriots who cannot get along and, as a result, an intercommunal conflict, and that Canada has been there for so long that really there is no point in our staying any longer because we have become part of the problem, which I think is the phrase used by the minister of defence.

The minister of defence suggested that it might also be better if Canada were to withdraw and let the parties come to whatever solution they would. With all due respect, I think that the minister of defence is confusing the pre-1974 situation with the post-1974 situation. Prior to 1974 one might have understood a certain frustration on the part of the Canadian government with respect to the situation on Cyprus. One might have also understood the feelings behind saying, "This is just an intercommunal conflict. Why should we stay there any longer, and why should we be the good guys in a world made up of bad guys?"

I can understand the natural frustration that a Canadian minister of defence responsible for Canadian troops might feel. After 1974 the minister's description of the situation in Cyprus is a caricature of what is now the real situation. The situation there now is that Turkey, a foreign country, occupies one-third of the island and is supplied with arms by NATO countries, including the United States. Two hundred thousand people have been rendered homeless as a direct result of the Turkish invasion, the government of the island of Cyprus is unable to exercise its authority over one-third of the island, and refugees on the island are completely barred from any communication with any part of their families remaining in the northern part of the island.

● (1600)

The situation on the island of Cyprus may be described as a conflict, not of an intercommunal nature, but as one between the island of Cyprus, the government of Cyprus, and the government of Turkey. It is in that context that I think the situation must be seen.

I know there are those who say we cannot put pressure on the Turks because of NATO, that we cannot put pressure on the Turks because of the importance of maintaining their position in the NATO alliance. This has been the position of the United States government. I would say to the minister, however, that we are facing in the Aegean Sea real conflicts between the Turks and the Greeks which go back a long time.

The answer to the problem in Cyprus must be found. The minister must recognize that the insecurity in Greece itself over the Cyprus issue can easily become just as important as the insecurity in Turkey at the present time. I suggest to her that it is in the interests of the NATO alliance to force Turkey to bargain with the Cypriot government as much as it is in the interests of the alliance to keep this problem alive.

The point of view that I am putting forward—to be quite blunt about it—is that there is no incentive at the present time for the Turkish government to bargain with the Cypriots with respect to the future of Cyprus. Everything is on their side, unless there is incentive. Time is on their side; occupation is on their side; military power is on their side. There is an army of 30,000 Turkish nationals in the north of Cyprus, there is a Greek-Cypriot national guard of 8,000, and a Turkish-Cypriot guard of the same size.

Unless military and economic pressure is put on the Turks to bargain, they have no incentive. They have what they want. They have reached their maximum position. The only thing holding them there is the fact that the NATO alliance, Canada included, has not been able to put pressure on them to reach an agreement with the government of Cyprus that would recognize the principle on the island of Cyprus of a unified island within a constitution that recognizes the legitimate aspirations of all members of the population and that deals directly with the question of the rights of the majority and the rights of the minority.

This may seem like a recondite analysis of a question that is of little concern to many Canadians, but I suggest to the minister that it is an exceptionally important issue. It is a human rights issue, involving a number of refugees; it is an issue involving the continued determination of the Canadian government to recognize its responsibilities and to recognize that there is no easy answer.

The solution of withdrawing the peacekeeping force is, in my view, the easiest solution and also the worst solution to the problem. If Canadian troops are withdrawn, the very future of the peacekeeping force will be placed in doubt. Any remaining pressure on the Turks to negotiate will be diminished. In fact the Turks will be encouraged, because we will be giving credence to their military occupation by withdrawing from our role with the United Nations force. This is a question of critical importance for those many Canadians who are concerned about the future of Cyprus and who recognize that there is, in Cyprus, a problem, not of an intercommunal nature, not an internal problem, but a fight between the government and the army of Turkey and the government of Cyprus.

My specific questions to the minister are as follows, Mr. Chairman. What are the intentions of the government with respect to peacekeeping in December, 1979, and at the six-

month renewal date in June next? What discussions and negotiations have taken place between the Government of Canada and the government of Turkey with respect to Turkey's position in presenting proposals? Finally, I would welcome any statement the minister might like to make concerning the situation on Cyprus.

If I may, Mr. Chairman, I will ask the other three questions and then let the minister give her complete answer. That is the question with respect to Cyprus, so I will move on to the other three questions. They are much quicker.

With respect to the Middle East, I do not think the minister needs to be told the extent to which we, in this party, have disagreed with the changing positions of the government regarding the relocation of our embassy in Israel. I should like to ask the minister, however, what effect, in her view, the changes that have taken place—quite apart from the economic consequences of the government's decision and then its change of mind—have had on our relations with many Arab countries? What effect have these changes had on Canada's role as a peacekeeping nation in the Middle East? Is there any evidence of our having lost credibility as an important stabilizing force in the efforts of the United Nations, in the Middle East?

My third question also deals with peacekeeping, and concerns Rhodesia. Is the minister in a position to make any kind of statement to the House as a result of the discussions in London, on the potential role that might be played by Canadian troops in Rhodesia, and whether there is any intention to take this step?

Finally, Mr. Chairman, I should like to have an elaboration for the benefit of the House on the meaning of the minister's statements, and those of the Minister of Finance, that we will be concentrating our aid efforts on international winners rather than on international losers and whether we will be tying our international aid efforts—I see the minister shaking her head, so I may have read something between the lines that was not there—and also with respect to her statements that we should begin tying our aid to the political stances taken by Third World countries in the United Nations and elsewhere. Would the minister care to comment on that position? Even if she is shaking her head and indicating that I am misguided, I suspect that is the message that has come from her department to the Canadian people since the election. I think she could clear it up if such is not the case.

Miss MacDonald: Mr. Chairman, I should like to thank the hon. member who has just posed those questions to me. I recognize very clearly his ongoing personal interest in the external affairs of our country and the work of the Department of External Affairs, and the reason for it. I certainly hope it continues, as I am sure it will. I also recognize that the hon. member has recently had an opportunity to visit Cyprus and make himself personally aware of the situation in that troubled island. I have listened with great interest to his eloquent description of the developments that have taken place over the last few years. I will come quickly to the specific questions he has posed with regard to Cyprus, to peacekeeping elsewhere, as well as with regard to foreign aid.

As the hon. member said, the Canadian peacekeeping force is situated in Cyprus on a six-month mandate which is renewed every six months, and has been renewed every six months since 1964. We have been there just over 14 years now. The present mandate for our force of 515 military personnel will expire on December 15 of this year. I can assure the hon. member that the mandate will be renewed in another six months.

As the Minister of National Defence has stated, however, and as I have had an opportunity to state on various occasions, the question of when a peacekeeping force ceases to have an active role as peacekeepers, and becomes instead a part of the economy of the area in which it is located, is one that has to be considered. We have been in Cyprus as part of the peacekeeping force for over 14 years. As the hon. member knows, negotiations between the governments most concerned have ceased to be operative in any meaningful way.

• (1610)

It would seem to us that our continuation in a peacekeeping force should be at least partly conditional on the fact that we see some kind of negotiation, some kind of commitment to resolving a problem on the part of those involved, in order to ensure that our ongoing involvement can be contemplated. We have said that in our review of foreign policy and aid policy we will, as well, be taking a look at the whole role of peacekeeping because it is not the intent of this government that our peacekeeping forces stay in a country, or on an island such as Cyprus, without some indication that the problem that has caused them to be there will be tackled by those most concerned.

I have conveyed this, and this was the second question the hon. member posed, directly to the foreign minister of Turkey. I have made him aware of our concerns because we want to see the negotiations resumed. I have also been in touch with the foreign minister of Greece and conveyed the same concerns to him because I know the influence that Greece would have on the activities of the Cypriot government. For that reason, I hope there can be a resumption of the negotiations which collapsed some time ago.

The hon. member made reference to the fact, and I noted these words, that we should force Turkey to take some action. He used the word "force". I am not sure in what context he used that word. I trust he did not mean in some kind of military context because I would not want to intimate in any way or put forward the proposal that Canada would be engaged in any kind of military intervention that would force Turkey, or indeed the Cypriot government, to return to the negotiating table.

We have used the only forum available to us besides our own bilateral discussions, that is, the United Nations. We have used the United Nations to support resolutions and urge resolutions that this situation be tackled and that some resolve be brought to the problem. We will continue to use the United

Nations as a forum to meet the concerns the hon. member expressed.

The other question the hon. member asked was with regard to peacekeeping in the Middle East. He asked whether Canada's role as a peacekeeper in the Middle East has in any way been diminished in recent months. I can tell him quite straightforwardly that no, it has not. As he knows, our major peacekeeping role in the Middle East is in the Golan Heights area. In fact our troops there have been added to in recent months, not in any way reduced. We are playing a very active role there in communications and logistics. I am sure he is aware of that situation. I want to put his mind at ease in that respect.

Mr. Rae: I was there too.

Miss MacDonald: The hon. member says he toured the Golan Heights as well, so I know he is aware of the very strong commitment that Canada has to it and the very important role we play in that area.

The hon. member asked as well about the situation in Zimbabwe-Rhodesia. As the hon. member and others are aware, discussions are going on at the present time in London arising out of the earlier Commonwealth Conference last summer held in Lusaka. At that Commonwealth Conference the Prime Minister, on behalf of Canada, made it known that Canada would be willing to contribute to any kind of Commonwealth observer group which would be put in place to supervise the elections that would be held in Zimbabwe-Rhodesia.

There has been no approach made to us by the British government to take part in any such activity or, in fact, in any other way in a peacekeeping role. We would have to examine any proposal made to us apart from the one that we already indicated, to help out during the holding of elections. We would have to examine that as to the proposal itself and what it contained, but we have had no request to date in that regard.

I think the hon. member's final question had to do with the government's broad aid policy and what we will be doing. I already indicated in the Standing Committee on External Affairs and National Defence, and I am sure the hon. member is aware of this, that we are undertaking a full review of aid policy and will be presenting papers on both foreign policy and aid policy to the standing committee, asking them to become the vehicle by which public input is provided to the development of Canada's foreign aid policy for the eighties. I hope he will be a very active member of that committee.

The hon. member made some mention of the fact that he would back winners and not losers. I would like to read for the hon. member's information the countries to which we are extending our aid, the ten countries to which we extend aid in the largest amounts. These countries are Bangladesh, Pakistan, Tanzania, India, Sri Lanka, Tunisia, Zambia, Ghana, Cameroon and Malawi. I leave it to the hon. member to draw his own conclusions as to which countries are being backed with aid policy. In reviewing our aid policy, I trust that we will face up to some of the questions that in an earlier time may not have been tackled. I am talking now about aid policy with regard to countries which have shown violent abuses of human rights.

The hon. member will be aware that aid to Vietnam has been cut off by Canada. The previous government took that step. We took it further because we believe that the activities in Vietnam, the present expulsion of thousands of Indochinese, the invasion of a neighbouring country, Cambodia-Kampuchea, with all of the disaster and tragedy that has brought forward, does not in any way elicit our support for a continuing aid program to Vietnam. These are matters which have to be brought up in the light of our aid review.

The same can be said with regard to the question that I raised about countries which will not renounce their intention to explode nuclear devices, countries which will not join the non-proliferation treaty but are using their own finances to develop and perhaps explode a nuclear device. These are questions which have to be looked at and should not be avoided when we are tackling our foreign policy review.

Mr. MacLaren: Mr. Chairman, this afternoon I should like to make some comments and raise some questions about Canada's external relations. During the six months since the election, Canada has been without any discernible foreign policy. This would be all very well if one could infer from that that the government had decided to pursue, in broad outline, the directions taken by its predecessor. However, that inference is left in doubt by the questions which the Secretary of State for External Affairs keeps asking. We have no statements of policy. We have only her questions. A question is not a policy. Nor do a series of questions make a policy. I assume of course, that the minister has not consciously adopted her questioning stance as a handy excuse for inaction on the international scene.

• (1620)

The minister has made a virtue of her seemingly endless questions by contending that, in asking them, she has been contributing to a proposed national review of foreign policy. This she offers as a notable innovation in Canadian government practice.

There are two things to be said about the minister's public approach to her heavy responsibilities. One is that Canadians are quite capable of asking their own questions. Canadians are not so inarticulate that they need their minister of external affairs to ask questions about external affairs. What the Canadian public and indeed Canada's allies do need are clear indications of how the government intends to conduct our relations with other countries, whether in international organizations or bilaterally. What Canadians rightly expect of their government is policy, policy on development assistance, on NATO and the UN, on the rich diversity of our relations with other countries. Dressing up a series of questions as a policy will not satisfy the rightful demands of the Canadian people to know what the government intends in an area where our self-interests as a nation, as well as the broad interest of humanity, are so closely engaged.

The second thing to be said about the minister's approach is that a foreign policy review is no remarkable innovation. There have been such reviews before, and there will be again. And there is, of course, a continuing discussion in the media, in universities, in churches, in labour unions and in business of Canada's foreign relations, a fact which if the minister did not know it before, she should have learned from her government's foolishness about moving our embassy in Israel. Many Canadians who take part in the lively debate about foreign policy will have been surprised to hear the minister describe it as an "esoteric academic exercise reserved for ivory towers". It is anything but that.

The world in any case moves on, while the minister stands still asking her questions. That is one problem with the government's non-policy in our relations with other nations. Policy must be made, is being made. The minister should by now be able to set forth the broad lines of the policies she must necessarily be pursuing or contemplating.

Another problem with the minister's Socratic stance, as one might call it, is that she raises questions on the one hand of bold new directions while on the other hand she must surely know that there are certain fundamental limitations on Canada's freedom of action in an increasingly interdependent world. Canada is no exception to this inescapable rule of foreign relations. There are certain continua that no Canadian foreign minister can ignore, any more than the foreign ministers of other nations can ignore the particular factors that limit their freedom of action.

Let me offer a few examples with regard to Canada. Bilingualism is basic to Canada. It finds expression in our external as well as our internal affairs. Dividing a continent across the middle has many implications, and history and geography have resulted in an extraordinary complex of relations with the United States. A small population in a large, rich territory must seek prosperity in a high level of export trade, with all that implies. A people so utterly dependent as Canadians on the peaceful international exchange of goods and services dare not lose sight of our vital interest in a structured international community. A nation with long coasts on three oceans must also take a deep interest in international law. Our dolorous progress through two world wars has led Canadians to seek security in collective action, in both the United Nations and NATO. The confluence of our Greco-Judeo-Christian traditions and our Commonwealth and Francophone heritage have produced a nation deeply committed to alleviating the plight of the peoples of less prosperous areas of the world.

These are not deadhand legends, but reality. These, and others, are all fundamental factors in any Canadian foreign policy. The minister observed recently that during the past decade "things have sure changed . . ." In some ways they have, most notably with regard to the many ramifications of oil price increases. But much else has not changed. Many of those immutable elements require discussion now, against the background of the changes that have occurred in other areas. That is another reason why the minister's questions are not policy.

Let us look for a moment at this need for what we might call a *Realpolitik*, at a few of the continua I have mentioned, in the hope that at the least the minister may offer a few policy comments on them. Specifically, I want to question the minister about three of these continua: Canada's role in peacekeeping, NATO, and the United Nations generally.

The minister has indicated in a recent statement that Canada will continue to support peacekeeping efforts and will envisage further Canadian participation in such efforts. I was pleased to note this, for Canada's record of support for the United Nations and its peacekeeping activities is a notable one. Canada, in spite of our relatively small size, has participated substantially over the years in peacekeeping efforts, a significant contribution to world security and the peaceful resolution of disputes.

The interests of Canada, an inescapably international country, are best protected by the development of world order and the extension of international rules. These benefits certainly outweigh the costs to Canada of our peacekeeping forces. There are direct costs, of course, over $60 million since 1957; nevertheless we have maintained our commitment to our allies, to the concept of world security and to a world organization devoted to the cause of peace.

I invite the minister to affirm Canada's support for the UN's peacekeeping efforts, including Canada's participation in the Namibia talks and in the disarmament negotiations ongoing at the United Nations.

In the future, it may be that international agreements involving third party verification will offer new opportunities to the UN to monitor disputes in situations short of conflict. A treaty on the law of the sea, for example, could well lead to new means of dispute settlement. Outer space is another subject which will call for new thinking about management and control. Keeping the peace is a flexible concept. Soldiers in uniform are not necessarily an essential part of it. But the skills of the soldier/diplomat are bound to continue to be in demand. Canada will have the personnel to help satisfy some reasonable share of that demand, and will be inclined to do so if the UN provides the conditions for effective operating procedures and adequate political support.

While on the subject of the United Nations' peacekeeping efforts, I would also make a more general plea to the minister for support of the United Nations as a whole. She has been very critical of the organization since taking office, unjustly critical. The United Nations certainly has its faults, as any large bureaucratic organization must. To outside observers, the General Assembly may appear to be a forum for futile and emotional debates, dominated by a militantly anti-western, Third World majority. Nevertheless, there is no alternative to the United Nations as a centre of international discussion, information exchange and decision. Canada has long supported not only the active peacekeeping aspects of the United Nations' role but also those aspects of co-operation, consultation, and compromise that can be found throughout the United Nations and in its specialized agencies. The work of these agencies in particular has been invaluable in the tackling of

global problems such as food production, civil aviation, environmental pollution, contagious diseases and population growth. These are critical issues of survival, so successfully managed within the UN system that we take them for granted. They are not to be dismissed as its secondary purpose.

The minister, in her maiden speech to the General Assembly, chose to focus on the weaknesses of the system at the expense of its real strength. In doing so, she cast Canada in the light of a negative, moralizing, and self-righteous critic. The minister is not doing Canada's image abroad any service by adopting such a tone. As a secure and wealthy country Canada can afford more generosity of spirit. We would also be acting more effectively in our long-term interest by encouraging and supporting the world organization. We are not blind to its flaws; their existence does not absolve us of the responsibility to be creative participants in the evolution of the system. Without ignoring problems and shortcomings, we must build on what has been accomplished.

● (1630)

During the post-war years Canada became a major participant in the creation of the world organization, and within that new organization Canada recognized from the beginning its limitations. Nevertheless, Canada soon found the United Nations a congenial, creative place, eliciting any talent for conciliation and harmonization that we may have, a place for maximizing opportunities for the enhancement of both our interests and our status. Whether in collective security arrangements providing Canada with a means of exerting influence on powerful allies or giving substance to diplomatic goals outside the North Atlantic region, or in the corridors lobbying to avoid dangerous confrontations and working with the secretariat, Canadians have done well.

The United Nations is a voluntary system requiring patience and determination and providing a setting for enforced association. We must not weaken the world organization by cynicism, but strengthen the whole network. That means viewing the organization realistically and ridding ourselves of the fantasy that if only self-seeking leaders would get out of the way, mankind could live in sweetness and light.

Along these same lines I would also urge continued support for Canada's long-standing membership in the North Atlantic Alliance. This commitment dates from the period after the second world war when Canada was so active in the international effort to establish a more secure world order and to seek security in collective action. Our participation in the North Atlantic Alliance is important both to ourselves and to our European partners, as a concrete illustration of our determination to contribute to collective security and our participation in the western defence effort.

There are those who have called for Canada's withdrawal from NATO in the mistaken belief that our absence from the alliance would somehow contribute to east-west detente. That detente is more likely to be found in the SALT agreements, disarmament initiatives and, indeed, in the broader field of economic co-operation. In any event, such a withdrawal would, among other things, ignore the value to Canada of Europe as a counterweight to omnipresent United States influence. In a sense, our membership in NATO represents a calling in of the old world to redress the imbalance of the new.

I should be pleased to have comments from the minister about our continuing commitment to the Atlantic alliance and her thoughts about what form that commitment will take in the future.

I have already said that a curious feature of the government's approach to foreign affairs is what sometimes seems to me to be endless questioning. Perhaps the Canadian people and our allies would not have become weary of the minister's questions if they were in themselves good questions. But they are not.

Let us take a few examples. The minister has asked whether Canadian development assistance should be directed only toward those countries which have achieved some yet undefined level of human rights. Does the minister believe that using our aid as a means of pressure on another nation to adopt these yet undefined standards is a practicable policy? If so, can she inform the House what are the criteria she would have Canada adopt in its development assistance program? How does she intend to apply those standards once they are defined? Does she foresee the sudden termination of Canadian aid if there is a change of government in a recipient country which brings a reversal in its earlier human rights practices? Does she believe, in any event, that threatening the withdrawal of Canadian assistance is going to intimidate wrongdoers? More important, does she really believe that such threats are in fact the most effective way of helping those who have been deprived of what Canadians may regard as human rights?

We could continue to query a policy which attempts to relate eligibility to Canadian aid to the vagaries of human rights practices across the Third World but perhaps, after all, the effort is unnecessary. In a sense the minister has answered her own questions, but in answering her question regarding aid and human rights she unfortunately did so with a statement which contradicts what she said earlier and merely serves to confuse further. I refer to the minister's statement at the United Nations that "development assistance does not imply the foisting of one country's social . . . philosophy on another". How does one square that statement with a policy to restrict Canadian aid only to those countries which adopt our social philosophy?

In mentioning human rights, I should not want the opportunity to pass without hearing from the minister about her apparently ill-fated proposal at the United Nations General Assembly to create the new office of under-secretary general for human rights. My understanding is that this Canadian proposal has now been withdrawn, only a few weeks after it was introduced. What happened? Had the government not done its homework in determining beforehand whether there was an adequate number of co-sponsors? Was it that the idea was so inchoate, so hastily conceived, that in this sensitive area where the internal affairs of sovereign nations are so jealously guarded, few other countries were ready to adopt this

approach to the complex and controversial question of human rights?

Allow me to return to the subject of Canada's development assistance by noting another series of questions which has inevitably led to yet more confusion and contradictions in Canadian external relations. In Toronto, the minister asked whether Canada should reverse its policy of the past years and now concentrate its aid on those developing countries which are nearing the stage of economic "take-off" or self-sustaining growth.

If in fact this represents a new government policy, the first thing to say about it is that, as in so many areas of international relations, we would presumably have other countries do as we do. Who, then, would be left to help the poorest countries where life, in the words of the president of the World Bank, is "a condition so degraded by disease, illiteracy, malnutrition and squalor as to deny its victims basic human necessities"? If Canada shifts the emphasis of assistance away from such countries, are we to console ourselves with the hope that someone else will help?

The second thing to say about a policy of helping only those countries on the threshold of self-sufficiency is that many of them are among the OPEC countries. Is it now the government's intention to direct our development assistance to OPEC countries to help push them over that threshold? Perhaps not, since those same OPEC countries would have been alienated by the government's hapless excursion into the Jerusalem problem. If it is not the government's intention to concentrate aid on the OPEC countries, perhaps it has in mind certain contries of Latin America, but the minister has expressed reservations about human rights in some of them, so perhaps they too are excluded. In any event, a policy of concentration upon "take-off" countries would mean abandoning many of our Commonwealth and Francophone friends. The minister gave additional substance to this impression by stating in Toronto that Africa is no longer an area of commitment for Canada.

Southern Africa remains one of the most inflammable areas of the world today. Canadians do not live in a fireproof house, if they ever did. Neither Canada nor her allies can simply turn their backs on southern Africa asking, as the minister did, "Who in Canada cares".

Even more fundamentally, Canadians are not more immune from their history than any other nation. We are one nation drawing upon the common heritage of the English and French-speaking countries. That heritage finds expression in part in our external aid programs. Our links with the former British and French colonies are an expression of Canada's dual character. Are we to turn our back on that essential heritage? These links are not to be dismissed lightly. They are especially valuable in binding the world together with ties which transcend regional preoccupations or narrow self-interest.

One more word about Canada's development assistance. The size and nature of our commitment have recently been placed in real doubt by conflicting statements of the Minister of Finance, the Secretary of State for External Affairs, and the Minister of State for CIDA. The remarks made by the Minister of Finance in Belgrade in October were contradictory in themselves. While asserting that we want to narrow the gap between the industrialized nations and the developing world as quickly as possible and that our commitment to that goal is evidenced not only by our words but by our deeds, he added that further increases in the transfer of resources are difficult to justify to Canadians until our own economic situation improves. Our deeds, apparently, are going to be put off to a later date.

The Secretary of State for External Affairs herself has been vague on the question of how much support the government is prepared to give to development assistance. CIDA's budget as a percentage of our gross national product has continued to drop. It is now below the .5 per cent level, well below our stated goal of .7 per cent of gross national product devoted to official development assistance.

In spite of her promises to fight world poverty and to continue Canadian efforts in development, the minister will not give us deeds to bear out her words. The .7 per cent target remains in limbo. The Minister of State for CIDA recently refused to commit himself to this goal, or even to annual increments which would ensure that we would reach it.

• (1640)

The Deputy Chairman: Order, please. I regret to inform the hon. member that his time has expired.

Mr. MacLaren: May I finish the sentence, Mr. Chairman? I would ask the Secretary of State for External Affairs whether the gaps between words and deeds—

The Deputy Chairman: Order, please. There was not unanimous consent. I regret to inform the hon. member that his time has expired.

Miss MacDonald: Mr. Chairman, I presume that some of the statements that the hon. member put forward were posed in the way of questions, or was he just giving an esoteric, academic exercise in verbosity to which he wanted the House to listen, in which case I will be prepared to answer some of the statements he put forward?

Mr. Pepin: Mr. Chairman—

The Deputy Chairman: Order, please.

Mr. Pepin: Mr. Chairman, I would suggest to my hon. friend that, if she wants to wait, I have a number of points of a rather similar nature to make, that is by way of exhortation. Perhaps she could answer both of us at the same time.

Miss MacDonald: Thank you, Mr. Chairman, but I think I should have the right to deal at present with some of the points that have been made because, quite frankly, the situation of the hon. member who has just spoken is very different from that of the hon. member for Ottawa-Carleton who has taken part in debates in the House and who, I presume, is somewhat

better acquainted with the policies of his party than is the hon. member who has just spoken.

I listened to that Alice in Wonderland treatise, wondering if he knew anything about foreign policy in Canada in the last ten years, if he had paid any attention to it at all when it had been developed, and if he realized what little attention had been paid to it in the House by the previous government over a successive number of years.

Some hon. Members: Hear, hear!

Miss MacDonald: Never was it brought to the House for debate, except on a motion by the former opposition party of which I was a member, nor was this subject raised here in the House in the last number of years. That is how much attention it received from the previous cabinet.

Mr. Lachance: You are quite wrong.

Miss MacDonald: I would like to advise the hon. member on certain matters he mentioned. He spoke about foreign policy. The last time that foreign policy was reviewed in this country was in 1970-71. That is the last time, and it was not reviewed as we are suggesting it be reviewed, with public input, with people being allowed to help formulate the foreign policy of their country by using a parliamentary committee so that people can come before it and make their views known, because I believe Canadians want to express points of view on foreign policy and that should be a vehicle for them through which to do it. That is why we are asking that this matter be dealt with by the Standing Committee on External Affairs and National Defence of this Parliament. I would hope that the hon. member would make it a point to try to contribute to that, but he should be aware of the fact that this was not done in that way in the previous Liberal era because there was no means by which public input could be provided. Policy was developed from the top down only, and we do not believe in that sort of approach. I will give the hon. member an example so that he will know exactly why I say this.

The hon. member has made reference to the lack of policy statements or activities. Since this government assumed office in May we made some very important statements with regard to policy and they related particularly to our approach to the refugee situation. With regard to our strategy in Southeast Asia, we put forward a proposal to provide places of resettlement in this country for refugees from Southeast Asia and we did it by proposing a method by which Canadians could share with their government by participation. Canadians have shown since then that they wanted to contribute and to help in the resettlement of some 50,000 refugees from Southeast Asia. And what did the Leader of the Opposition call it? He called it a cop-out, because he does not know anything about Canadian people sharing with their government in reaching policy decisions. That is why we put forward the proposal of using the Standing Committee on External Affairs and National Defence as the proper means for allowing individual Canadians, groups and organizations, to help formulate the policy for the 1980s. We consider it an ongoing way in which this government has shown by example that it wants Canadians involved. It wants them involved in raising the visibility of foreign policy in this country.

I would like to reply now, Mr. Chairman, to a couple of other comments that the hon. member has made. I suppose I should not say he made a gratuitous statement, but nevertheless he made the rather unique statement that the minister stands still. I want to tell him that he is the only person I know in this country who thinks that I have been standing still since the election.

Some hon. Members: Hear, hear!

Mr. Knowles: Maybe you should have, once in a while.

Miss MacDonald: I have had the opportunity to speak on Canada's behalf in the international forums, and I have put forward proposals, one of them having to do with human rights, because we are very concerned about the whole issue of human rights, wherever it might be.

Mr. Lachance: Hear, hear!

Miss MacDonald: I applaud the hon. member who has just responded. I am sorry I do not know his constituency so I cannot give him credit. He has done a lot in this field in the time that he has been here. I am referring to the hon. member for Rosemont.

I would just like to refer to the concern we have expressed in many forums about human rights and about the attention we should be paying them, and what we should be doing next year as we come to the conference on security and co-operation in Europe which will be taking place in Madrid next year in November, when we would want the Parliament of Canada to be involved again in helping formulate the Canadian position at that conference.

I put forward a proposal at the United Nations that there should be a deputy secretary general responsible for human rights. The hon. member has dismissed it out of hand. I want to tell him that that proposal received a fair amount of support, and I was extremely gratified by the comments on this proposal that Canada received from a number of countries. It was evident that it would not receive majority support in the third committee. There were amendments that might have defeated its purpose. But what was gratifying and satisfying to me was the fact that so many countries said, "Yes, this is probably something we should be working toward." It was withdrawn, but I can assure the hon. member it will be resubmitted next year. The Canadian delegation supported the proposal of Costa Rica which was introduced in 1965 and has been reintroduced every year since. It has taken this long to get majority approval.

What I would like to say to the hon. member is that if the party of which he is a member had undertaken, when it was the government, to introduce any measures or proposals with regard to human rights at an earlier period, they might have obtained far more support. Instead, they did nothing. That is why we are putting forward proposals which we think will

strengthen the recognition of human rights throughout the world. We will continue to do so, regardless of how the hon. member runs them down.

● (1650)

Some hon. Members: Hear, hear!

The Deputy Chairman: The hon. member for Rosemont.

Mr. Lachance: Mr. Chairman, I did not expect to be recognized this early. I think the hon. member for Ottawa-Carleton had the floor.

Mr. Pepin: I appreciate the hon. member's gesture and I thank him very much.

[*Translation*]

Mr. Chairman, I am so impressed by the almost angry oratory of the Secretary of State for External Affairs that I wonder if I should not sit down and remain seated because I am afraid of suffering the same fate as the previous speaker, but I will be very careful and try, if possible, not to make her angry.

Mr. Chairman, I am not a member of the Liberal caucus committee on external affairs and I admit very simply this afternoon that I am standing in for some distinguished members of that committee who are busy elsewhere. However, since I have this opportunity I cannot resist the temptation because for several days I wanted to ask some questions of the Secretary of State for External Affairs. I am somewhat like a baseball pitcher who throws easy balls to the batters to soften their muscles before the game.

Mr. Chairman, it is a well known fact that in my party I am chairman of the caucus committee on external trade with my friend from Hamilton East who deals with industrial matters. Tomorrow I shall have a chance to question the Minister of Industry, Trade and Commerce about those problems. I tend, therefore, to try to be practical in those matters of international relations. I must say that my concerns are economic in nature; I care very much about the economic and industrial situation in this country. On the other hand, Mr. Chairman, I have some moral misgivings. I consider myself as pure as anyone else, as well-intentioned as anyone else, and wonder simply, perhaps banally, on behalf of the people of Canada, whether it might not be possible to reconcile both interests better than we now do, whether it might not be possible to conduct highly sophisticated, moral and respected politics abroad without damaging our trade interests too much.

That, I believe, is an honest concern. If the minister tells me that there are situations in which Canada should sacrifice its economic interests to superior moral interests, I shall be the first to approve. But what displeases me, in fact distresses me, is when I see the government harming the economy of my country for reasons which may seem moral but which, in fact, are not, and which may even not be in the greatest interest of the country they are supposed to help, or which are not even achievable. I am interested in that balance between objectives, and that is precisely what I should like to get the minister to reflect upon. I know she has done so previously, but I trust she will do so even more and in greater depth now.

The example to give here is, naturally, that of Jerusalem, more specifically the plan to transfer our embassy from Tel-Aviv to Jerusalem. That is a typical example of the use of a seemingly moral concern for reasons which were not very moral. And I am not being uncharitable when I say that. No Prime Minister has ever done so much, in so little time, to harm the trade position of his country, in one specific area of the world, for so mean a purpose, namely that of getting two of his candidates elected in the Toronto area.

Besides, it is not up to me to rap the fingers of the minister in that regard. Mr. Stanfield has already done that in a rather remarkable way, and if I wanted to be mean I would read into *Hansard* the admonitions Mr. Stanfield gave the government. Before embarking on a crusade, the minister should ask herself if it is a worth-while crusade, and we should ask ourselves if we are truly helping the country we are supposed to be helping. Perhaps she should show some moderation in her good feelings, which are well known.

I am done with the Jerusalem issue. Despite my admiration for the major issues involved in that project, I have no admiration whatsoever for the way the government proceeded. I deeply regret the embarrassment, the problems, the damages that this adventure caused Canadian businessmen who had been working in that area for many years, who had invested thousands of dollars and who got the wind taken out of their sails by a government that is supposed to help them.

This tendency to moralize is deeply ingrained in my hon. friend, the Secretary of State for External Affairs. In an interview, which may have been misquoted and which she granted to John Walker of Southam Press, she apparently said, and I quote:

[*English*]

As to where she draws the line between moral judgments and trade, say in Candu reactors, in the light of her desire for "the most stringent conditions possible" in nuclear safeguards, MacDonald said:

"I'm not prepared to do that at present. I'm raising this because I don't want to give anybody the answer, or what I think is my answer, before the discussion gets well under way."

The minister likes this kind of question. She goes to the United Nations talking about nuclear reactors and says the following:

We demand that stringent safeguards be applied by countries buying Canadian nuclear power facilities or materials. . . . We want to ensure that the continued recourse to nuclear power is undertaken in the most stringent conditions possible—

I cannot disagree with philosophy, theology, morality, ethics and so on. I am just saying that my hon. friend should be most cautious. I am not lecturing the minister, but if she is not yet sufficiently aware, she should be made aware that every one of these statements creates uneasiness. People say, "What does

she mean? Does she mean that from now on agreements signed by Canada on nuclear safeguards might be subjected to a rule of unilaterally imposed retroactivity? Does she mean that?"

Miss MacDonald: That is what you say.

Mr. Pepin: No. I am just wondering what it means. A lot of people around the world wonder what it means. The world is a strange place; international trade is difficult. I had the good fortune of working at it for three years. It is terribly difficult. When the minister feels inclined to make a moral statement to impress Canada and the world, I want her to please think about those guys who are trying to sell something around the world and might be embarrassed by her statement. If the good reputation of Canada is involved, the statement should be made, but the minister should not make it simply to raise an issue. The minister should not raise issues just for the purpose of starting interesting debates. Trading internationally is very difficult, I repeat. Those who have done so know how difficult it is. I used to say that the great difficulty with international trade is that it is done outside of Canada!

This afternoon the minister raised the following question, and I think I have it right: Why should we give aid to countries where violent abuse of human rights takes place? On the face of it, the answer appears simple; certainly not. But let us think about it a bit more. Who violates these rights? It is the governments of those countries. What is the relationship, in many instances, between the governments of those countries and the people of those countries?

An hon. Member: None.

• (1700)

Mr. Pepin: Very often the people made no contribution at all in the selection of those leaders. So for a very good purpose, punishing or preventing governments that violate human rights, my hon. friend would, strangely enough, punish people for the sins of their leaders, when they had hardly anything, if anything at all, to say about their selection. Those are my preoccupations and I just wanted to share them with my hon. friend.

Similarly, on the subject of aid, she has raised a problem that is intellectually fascinating. Who is it that Canada should help? Should we go for the poor, the poorest of the poor, the richest of the poor? Universities rightly delight in provoking debates of this kind. I wonder, and this is a question, not a lecture, to what extent it is practical for a government to do it. My knowledge is that countries receiving aid are of many types, of many categories. Some need certain types of aid that are completely different from the types of aid needed by other countries.

As the minister knows, I used to be a great defender of the idea that Canada had to support, by way of aid, countries that had the means for their economic development. I was very strong on the subject and I carried a list of these countries at the time. Why? Simply because we are partly in this game to expand Canadian trade abroad. There is no shame in that. If we are ashamed of that we are in trouble indeed.

A number of countries have the means of their industrial development. They are on the verge of it, they are on their way to it, and it is quite desirable for Canada to help them in certain types of ways. What will be needed there will be sophisticated equipment, engineering services, and financing. Other countries, the poorest of the poor, will need an entirely different kind of aid, teachers, nurses, technicians. What I would like to see the minister address herself to is exactly that; not a philosophical debate on whom we should help, or who needs the most; but by what means can we help a particular type of country, by what means can we help another type of country, and this to me is much more satisfactory and realistic than a major discussion on whom we should help.

Dealing with nuclear reactors, I consider that to be a good and decent Canadian export. The *Financial Post* said the other day that if you want to have a nuclear policy, first of all you are going to have to decide if you want to sell and, secondly, to whom and, thirdly, under what conditions. I suggest that this is not a thought to be ignored. On this subject I am afraid, particularly in view of the minister's statement which she is going to explain in a moment, and particularly in view of the committee that is going to be created to look into the whole Canadian nuclear policy including exports, I am afraid, to speak like my friend, the Minister of State for International Trade, that we are again going to have a "hiatus" in marketing that product while we study the subject.

It seems to me that the only way to counter this is by the minister here this afternoon getting up and saying to us that she is very much in favour of the sale of nuclear reactors under certain types of conditions. I hope that while she makes these conditions very demanding she will not go to the extent of making them impossible, because we might then end up in a situation as we apparently are in with Argentina, where the country that got the contract is offering the safeguards that we were willing to accept in the first place.

The general subject of my remarks was really the relationship between diplomacy and trade and, much as I would like to state that I recognize the importance of ethical standards and moral objectives, I would like on behalf of Canadian workers and Canadian businessmen to ask that more attention should be given to rather down to earth considerations like the economic wealth and the economic state of the country.

Miss MacDonald: Mr. Chairman, the hon. member finished on a note of throwing into question the values of ethical standards and moral behaviour. I would trust that in throwing them into question he does not intend to abandon them.

Mr. Pepin: No, and I said so specifically.

Miss MacDonald: I would hope that we would still, as a country, be able to exhibit both ethical standards and moral behaviour in all our activities, whether in trade, in aid, in external negotiations or whatever we might do. I want to thank the hon. member for the suggestions he has made. I would

hope that he would see his way possible to become a member of the Standing Committee on External Affairs and National Defence because, from his experience, he will be able to contribute greatly to the review process that will shortly be under way.

There are only two matters that I would like to address that he has brought up at the present time. One has to do with the comments I have made at the United Nations with regard to the most stringent standards that we would want to see placed on the sales, or on the question of nuclear proliferation.

I had said that Canada abides by having the most stringent safeguards possible and that we look forward as well to the results of the International Nuclear Fuel Cycle Evaluation, INFCE, which will probably be available to us in February of next year; a study which was undertaken by some 45 countries, which was joined in by the previous government, and whose objective it was to make the whole question of the nuclear fuel cycle more proliferation proof. Therefore, I have reiterated certainly what had been our party's stand in opposition and what is the government's stand at the present time, and what I thought was the position of the former government, that it too adhered to trying to accomplish for the safety of the world the most stringent safeguards possible. I would hope that the hon. gentleman's party is not moving away from that position, because that would be a disastrous thing if Canada, one of the leading countries in this discussion over the years, and one of the countries which has tried to state to the world its belief in full scope safeguards, should in any way feel that that standard should be diminished.

The hon. member had raised that matter in connection with comments that I had made, and he, as well, raised it with regard to Argentina and what was happening with regard to sales to Argentina. I am sure he will be well aware that, under pressure from the opposition, under pressure from many groups, under pressure from world opinion, the former government re-evaluated its stand, its nuclear safeguards, and upgraded them during the time that that government was in discussion with Argentina about nuclear sales. I am sure he realizes that that was done. It was a step that we, as members of the opposition, applauded.

I want to draw to the attention of the hon. member what my predecessor said at the time those standards were upgraded by the previous government when he spoke on this very subject in the House on December 22, 1976. The former minister was making a statement about nuclear safeguards and about nuclear sales abroad. As it is reported in *Hansard* at page 2256 on that date, the former minister said:

● (1710)

It is for this reason that the Government of Canada has unilaterally decided to strengthen further Canada's safeguard requirements. As in the past we are prepared to accept the commercial consequences of being clearly ahead of other suppliers. This is the price we are prepared to pay to curb the threat to mankind of nuclear proliferation.

I trust that that statement was made on behalf of the government and is a statement in which those now in opposition will continue to believe.

The hon. member has raised the question of human rights again and made reference to something I said earlier this afternoon when I talked about countries that violently abuse human rights, and our aid relations with them. I mentioned a specific country, Vietnam. That is the country to which I had referred, but I want the hon. member to know that the cessation of aid to Vietnam—which I applauded—was taken by the former government, by the party in which the hon. member now sits. I agreed with that decision, and I will continue to agree with actions of that kind. I would hope that in opposition the members who once sat on this side and who have had a long-time association with that party are not suddenly reversing their positions, which I felt they had taken because of their beliefs in ethical and moral behaviour, and that they will not be backing away from these beliefs at this time.

[*Translation*]

Mr. Lachance: I would like to begin my intervention with a little comment made without any malice. A while ago, the minister took a rather shabby attitude towards my colleague from Etobicoke North, which she does not usually do but it should be noted that we have now been discussing for an hour the points that he has raised. I therefore suppose that the minister recognizes the relevance of his questions and I hope that in the future she will be above partisanship and will do her best to meet the concerns, which I know to be sincere, of my colleague from Etobicoke North who, it should be noted, served for 12 years in the Department of External Affairs, the department of the hon. member opposite to whom I address my comments, and I think that after 12 years in this field we can assume that he has at least as much experience as the minister and myself.

Having said this, Mr. Chairman, I would like to associate myself with the comments made by the hon. member for Ottawa-Carleton and urge the minister to avoid falling into the Kantian philosophy of categories in the international forums which she addresses and where she has spoken several times in the last six months. Reality is not always black and white. There are sometimes grey areas and I believe that this is what the hon. member for Ottawa-Carleton meant earlier when he deplored the fact that the minister had raised debatable issues without necessarily providing solutions.

I know, Mr. Chairman, that we shall have the opportunity to hold such debates in the Standing Committee on External Affairs and National Defence when the minister decides to refer these matters to the committee, and it will be very healthy for us to hold such a debate in Canada on all the issues that she has raised concerning morality, aid, and our philosophy in external relations whether in relation to foreign aid or to bilateral or multilateral discussions.

But at the international level surely the minister knows that the touchiness of the nations which gather for those conferences, their excessive, extreme, sometimes justified, sometimes

unjustified touchiness goes against their good intentions and this I do not contest. She will certainly remember the letter I sent her at the beginning of her mandate to congratulate her for her position in Geneva where she censured Vietnam as a nation that did not really try to help its people. I maintain my support of the minister.

However, it is always dangerous in international forums or before an assembly of the nations to raise issues which do not call for easy answers, for the countries to which those questions are put always find it embarrassing to answer. And often it just creates more problems for Canada—the good intentions of Premier Lougheed notwithstanding—rather than solving them. So, I join my colleague from Ottawa-Carleton in urging the minister to curb her enthusiasm and maybe redirect it to the Standing Committee on External Affairs and National Defence when we shall have the opportunity to discuss these issues in depth.

Now, I wish to ask the minister more specific questions which are still perfectly pertinent unfortunately as they refer to the hostage-taking incident in the United States embassy in Tehran. The minister had the opportunity to answer some questions put by my colleagues on this side of the House about the safety of Canadian citizens in Iran and I wish to ask the following questions: three questions to which she might answer and then I might deal with another subject.

The Iranian foreign minister—we do not know whether or not there still is a civil government but we suppose there still is a foreign affairs minister—has recently met with all members of the diplomatic corps to transmit a request from the government of Iran to put pressure on the government of the United States, more particularly on President Carter to force him to give in to the demands of the extremist students who are now holding the United States embassy in Tehran, and presumably send the Shah back to Iran—we do not know whether he would be extradited to Iran or to some other country.

First, did the the ambassador of Canada in Iran attend this meeting early this week, I think, and second did he transmit to the Iranian authorities the wish unanimously expressed in this House that the hostages be liberated forthwith without any conditions? Moreover, did he tell the Iranian authorities about the wave of indignation that this unacceptable act of terrorism created in Canada?

Third, earlier this week the Government of Canada offered its good offices to the American government to help it solve the crisis. What do these good offices amount to? Do they amount only to consular services to the American nationals in Iran or do they go beyond these simple services eventually to encompass direct political intervention?

Fourth, the government of Iran recently announced—I think it was yesterday—its intention to appeal to the Security Council to discuss the matter. Does the Government of Canada—which I know is not a member of the Security Council—intend to exert unofficial pressure on the Security Council so that the inalienable principles which are, on the one hand, the right of political asylum, and on the other hand, diplomatic immunity in a foreign country, are duly taken into consideration by the Security Council?

Mr. Chairman, perhaps the minister might answer now and then I could go on to the second part of my questions.

Miss MacDonald: Mr. Chairman, I appreciate the participation of the hon. member.

[*English*]

I will take the questions that he has posed, directly, if I may.

First he asked whether our ambassador was present at the meeting in Iran to which most of the representatives of foreign nations had been summoned by the foreign minister of Iran. Yes, Mr. Chairman, he was present at that meeting.

Second, the hon. member asked whether we had communicated to the Iranian government—if we can call it that—the protest made here in this House of Commons and our protest as a government. We did that directly through the chargés d'affaires in the Iranian embassy. That was communicated, I presume, to the revolutionary council or whatever is operating in Iran in the way of a government.

● (1720)

The third question he asked was whether our willingness to be of assistance to the United States had been made known and what kind of assistance it would be. Certainly, that means consular assistance to those Americans who would be without an embassy at the present time.

I should like the hon. member to know that the offer of assistance was conveyed not only through our ambassador in Iran but that I spoke directly to Secretary of State Vance and informed him of Canada's willingness to be of assistance in any way that the United States thought we could help in this very intense situation. He expressed his appreciation for that.

Coming to the last question about the Security Council, I might say that when I spoke to Secretary of State Vance for the second time today, when he was in New York to attend sessions of the Security Council, I again offered our assistance, in any way that we could, to try to resolve what is a very desperate situation.

[*Translation*]

Mr. Lachance: I thank the minister for her explanations. Once again, at the risk of being paternalistic, I would urge the minister to be excessively careful about that very legitimate offer she made to the U.S. government, because some countries could eventually interpret that move as an interference, an intrusion in internal affairs, but I am sure the minister wants her officials to act with due consideration.

Now, I would like to touch on another subject I discussed with the minister in the Standing Committee on External Affairs and National Defence, Canadian assistance to Cambodian refugees. I must say that Canada has done more than

its share to help Vietnamese refugees by allowing a great many of them to come to Canada. I believe it is the best effort in international co-operation we have seen in Canada during the last decade, even though Cambodia is now the scene of a tragedy which results in quite complex material problems. The international community held a meeting, I believe, early last week—I wanted to be there but because of the division which took place here I could not go to New York with the minister. Sometimes the procedure in this House is a diriment impediment against one's best wishes and best intentions. Those technical problems are very important because there are in fact two Cambodian governments, at least as far as the international community is concerned, two Cambodian governments, one *de jure* and one *de facto* government, if I may put it like that. The Kampuchean government put in place by the Vietnamese government refused until recently to collaborate actively in the delivery of the enormous assistance that the international community intends to give to the Cambodian refugees in Cambodia. There again we should differentiate—as the minister pointed out—between two problems, first, the refugees living in Cambodia and second the refugees who are now in the vicinity of the border between Cambodia and Thailand and in Thailand itself. The minister announced that the Canadian government has tripled its food assistance, especially to Cambodians, but she could not answer me when I asked her whether or not the Cambodian government was willing to collaborate to transport those food supplies to the regions where the situation is most critical.

I think that members of the American Congress are about to leave or have already left for Phnom Penh to discuss with the Cambodian government the question of channelling assistance to Cambodians. In view of that, can the minister assure the House that the assistance Canada generously committed itself to give during the international conference last week, will actually reach the Cambodian refugees who badly need it, that it will reach those living close to the battlefields? Does the Kampuchean government now intend to co-operate with the international community to deliver that assistance, what is exactly the nature of the assistance that Canada is directing to Thailand to help that country solve the problem of Cambodian refugees coming in, and fourth, given that the minister is certainly aware of the fact that a group of volunteer doctors have in recent months accomplished tremendous work in Hong Kong camps and now want to go further and to reach the border zone of Thailand, is it the intention of the government to supply technical and financial help to those willing Canadians, to those doctors who are now in the field doing their best to lessen the terrible sufferings which are the lot of so many Cambodians now?

[*English*]

Miss MacDonald: Mr. Chairman, first may I just say that I should like to reassure the hon. member that in conveying our offer of assistance to the United States, it was done in a humanitarian fashion to assist those people who are without any consular services at the present time.

With regard to the situation in Kampuchea, the hon. member has noted that we have tripled our aid since the time I appeared before the committee and talked about a $5 million contribution to the appeal that the Secretary General had made for aid to Kampuchea. We have tripled that from $5 million to $15 million. We have made that aid available to the international agencies which are best equipped to handle the situation in Kampuchea, in our view, that is, to the International Red Cross and to UNICEF, which have the basic organization that will enable them to distribute the food aid, medical supplies and clothing to those who have been so hurt by this tragedy.

When listening to the news this morning, particularly that from the United States, I heard that relief planes are landing in Phnom Penh. We were assured that the supplies they carried were distributed to all of the refugees, to Kampucheans throughout the country. One has to take into consideration the lack of infrastructure there at the present time.

• (1730)

With regard to Canadian involvement in this, we have indicated that we want our aid to go to Kampuchea directly, regardless of the struggle between the Pol Pot regime and the present Heng Samrin regime. As far as possible, we want it to be distributed throughout Kampuchea. We also want to make sure that some is earmarked for the frontier camps in Thailand. As far as the actual physical arrangements of that distribution are concerned, we are leaving this up to these major non-governmental organizations.

I wish to inform the hon. member that our director in CIDA for the non-governmental organizations is going to Kampuchea personally to take a look at the situation and to advise our government on how he sizes up the relief operation that is under way. On his return we will be in communication with the International Red Cross, UNICEF and the United Nations Commissioner for Refugees.

Mr. Lachance: I will only be 20 seconds, Mr. Chairman. May I suggest to the minister that this report be made available to the House and interested members?

Miss MacDonald: Mr. Chairman, I will be delighted to do that.

Mr. Munro (Esquimalt-Saanich): Mr. Chairman, I wish to assure the minister that I do not intend to subject her or the committee to a long lecture or to a display of detailed knowledge on certain matters which most people know anyway, but to ask some deliberate questions. One goes back to the question raised by the hon. member for Broadview-Greenwood in the general area of southern Africa. I believe the minister said that a request for elements from Canada to supervise elections in Zimbabwe-Rhodesia had not been received. That is quite understandable.

I wonder if, in the conversations that have been going on, to which I am sure the minister and the department are privy, the supervisors of these elections that are expected will be uniformed personnel, civilian personnel drawn from the office of the Chief Electoral Officer, or in the nature of police. This applies just not in Zimbabwe Rhodesia but in the United Nations supervised elections that are likely to take place in Namibia, South West Africa. I realize these are different sorts of questions. I just wonder what sort of personnel are being sent. I also have a further question on southern Africa.

Miss MacDonald: Mr. Chairman, with regard to participation in any internationally acceptable force that would help out in the transition period in Zimbabwe Rhodesia, we would have to await the request from the British government. We have not been informed as to the kind of force that would be required in that situation. We have made it known, as I mentioned at Lusaka, that we would be prepared to take part in trying to come to some internationally acceptable solution in that part of the world, and that meant as far as we were concerned on that point, helping to monitor the election processes. However, we would have to await the specific request from the British government before making any definitive reply.

We are not now trying to say we would be prepared to send peacekeeping troops or to send police when what might be asked for would be people who specialize in election procedures. That was how the discussion initially came about in Lusaka. Therefore, we would await that request, if it were to be forthcoming.

The second area the hon. member mentioned was with regard to Namibia. I would think any request in that regard is further down the road than a request for assistance for Zimbabwe Rhodesia. I mention that because at this very moment there are discussions going on in Geneva, under the aegis of the Secretary General, in which the Group of Five, of which Canada is one, is involved along with South Africa, representatives of SWAPO, and the internal group within Namibia. Those discussions will be getting under way this week. Therefore, there will still be a lengthy number of discussions that have to take place before any special formula will be arrived at as to how elections are carried out in Namibia.

Mr. Munro (Esquimalt-Saanich): There must have been some thinking in the Department of External Affairs on the supervision of elections, which is the matter at issue, as to whether it would be uniformed personnel, in military uniforms or police uniforms, or civilians, if Canada has made an offer. Surely someone has thought where this group of people will be found. If we are suddenly asked for returning officers, is it possible to recruit experienced returning officers? I am just wondering if there has been any thought about that in the department. I agree the question has not been put specifically, but I hope that some thought has been given to this matter.

To go back to Rhodesia for a second, I have just received a copy of the report of the Department of External Affairs. I have glanced through parts of it. That part dealing with southern Africa deals with the Zimbabwe Rhodesia situation. It says that the security situation in that area had deteriorated to such a point that martial law had been imposed and that many whites were leaving the country.

A couple of paragraphs further on it states with respect to Zambia that the country's front line position vis-à-vis Rhodesia made it a target of land and air attacks. I see no mention in this report of land attacks in Rhodesia itself by the so-called liberation force. The reasons for the deterioration of the situation in Rhodesia were surely brought about by the attacks from front line states to which I believe the Canadian government, through some of the NGOs, has been contributing support. I wonder whether the minister would be prepared to make some comments on that.

With regard to South Africa itself, on page 84, and it is true we are talking about 1978, I notice there is no indication that the South African government intended to depart from the essential features of its apartheid policy. I also wish to refer to the following paragraph on page 84, in the middle of the page. Then there was the announcement by the former government that South African sportsmen and sports officials would henceforth be denied Canadian visas. I am wondering whether any representations have been made to the minister or whether the department has received any representations from the South African representatives in this country, or whether the department has received reports from our ambassador in South Africa as to changes in the sports policy of the South African government. Does that ban on sportsmen and sports officials still stand?

• (1740)

Miss MacDonald: With regard to the question of the kind of force or group which might be requested by the British government to assist in the transitional period, in the election period in Zimbabwe Rhodesia, it is difficult to give the hon. member any details at this point because we simply do not know the nature of the request. As the Prime Minister said the other day during his press conference, he would want to consider the nature of such a request before making any statement on it. We have indicated our willingness to play a part in seeing the election process properly carried out, but we do not know the kind of role the British government would envisage for other members of the Commonwealth or, possibly, for countries outside the Commonwealth.

With regard to the annual review to which the hon. member referred, he will note that it is the annual review for 1978 and that it was prepared in a period prior to my assuming my present portfolio. It is not something in whose preparation I was involved. As to his comments about front line states, activities of other groups, and so on, I will take note of them and take them into consideration. I can assure him that in the discussions to which we were privy—and I say "we" as meaning members of the government who attended the Commonwealth conference in Lusaka—we were tremendously impressed by the contributions made by the presidents of the front line states, Mr. Nyerere and Mr. Kaunda. Throughout this period from July onward when the Prime Minister and my

department have been in touch with them, they have been exceedingly helpful in trying to move toward a resolution of this problem, and I want to commend them for that.

I believe the hon. member mentioned that there had been some support given to military intervention—was it military intervention?

Mr. Munro (Esquimalt-Saanich): Through NGOs.

Miss MacDonald: There was no support of that nature provided by CIDA. None whatsoever. Again I should like to stress that it is humanitarian and relief activities only which have been assisted by CIDA through the non-governmental organizations.

I myself had an opportunity to see some of those programs in action in Zambia when I visited victory camps in which CUSO is doing some work helping out in a situation where some 8,000 women and children are housed in a camp for refugees. CUSO had helped with the building of houses, the installation of facilities and so on. These are people who have been uprooted, who are separated from their homes, separated from husbands, from male partners. For the most part they are working in a situation where, through the assistance of international non-governmental organizations, they create industries in which they are engaged, are turning out clothing both for other refugees and for sale to help themselves financially. They are now getting a very good operation going there. A lot of that initially was made possible with the help of the CUSO people in the region.

As to the question with regard to South Africa, the hon. member asked whether there had been any request from South Africa with regard to changes in the policy concerning sports throughout the world. I would inform him there has been no request of which I am aware communicated to my department.

Mr. Munro (Esquimalt-Saanich): Or information from South Africa with respect to this?

Miss MacDonald: No, I am not aware of any information which has been communicated in that regard.

[*Translation*]

Mr. Cyr: Mr. Chairman, Canada is a responsible member of the international community and we have proven that at all sessions of the Law of the Sea Conference. The Canadian delegation is one of the best equipped under the skilful direction of His Excellency Ambassador Allan Beesley. It has always proudly borne the Canadian flag and must continue to uphold the interest of all Canadians for generations to come. The government must continue to provide the Canadian delegation with funds to hire experts and resource staff. At the tenth session, we must not be outdone by the United States, the U.S.S.R. or Japan. Several important items for Canada will again be on the agenda at the tenth session to be held in New York and Geneva in 1980. To name just two, the issues of territorial economic fishing zones and the development of offshore mineral resources will again come up.

Mr. Chairman, Canada has proposed to set a limit to the development of nodules so as not to endanger nickel mines in Canada, more particularly those in Sudbury. Japan, the U.S.S.R., the United States and members of the European Community interested in the development of nodules do not want to hear anything about a limit being set. Those countries which are the biggest consumers in the world will become suppliers, and that would threaten the mining industry as we know it in Canada.

Our Canadian delegation must continue to promote the idea of a 200-mile economic zone and have our 200-mile fishing zone accepted internationally. Mr. Chairman, I believe the minister is aware that the United States are not particularly in favour of those 200-mile zones. The Canadian delegation at the Law of the Sea Conference was behind a majority of the proposals contained in the working paper that will one day become the Law of the Sea Treaty. Supported by the former government, our delegates were able to choose their own friends without making enemies. Relations are excellent with the Group of Seventy-seven as well as with industrialized countries.

The minister is certainly aware that Canada's main objectives at the Law of the Sea Conference are, to mention but a few, the protection of the environment along our coastlines and in fishing areas, the protection of resources on the continental shelf, the setting of a limit on the development of seabed resources, that is, undersea mining resources, the protection of our renewable resources, such as the Atlantic and Pacific salmon, and the delimitation of our fishing, territorial and economic zones.

After this short enumeration, Mr. Chairman, I should like to direct two questions to the minister. First of all, what diplomatic offensive does she intend to start within the next few months to make sure that the Canadian delegation obtains the expected success at the tenth conference? And then, will the budget cuts forecast by the Minister of Finance and the President of the Treasury Board directly affect the Canadian delegation, forcing it to do without part of its staff? The budget cuts must not weaken the Canadian delegation at the Law of the Sea Conference.

• (1750)

The problems discussed at the international conference are not all black or all white, as my colleague just said; they cover a variety of colours. The Canadian delegation must have experts ever ready to take part in the debate and Canada has a significant role to play at this tenth session of the conference on the Law of the Sea.

Miss MacDonald: Mr. Chairman, I thank the hon. member for his remarks this afternoon because I am fully aware of the importance of the Law of the Sea.

[*English*]

Throughout his time here and in various sessions of the Law of the Sea Conference over the past ten years, the hon. member has made a very significant contribution to the developments which have taken place, and we on this side of the House are very aware of that.

I would like to tell him that the urgency which is now attached to this is of very real importance to the government because we know that we are now in the final stages of the Law of the Sea negotiations. We are down to trying to negotiate the last 5 per cent to 10 per cent of the agreements, and we know that these have to be arrived at in the next two meetings. They have to be settled within this coming year at the two meetings which will be held in March and, later, in June.

The difficulty which would be faced by those who have been engaged in this exercise over the past ten years is that if those final and most difficult items cannot be resolved—such as the one referred to by the hon. member, the ceiling with regard to nickel production in the seabed—everything we have decided on previously would be endangered. All of the agreements and all of the measures which have already been put in place as part of the total package which will come out after the ten-year period could indeed be jeopardized. I am talking about things like the agreements which were arrived at which would greatly benefit Canada with regard to pollution in the Arctic, or the agreements which were arrived at on the extension to the 200-mile limit. All of these things are part of the total package, and therefore it is absolutely vital that we resolve in this last six-month to nine-month period of operation the few outstanding items, so that the previous ones already in place will not be jeopardized.

I want to tell the hon. member that under the chairmanship of Ambassador Beesley, to whom the hon. member has referred and the work he has done throughout this lengthy period, we will be taking steps to try to resolve the difficulties which still exist on these outstanding matters, whether with the United States or with other countries.

We will be attaching the very highest priority to this because, as I mentioned, we know what we would lose if we do not get those last few items locked into place.

Therefore there would be no question as to either the quality or quantity of the delegation, the people who are involved in this, being reduced in what I hope will be the last few months before the final solution is reached.

[*Translation*]

Mr. Duclos: Mr. Speaker, this being my first opportunity to exchange ideas with the minister, I would like first of all to congratulate her on her nomination. In fact I was very happy, and I say that in all sincerity, when in June last I heard that the Prime Minister had appointed her to that office. I think the minister possesses the high-mindedness, the open-mindedness and also the capacity to keep herself above political partisanship to fill such an important office, and knowing her extremely liberal record I know that sometimes she will feel, alas, isolated within cabinet and her party caucus, but she can count on our support.

Of course time is running short, and I would have liked to deal most particularly with the speech she made at the General Assembly of the United Nations last September 25, a speech which struck me because of what she said and what she did not say.

Let us start with what she did not say. I would like the minister to explain in the few minutes we have left how she managed the feat of addressing the General Assembly of the United Nations without saying anything about the situation in the Middle East, the powder keg in the world that is most likely to blow up. I fear that, following the regrettable and foolish decision of her leader to move the Canadian embassy from Tel Aviv to Jerusalem, which the government reversed to the greatest relief of us all, she found herself in such an embarrassing situation that she chose to avoid the subject.

I would ask her to say exactly, and I now come to what she said as opposed to what she did not say, what has been done about her recommendation, her most laudable suggestion that proceeded from extremely commendable reasons, that the position of assistant undersecretary in charge of human rights be established? Has Canada taken some initiatives to further that proposal? And finally, considering her interest in human rights, the main topic of her speech, I think, would the minister say whether the government made in the last few days or will make representations to have the Israeli government free the mayor of Nablus, Mr. Bassam Shakaa, and abandon its intention of deporting him from Jordan? It is obvious to me that it is a matter related to human rights.

Miss MacDonald: Mr. Chairman, I am grateful to the hon. member for his contribution this afternoon as well as his suggestions. I would like to point out that I did not raise all the aspects of the world situation in my speech at the UN. Indeed, I did not raise the Middle East issue nor did I talk about the U.S.S.R. and our alliance with the European countries.

[*English*]

The Deputy Chairman: Order, please.

Progress reported.

The Acting Speaker (Mr. McCain): It being 6 p.m., this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

At 6.01 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, November 15, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

AUDITOR GENERAL

AUDIT OF INDIAN TRUST ACCOUNTS ADMINISTERED BY GOVERNMENT—MOTION UNDER S.O. 43

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, under Standing Order 43, I rise to move a motion of urgent and pressing necessity on which I have had consultations with the government and other parties, and I thank them for their agreement to support this motion.

Whereas it is important for the sound economic development of Indian lands that the Indian people know exactly where they stand in money and land; whereas several Indian bands have written to the Auditor General asking him to conduct an audit of their Indian trust accounts administered by the Minister of Indian Affairs and Northern Development; and whereas the Auditor General replied that under the law he does not have the authority to conduct such an audit unless he is directed to do so by Parliament, I move, seconded by the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mr. Holmes):

That this House direct the Auditor General to conduct an audit into individual Indian trust accounts administered by the Minister of Indian Affairs and Northern Development and to provide reports to this House.

Mr. Speaker: Pursuant to Standing Order 43, it is possible to introduce such a motion for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

NATIONAL REVENUE

IRVING OIL—FAILURE TO REPORT EXPORTS OF REFINED OIL—MOTION UNDER S.O. 43

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise, under the provisions of Standing Order 43, to raise a matter of urgent and pressing necessity.

Inasmuch as Statistics Canada announced yesterday that it had uncovered an error of $500 million in its trade figures since a major Canadian refinery, reported by the press to be Irving Oil, had failed to report to Customs, as required by law, exports of $500 million of refined oil so far in 1979 alone, thus seriously understating the volume of our exports and in my view calling into question to one extent or another the basis of government decisions on these balance of payments figures in areas like interest rates, I move, seconded by the hon. member for Hamilton East (Mr. Munro):

That this House order a full and immediate investigation by an appropriate parliamentary committee into the circumstances of this incident, that the Minister of National Revenue investigate immediately whether other oil companies have also not made such reports to Customs, and whether the oil company in question and other oil companies have paid the taxes required by law on the income from such exports; that the Minister of Energy, Mines and Resources investigate, if the petroleum from which the exported oil was refined was imported, whether in spite of this, Irving Oil was paid public funds regarding it from the oil compensation program, and that these ministers report as soon as possible to the House on these investigations and the actions taken as a result of them.

Mr. Speaker: This motion can be presented for debate, pursuant to Standing Order 43, only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TREASURY BOARD

ADDITIONAL AUDIT STAFF FOR DEPARTMENT OF NATIONAL REVENUE—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, in view of the evidence presented to the Standing Committee on Finance, Trade and Economic Affairs by the Minister of National Revenue (Mr. Baker) on Tuesday, November 13, that the tax auditing of corporations has declined from 6.5 per cent to 4.6 per cent, in view of the fact that this decline has resulted in the loss of several millions of dollars to the national revenue, and in view of the existence in Canada of an underground economy of several billions of dollars which also goes

unaudited, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House calls upon the President of the Treasury Board to mend his ways and provide for additional staff for the tax auditing and inspecting departments in the Ministry of National Revenue.

Mr. Speaker: The introduction of such a motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

INCREASING PROFITS OF OIL COMPANIES—MOTION UNDER S.O. 43

Hon. Marc Lalonde (Outremont): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. I am sure my motion also will receive unanimous support.

Whereas the Prime Minister (Mr. Clark) and the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) have now received their marching orders from the Premier of Alberta at yesterday's meeting in Saskatoon—

Some hon. Members: Oh, oh!

Mr. Lalonde: —whereas, in particular, the Prime Minister has had to abandon his plans to tax oil companies on the basis of gross revenues rather than on profits only, and whereas it appears that the government intends to proceed with oil price increases which have already been described by the government of Ontario as "unjust, unnecessary and damaging to the Canadian economy", I move, seconded by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand):

That the Minister of Energy, Mines and Resources be instructed to refrain from taking any step that will further increase the profits of the oil industry, which the government itself has indicated as already amply sufficient to meet the future exploration and development needs for hydrocarbons.

Mr. Speaker: This motion can be presented to the House for debate at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

INQUIRY OF THE MINISTRY

SUGGESTED MOTION UNDER S.O. 43

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I rise on a matter of urgent and pressing necessity. Given the fact that the Parliamentary Secretary to the Minister of Finance (Mr. Ritchie) is a former vice-president of Imperial Oil, that two assistants of the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) are former employees of Imperial Oil, that the executive director of the Conservative party is a former employee of Imperial Oil, that the brother of the Conservative Premier of Alberta is a vice-president of Imperial Oil, and in view of the fact that the Prime Minister (Mr. Clark) has decided to involve the oil companies in the formulation of the fiscal policies of the government, I move, seconded by the hon. member for Hamilton East (Mr. Munro):

That the Prime Minister complete his team by appointing Imperial Oil's chief executive officer, Jack Armstrong, to the post of deputy prime minister of Canada.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

* * *

BELL CANADA

APPLICATION TO CRTC FOR INCREASE IN RATES—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Mr. Speaker, I rise on a matter of urgent necessity concerning a report that Bell Canada is making application to the CRTC for permission to experiment with charging telephone users for each call made, as well as for the amount of time a telephone is used, rather than the present system of flat monthly rates.

Having had an indication that this resolution was acceptable to the government and, I hope, also the opposition parties will join with me in the interest of the Canadian people, I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That this House opposes this move by Bell Canada which, in the opinion of the House, could constitute an unwarranted financial gouging of Bell Canada's customers, and finally that the House register its strong opposition to the proposal with the CRTC forthwith.

Mr. Speaker: The presentation of this motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

CONSUMER AFFAIRS

COMBINES—REQUEST FOR INQUIRY INTO INDUSTRY USING LUMBER FOR CONSTRUCTION—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the terms of Standing Order 43, I request the unanimous consent of the House—

An hon. Member: How did you like the results of the byelection in Beauce-Sud?

Mr. Lambert (Bellechasse): —to have some silence. The rules must be respected—

An hon. Member: Are you disappointed?

Mr. Lambert (Bellechasse): To each his turn and all will be well.

Mr. Speaker, under the provisions of Standing Order 43, I request the unanimous consent of the House to present a motion dealing with an extremely important and even urgent matter.

Given that the building sector is now experiencing very serious difficulties which are compounded by the high cost of materials, especially wood products where a business cartel really seems to exist, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That this House recommend to the Minister of Consumer and Corporate Affairs that an inquiry be set up to determine whether or not such a cartel exists, and if so, that legislation be introduced to favour greater competition in that sector of our economy, which step should contribute to lowering prices in the building trade and fight against inflation.

Mr. Speaker: Under the terms of Standing Order 43, such a motion cannot be put without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

RAILWAYS

RELOCATION OF RAIL LINE IN REGINA, SASK.—MOTION UNDER S.O. 43

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to rise on a matter of urgent and pressing necessity under Standing Order 43. Whereas the recent disaster in Mississauga points out how vulnerable residents of urban areas are to possible rail disasters, whereas rail lines often run through densely populated urban areas, and whereas the federal government has been dragging its feet regarding several urban rail relocation projects across the nation—Regina being an example—I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That the federal government act immediately to finalize agreements between the government of Saskatchewan and the city of Regina for the relocation of the rail line from downtown Regina.

Mr. Speaker: This motion can be presented for debate at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1415)

ORAL QUESTION PERIOD

[*Translation*]

NATIONAL UNITY

QUEBEC REFERENDUM—UNDERSTANDING OF QUEBECKERS AFTER REFERENDUM

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, before addressing my question to the right hon. Prime Minister, I want first of all, on behalf of the members of this House, to offer my heartfelt congratulations to the three federalists elected yesterday with an overwhelming majority in the province of Quebec, and also to Mr. Ryan, and I would like as well to thank my colleagues who over the past few weeks have spent many days helping those three federalists get elected.

In view of these results, Mr. Speaker, I would like to address a question to the right hon. Prime Minister. I do not think that one should, and the Prime Minister has stated the same thing, get the idea that these byelections have solved the problem. Is the Prime Minister willing to reconsider his role and is he determined, as Prime Minister of Canada and in view of the positive results of yesterday's byelections, to take action in order to tell Quebeckers and all Canadians that, after the results are known and Quebeckers have voted no to the referendum, there will be in the country a climate of joy and generosity in which Canadians will be able to say to Quebeckers that they can expect a lot of negotiating from federalists with the view to giving Quebec a new status and a better understanding by all Canadians of the problems of the French-speaking in Canada?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I have often indicated both in Parliament and throughout the country that I believe it is essential for us to continue to act in such a way as to demonstrate our flexibility as a new government. But I have also frequently indicated, and I have tried to make this point with all Canadians, particularly those outside Quebec, that it is essential for Canada to contemplate fairly deep changes in the constitution and in the relations between the two founding nations.

[*English*]

QUEBEC REFERENDUM—STATEMENT BY CLAUDE RYAN ON ATTITUDE OF PREMIERS

Hon. John C. Munro (Hamilton East): Mr. Speaker, my question is directed to the Prime Minister. I might say as a prelude to my question that I, for one, as a Canadian, entirely

support the statement made by the Prime Minister in this House that questions such as the referendum which go right to the essence of the survival of Canada should be non-partisan. I say that with all sincerity.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): In the full context, then, of that introduction I would draw the Prime Minister's attention to a statement made by Claude Ryan as reported today in the press. It reads:

> Claude Ryan told supporters there was a message Wednesday for the rest of Canada, especially for the premiers he expects reaction from on yet-unpublished Quebec Liberals proposals for renewed federalism.
>
> "Now you know who speaks for the majority in Quebec," he said, naming some of the premiers.

Mr. Speaker: Order, please. I hate to crowd the hon. member but I think the limitations of the question period have to be respected.

Mr. Munro (Hamilton East): At any rate, he concludes by saying that he wants reactions from the premiers of the rest of the provinces. I feel, and I am sure I speak for many Canadians—

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton East): I direct this question to the Prime Minister. It is not the premiers of the other provinces who should speak for Canadians and react to proposals such as this.

An hon. Member: Question.

Mr. Munro (Hamilton East): In terms of the importance and the symbolism of the office of Prime Minister of Canada, the leader of all Canadians, it is the Prime Minister of Canada who should speak—

Some hon. Members: Order.

Mr. Speaker: Is the hon. member posing a question?

Mr. Munro (Hamilton East): In that vein, I would ask the Prime Minister whether he would be prepared to rethink his posture with respect to expressing and voicing the concerns of all Canadians and lend weight to the concern that all Canadians, including those Canadians in Quebec, have on this fundamental question.

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, let me say that I accept, and welcome, the sincerity of the preface of the hon. member. I have already, as he will know, met with Mr. Ryan and had some discussions with him regarding his view of developments in the province of Quebec and, indeed, seeking his advice—as I have sought the advice of others—as to the most effective role the federal government can play in the circumstances. I look forward to seeing the proposals that will be put forward for discussion by the Liberal party of Quebec. I understand they will be coming out fairly close to Christmas.

Naturally, I have the intention of continuing to indicate, by the actions of our government and by my own statements as Prime Minister in the House of Commons and throughout the country, including in Quebec, the determination of Canadians across this country to encourage Quebeckers to opt for federalism, and to demonstrate to them that the federalism for which they are opting under this government will be a much broader federalism capable of the kind of change which we hope will allow Quebeckers to realize their cultural aspirations within the context of a united Canada.

• (1420)

The hon. member asked if I spoke with reference to provincial premiers. I would very much urge the provincial premiers also to express that similar view to the people of Quebec on behalf of the Canadians who elected those premiers in their respective provinces.

QUEBEC REFERENDUM—ROLE OF PRIME MINISTER OF CANADA

Mr. Gary F. McCauley (Moncton): Mr. Speaker, my question is directed to the Prime Minister. I am pleased to hear his remarks about possible changes in the constitution, and I do not question his sincerity with regard to the Quebec question.

I wonder if he realizes how important his symbolic role as the leader of this country is in Quebec, and can he assure the House that he intends to exercise that symbolic role to make the federal presence known in Quebec? Also, would he ask his ministers from Quebec, both in this House and in the other place, to take an active part in the campaign in Quebec?

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I thank the hon. member for his question. I certainly recognize not only the symbolic role, but also the substantial role that can be played by a Prime Minister of Canada and by a Government of Canada. Indeed, it is for that precise reason that this government has chosen deliberately to demonstrate, by actions, a more open attitude toward change in the constitutional status quo than we had thought was there before. We are going to continue that practice of demonstrating, both by the substance of what we do and by the force of what we say, the determination to encourage Quebeckers to stay in Canada and the determination to persuade the rest of Canada that, regardless of the results of byelections in the province of Quebec, regardless of the results of general elections in the province of Quebec, it is going to be necessary for this country to contemplate fairly substantial changes in the constitution of the country and also in the attitudes among the peoples in the country.

Some hon. Members: Hear, hear!

Mr. McCauley: Mr. Speaker, I would ask the Prime Minister to answer the second half of my question. Will he give his

ministers from Quebec the room to move into Quebec; will he give them permission to move into Quebec and participate actively in the campaign?

Mr. Clark: Mr. Speaker, there is no need for me to do that because my ministers from Quebec are already active in that province, not only speaking for federalism but acting for federalism.

* * *

ENERGY

RADIO REPORT OF POSSIBLE GASOLINE RATIONING—GOVERNMENT POSITION

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have two areas of energy supply questions I would like to put to the minister. One of them is on Irving Oil, but first I would like to direct a question to the Minister of Energy, Mines and Resources based on something of which I have just become aware.

To avoid any confusion or panic among the public, can the minister confirm a report broadcast by CFRA Radio about an hour ago, and now on the news wires of the nation, that his department is in the process of recruiting some 700 people to administer a program of gasoline rationing for Canada to begin January 1, 1980? Can he comment on the accuracy of that report and whether rationing under any circumstances is being actively considered?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I sincerely appreciate the question of the hon. member for Sault Ste. Marie which allows me publicly at the first opportunity to simply reject out of hand the story which has come over the radio station indicated by the hon. member, and to tell the hon. member that there is no intention, no plan, to in fact engage the number of people for January 1 or any time in the immediate future.

We are, I want to reiterate, at the present time indicating that we are going to be able to get through this winter—it will be a tight but a manageable situation—and that we are making plans, of course, in terms of existing legislation to put in the support structure in respect of the Energy Supplies Emergency Act.

● (1425)

These matters have been going on for some time and will continue to go on. There have been steps taken in that direction, but they are only precautionary steps so that we will be in the right position in the event an emergency does occur. We do not intend to bring in rationing. I thank the hon. member for bringing this matter to my attention.

FINANCE

IRVING OIL—FAILURE TO REPORT TOTAL EXPORTS—EFFECT ON DECISION TO INCREASE INTEREST RATE

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I thank the minister for clarifying that situation. I have a question for the Minister of Finance, and it also has to do with the accuracy of information. It relates to the startling news that Statistics Canada was not informed of a $.5 billion export sale from the Irving refinery in 1979 and several hundred million dollars of export sales in 1978 as well, thereby distorting the information upon which fiscal and monetary planning is based.

Can the minister tell the House if he was aware of this error prior to announcing the increase in interest rates and, if not, will he now reduce the interest rate because of our more favourable trade balance?

Mr. Speaker: I am sure that the hon. member will realize that I am being generous in considering his question to be a supplementary question.

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I certainly agree.

Some hon. Members: Hear, hear!

Mr. Crosbie: In a way this is good news. There was an error in the export figures in 1978 of approximately $300 million, and $500 million to date for 1979. Omitted were 1.5 million barrels per month of refined petroleum products, gasoline and fuel oil, over the period April, 1978, to October, 1979. That means that the merchandise trade surplus for 1978 would increase to $3.7 billion from $3.4 billion, while the current account deficit would narrow to approximately $5 billion. That is good news.

It also means, for example, that this year's trade surplus could well be at least $2.1 billion which is an improvement over what we have been expecting. The reporting error is relatively small with respect to the total economy, because we have a GNP of over $250 billion and it is equivalent to 0.2 per cent in current dollars. The revision will affect the data on the trade surplus. Unfortunately, it is not a big enough error to affect interest rates. If it were a huge error—say $500 billion or something like that—then it would have helped, but unfortunately it is a relatively small error in the total picture. It is not an error of Statistics Canada, but of the oil company not reporting the figures to Statistics Canada. I understand that Statistics Canada discovered the error itself, but my hon. friend would have more information on that.

* * *

[*Translation*]

CONSUMER AFFAIRS

POSSIBLE COMBINE IN LUMBER INDUSTRY IN QUEBEC

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, to follow up with the motion I moved a few moments ago under

Standing Order 43, I would like to ask the Solicitor General and Minister of Consumer and Corporate Affairs whether he knows that there exists a cartel in the marketing of lumber, more particularly in the province of Quebec, that this cartel fixes prices which construction lumber dealers are forced to pay and that this process is one of the causes for the increase in the costs of construction? Is the minister aware of this problem?

[*English*]

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, I thank the hon. member for his question. I have had no notice of the question and I have received no such specific information or allegation with respect to the matter. That is not to say, however, that the director of investigations in the department would not have received such an allegation.

If the hon. member has specific information that he would like to give me, I can assure him that it will be placed in the hands of the director of investigations forthwith and that I will report back to him in due course.

● (1430)

[*Translation*]

PRICE OF LUMBER USED IN CONSTRUCTION INDUSTRY—INTRODUCTION OF COMPETITION LEGISLATION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, given the fact that the minister, according to the answer he just gave me, seems to be willing to look into the situation and take appropriate steps, could I ask him to order an immediate inquiry into this matter? As for the specific instances he asked for, I would love to be a member of the RCMP because then I would be in a position to inquire personally and it would be easier for me to provide the minister with these specific facts. But since there are very able officials in his department, could I ask him to examine the situation and, on the basis of the findings of the inquiry, to introduce legislation to put some order in that area?

[*English*]

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): It is rather difficult, Mr. Speaker, on the basis of a general allegation such as that. Obviously the hon. member is concerned and, I am sure, quite justly concerned. I would really have to have some details—at least in respect of the geographic area—regarding the companies complained of an in respect of some of the practices, which I am sure the hon. member would have in his possession; otherwise, he would not be making those statements.

I can assure the hon. member that as soon as I get those details from him—or, if he would rather, I can put him in direct touch with the director of investigation—we would certainly be glad to have an investigation made.

[Mr. Lambert (Bellechasse).]

ADMINISTRATION OF JUSTICE

ILLEGAL ACTS COMMITTED BY POLICE OFFICERS—PRIME MINISTER'S POSITION

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, my question is for the Prime Minister. Last Friday, as the government was still receiving editorial congratulations on the basis of reassuring statements by the Solicitor General for its apparent abandonment of the Prime Minister's election-time promise that he would allow illegal acts by the police through a minister of his cabinet, the Prime Minister apparently raised the issue again by reverting to his election-time position.

The time has come, Mr. Speaker, to ask the Prime Minister squarely in this House whether he stands by the rule of law traditional to our society, or whether he is determined to introduce a new system of allowing illegal police acts under ministerial sanction. When replying, would the Prime Minister please give some thought to the words of his distinguished colleague from Peace River, to the effect that the implementation of the Prime Minister's proposals will mark the beginning of the disintegration of democratic society in Canada?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, of course I stand by the rule of law. That is one of the reasons we are determined to find some means by which we can ensure that all of the actions of the police in Canada are conducted in accordance with the law of Canada.

As the hon. member knows, as a result of activities which were alleged to have occurred during this period when the party he supports was in office, there is now a royal commission looking into various aspects of police activity. It will be making recommendations to this government with regard to new procedures that should perhaps be put in place. We will also be considering other sources of advice on that matter, but our goal is to ensure that we have securely in place in this country a system whereby the police respect and operate under the rule of law.

Mr. MacGuigan: Mr. Speaker, the Prime Minister should remember that he is from the Canadian west and not from the American west with its vigilante traditions.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member has a supplementary question?

Mr. MacGuigan: This proposal of giving the minister responsible for police the right to dispense with the normal rules would make possible the creation of just the kind of police state from which so many Canadians have fled. Does the Prime Minister not understand that giving this kind of power to the minister responsible for police, not changing the substance of law but making a procedural change to give this kind of unequal power to the minister responsible for police—

Some hon. Members: Order.

Mr. MacGuigan: Does the Prime Minister not understand that that is totally inconsistent with the rule of law as it has been applied in this country?

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, I gather the hon. member did not hear, or understand my first answer, so occupied was he with questions of geography. I can tell him that we are not planning merely a procedural change. Any change that occurs to assure that police activities are confined within the rule of law or any change that we contemplate I expect will be a change in the law that will be introduced into and debated by this House.

I would welcome the contribution of the hon. member, who has been a member of this House for some time and who is concerned about these questions. He could well have some valuable contributions to make to bring into place an effective law in a situation which I know he will admit is difficult.

MINISTER ASSIGNED TO DEAL WITH ILLEGAL ACTS OF POLICE OFFICERS

Hon. J.-J. Blais (Nipissing): Indeed, Mr. Speaker, a large number of individuals have already contributed worth-while suggestions to the gentleman.

An hon. Member: Speak up.

An hon. Member: Present company excepted.

Mr. Blais: My question is directed to the Prime Minister. The question was asked quite specifically, whether the Prime Minister now withdraws his position that he has made public on two occasions whereby he would instal a minister who would be responsible for improving, on an ad hoc, arbitrary basis, illegal activity by the police.

I point out to the hon. gentleman that even the commissioner of the RCMP has found that that process would create as much nervousness because it would leave in the politicians' hands the power of determining what can and cannot be done by the police although that activity may well be illegal.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I did not hear the question, but I assume it was a repetition.

Mr. Blais: Mr. Speaker, that is the sort of levity that is attributed to serious matters—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Blais: —and indicates the lack of seriousness on that side of the House.

Some hon. Members: Hear, hear!

Mr. Blais: Mr. Speaker, yesterday the President of Privy Council was very free with his legal advice. It was pointed out, Mr. Speaker, that—

Mr. Speaker: Order, please. The hon. member has the floor for the purpose of putting a question.

Some hon. Members: Hear, hear!

Mr. Blais: Mr. Speaker, would the Prime Minister listen to what the attorney general of Ontario has indicated, to the effect that notwithstanding any proposals that he has identified, whereby on an ad hoc basis authorization would be given to illegal activity, he would, in effect, commence prosecution under the criminal law if such activity took place?

Has the Prime Minister had an opportunity of discussing his plan with the attorney general of Ontario, so as to receive from that minister the enlightenment that he fails to receive from his own colleagues on that side of the House?

Mr. Clark: Mr. Speaker, just to be clear, what I indicated earlier was that when the hon. member rose the first time to make his speech, I believe he neglected to put a question. He has now put a question.

I can certainly give him an assurance that as we look for means to ensure that under this government all the activities of the police forces proceed under the rule of law, as we look to a means that will ensure that that occurs under this government, we will naturally consult the attorney general of the province of Ontario and any others who have useful advice to give, including the former solicitor general who was responsible for the activities of the police during a period which is now in part under investigation.

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NATIONAL DEFENCE

CONTRACT FOR CRUISE-MISSILES

Mr. Alex Jupp (Mississauga North): Mr. Speaker, my question is for the Minister of National Defence. A week ago yesterday, the hon. member for London West—the defence critic for the official opposition—raised the sprectre, in a question to the Prime Minister, that Canada may well lose the $545 million cruise-missile business that had previously been committed by McDonnell Douglas. My understanding is that the matter raised by the U.S. defence—

Mr. Speaker: Order, please. Is the hon. member putting a question?

Mr. Jupp: The prospect has seriously upset the employees of Defence Production units in Mississauga and Toronto. May I ask the minister if the defence critic for the Liberal party is correct, or is this a simple bookkeeping matter, which is my understanding of it?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I should like to thank the hon. member for bringing this up as a kind of late addition to the defence critic for the official opposition. The truth of the matter is, Mr. Speaker, that there is no question of

them cancelling the contract. The contract will go into effect. This came about through a rather unusual letter wherein the deputy undersecretary, acquisition policy, of the United States government said:

● (1440)

—it was agreed any offsets relating to such an award would accrue to the U.S. government and neither of the two respective U.S. competitors for the new fighter aircraft. However, the amount could later be used at the discretion of the U.S. by the winner to cover shortfalls in the offset program.

There was no mention whatsoever of cancellation of the contract.

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EXTERNAL AFFAIRS

REROUTING OF IRANIAN PLANES TO CANADIAN AIRPORTS

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I would like to direct a question to the Secretary of State for External Affairs. In view of the fact that planes from Iran cannot land at Kennedy international airport, and to emphasize our continuing shock at the blackmail and terrorism taking place in Iran, can the minister assure the House that the Canadian government will not under any circumstances authorize the rerouting of Iranian planes to Mirabel or to any other Canadian airport?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, the question raised by the hon. member is one which perhaps refers to a plane from Iran which had already landed at Mirabel and which landed, in those circumstances, as the only alternative at that time. I am sure she will understand that in those circumstances it was necessary to provide landing rights. There has been no discussion of such a practice continuing.

Miss Jewett: Mr. Speaker, I am glad to hear that, in effect, the minister has said there will not be any authorization of the rerouting of those planes.

An hon. Member: She did not say that.

Miss Jewett: I take it that she said that.

HOLDING OF U.S. HOSTAGES IN IRAN—MOTION PASSED BY HOUSE OF COMMONS

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, could I ask the minister, further, if she would indicate to the House whether the government has passed on to Iran the unanimous resolution that was adopted by the House on November 6, namely, that the Government of Canada extend its protest to the government of Iran against the latest acts of criminal aggression—the siege of the U.S. embassy and the kidnapping of its staff and their families?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, as I indicated yesterday, in response to a similar question of that nature during the time we were in Committee of the Whole, that resolution asked the government to extend its protest to the Iranian government. We did so that same day, through the chargé d'affaires of the Iranian embassy here in Ottawa.

* * *

ADMINISTRATION OF JUSTICE

ILLEGAL ACTS COMMITTED BY POLICE OFFICERS—PRIME MINISTER'S POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a supplementary question for the Prime Minister following up the questions asked by the hon. member for Windsor-Walkerville and the hon. member for Nipissing.

What the Prime Minister has told us today about the approval of illegal acts seems quite different from what he told the country during the election campaign, when he said that he would have a senior minister approve of certain illegal acts. It is also quite different from what he appeared to say last week. Does this mean that he has abandoned the position that he tried to sell the Canadian people during the election campaign? Is this another flip-flop?

An hon. Member: Of last Friday.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, what I said today is that whatever procedure we adopt to ensure that the former situation is changed, where there was not an ironclad assurance that the activities of the police were conducted under the rule of law—whatever procedure we adopt to accomplish that will be adopted by a change in law that will be introduced in this House and subject to debate in this House.

As the hon. member knows, as a former minister active in this field, there is a precedent. There has been the practice in other jurisdictions for the kind of authority under the rule of law to be set out in a statute vested in the minister. That is an option we are going to consider as a government. But I repeat again to the hon. member my assurance that any action that is taken will be of a legislative and not of a procedural nature, and it will be subject to review and discussion in this House of Commons.

Mr. Allmand: Mr. Speaker, the Prime Minister has not confirmed what he seemed to say during the election campaign and he is certainly not making clear—

Some hon. Members: Oh, oh!

Mr. Allmand: He seems to be disavowing what he said during the election campaign, but not making clear to this House or to the people of Canada what he has in mind. I would ask him what kind of illegal acts would be covered by his plan: illegal entries, mail openings, thefts, bombings; and does he intend to proceed by amending individual acts such as the Post Office Act, the Criminal Code and the Official

Secrets Act, or will he have a new act, a general "dirty tricks" act approving of all sorts of illegal acts?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Clark: Mr. Speaker, any change in the law that we introduce will be designed to stop activities of the kind that were alleged to have occurred under the former government, and any other acts.

Some hon. Members: Hear, hear!

An hon. Member: Speared twice, this week.

[*Translation*]

ILLEGAL ACTS COMMITTED BY POLICE OFFICERS— GOVERNMENT POSITION ON RULE OF LAW

Mr. Claude-André Lachance (Rosemont): Mr. Speaker, my question is directed to the Prime Minister.

Considering the evasiveness of the Prime Minister about the specific nature of ministerial authorizations for Canadian police forces to perpetrate otherwise illegal acts and since there is a real danger that the law could be abused, could the Prime Minister give the House his personal view of the rule of law and tell us more especially whether it is consistent with the classic definition of Dicey and I quote:

[*English*]

—the Prime Minister, down to a constable or a collector of taxes, is under the same responsibility for every act done without legal justification as any other citizen.

[*Translation*]

—so that the House may assess, Mr. Speaker, in light of the good or wrong interpretation of basic legal concepts by the Prime Minister, the probable extent of damages?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I think the hon. member is seeking my personal opinion on certain questions. I think it is essential for the House and the government to want to make sure that in the future, contrary to what was done in the past, there will be a system under which all the activities of the RCMP or other officers of the Canadian government will be in accordance with the rule of law.

PRIVILEGE OF JUDGES TO REJECT EVIDENCE WHICH WOULD TARNISH IMAGE OF JUSTICE

Mr. Claude-André Lachance (Rosemont): Mr. Speaker, I have a supplementary question.

Mr. Speaker, in 1977 the House adopted the concept of putting the administration of justice into disrepute. Can we prejudge, Mr. Speaker, that in his amendments the Prime Minister will maintain this principle which grants the judges the privilege to reject evidence which would tarnish the image of justice and, more specifically, would he authorize the minister concerned to appear in court?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, we must take into account the possibility of an emergency situation. If there is any possibility for the government to apply this principle, it will be one of the options considered but in case of an emergency, it may not be possible to resort to it. We need a system that can assure the protection of the principle of the rule of law, in French—

Some hon. Members: —la règle du droit—

Mr. Clark: —la règle du droit.

* * *

[*English*]

CRIMINAL CODE

PROVISIONS FOR SENTENCING AFTER CONVICTION FOR KIDNAPPING, EXTORTION AND TREASON

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, my question is for the Solicitor General, acting for the Attorney General. It concerns the recent three-year sentence imposed on Jacques Lanctot for kidnapping.

In view of the fact the Criminal Code of Canada sets a maximum sentence of life imprisonment for kidnapping, reflecting the serious nature of this crime, would the minister give consideration to amending the Criminal Code with respect to minimum term sentencing of persons convicted of kidnapping, extortion and high treason to more accurately reflect the will of Canadians regarding these serious crimes?

Some hon. Members: Hear, hear!

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, may I take that question as notice? To be frank, there have been no discussions, to my knowledge, by the Minister of Justice respecting amendment of the Criminal Code along those lines. He may himself have some ideas on it which we have not yet discussed. I will be glad to discuss the matter with him and provide an answer to the hon. member.

* * *

[*Translation*]

LABOUR CONDITIONS

INQUIRY WHETHER MINISTER RECOGNIZES THAT WORKERS' SOCIAL SECURITY IS TOO EXPENSIVE

Mr. Jacques Olivier (Longueuil): Mr. Speaker, my question is directed to the Minister of Labour who may be the most Progressive Conservative member of this government.

An hon. Member: He is the only one!

Mr. Olivier: Mr. Speaker, last week we heard the Minister of Finance—

Some hon. Members: Indeed!

Mr. Olivier: If hon. members could stop shouting. I am prepared to wait.

Last week then, Mr. Speaker, the Minister of Finance stated very clearly he found reasonable that the minimum hourly wage should stay at $2.90. We also heard the Minister of National Health and Welfare announce that some day thousands of mothers were bound to lose their family allowances. We also heard the Prime Minister say he found it normal that oil companies should make profits of 45 per cent. I would like to ask him today—since the Economic Council tabled a study indicating that the implementation of safety features in the workplace was too expensive—whether he agrees with the conclusions of this study and whether he considers that there is a price to pay to ensure the safety of Canadians workers?

● (1450)

[*English*]

Hon. Lincoln M. Alexander (Minister of Labour): I want to thank the hon. member for a very important question. I have not seen this report, so obviously I cannot make any comment in that regard. But I have no hesitation in telling him that as far as this government is concerned, our human resources are extremely valuable to us. Accordingly, we are very concerned about the safety and health of workers in the workplace, and as long as I am Minister of Labour I do not intend to sacrifice health and safety for the sake of profit.

I would want to see this report because I cannot understand how they could possibly put a price on human life and the safety of human beings whom we need to bring about the economic development the country is crying out for.

Some hon. Members: Hear, hear!

[*Translation*]

INQUIRY WHETHER GOVERNMENT INTENDS TO AMEND LABOUR CODE TO REDUCE ACCIDENTS

Mr. Jacques Olivier (Longueuil): I would like to ask a supplementary question, Mr. Speaker.

I thank the minister for his answer and most of all I am glad he agrees that we should not talk in terms of money about the life of workers or people who are risking their life every day.

Is the minister prepared, according to his remarks and his own logic, to strengthen the Canada Labour Code to prevent accidents? Is he also aware that more days are lost through accidents at work than through strikes? After the discussions he has already announced, would the minister also admit that time has come to introduce in the House some amendments to the Canada Labour Code aimed at guaranteeing better safety to employees so that Canadians do not serve as guinea pigs nor become victims of public dangers when working in a manufacturing plant?

[*English*]

Hon. Lincoln M. Alexander (Minister of Labour): That is a very good question, too, and I want to thank the hon. member for his concern. He may have noticed that a report has recently been handed down concerning unscheduled absenteeism, which I understand can run into ten times the number of man-days lost. My department is looking into this matter at the present time in terms of the format and the cost of the mechanism we might introduce to look into this entire matter. In the event that we bring in any amendments to the Canada Labour Code with respect to safety, the hon. member will be advised in due course in the ordinary way.

* * *

RESEARCH AND DEVELOPMENT

FUNDING OF SCIENTIFIC ORGANIZATIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. It arises out of his statement this morning announcing an increase of over 30 per cent in next year's expenditure on scientific research for the National Science and Engineering Research Council.

I am sure everybody will welcome that announcement, but scientists are already asking questions about whether that increase next year will be in the form of new money or whether it will be taken from the research money for government research organizations such as the National Research Council or research institutes in other departments.

Hon. Heward Grafftey (Minister of State for Science and Technology): I thank the hon. member for his question. This morning we announced a $39 million increase to universities for research and development: we found that after ten years of neglect they were in a deplorable state. This increase has been welcomed by the university community. Reaching 2.5 per cent in relation to the gross national product in the eighties, which is our challenge, is one concrete step to redress the imbalance of the last ten years.

We are committed not to cut back on research and development; it is an essential aspect of our economic development program. We will not be taking the extra moneys voted today from any other R and D program of government.

* * *

[*Translation*]

EXTERNAL AFFAIRS

IMPRISONMENT OF MAYOR OF NABLUS, ISRAEL—GOVERNMENT POSITION

Mr. Marcel Ostiguy (Saint-Hyacinthe): Mr. Speaker, my question is for the Secretary of State for External Affairs.

Given the commitment of this government with regard to human rights anywhere in the world, of which she spoke recently before the United Nations General Assembly, could the minister tell the House whether the Canadian government did or will make representations to the government of Israel asking it to liberate the mayor of Nablus, Mr. Bassam Shakaa, and to give up the idea of deporting him from Jordan?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, many organizations throughout the country have expressed to us their concern over that matter. I have asked our embassy in Israel to review that situation in order to help the government determine how to react.

* * *

[*English*]

VETERANS AFFAIRS

FUNDING TO IMPROVE SERVICES IN VETERANS HOSPITALS

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, my question is for the Minister of National Defence and Minister of Veterans Affairs. Its subject is the concern felt by families of war veterans who are in hospital, many of whom will not come out. The minister will be aware of the increasing number of complaints hon. members are receiving concerning deteriorating services for our veterans.

Is the hon. gentleman monitoring the situation in hospitals which have been referred to provincial jurisdiction, and will he assure the public that there will be no further cuts in those hospitals which are still being administered by the Department of Veterans Affairs? The cuts are resulting in some deterioration in the services provided to our veterans.

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Yes, Mr. Speaker, we are indeed monitoring the treatment given to our veterans when hospitals have been turned over to provincial auspices. We are also watching carefully the treatment given in the ones we have retained. We have had some success in this area in recent months. I am particularly pleased to tell the hon. member that we have put a new doctor in charge of the hospital in Victoria which was turned over to the B.C. provincial service some time ago and there has been quite an improvement in the care. We are watching the situation closely, and I share the hon. member's interest in this matter.

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CANADA MORTGAGE AND HOUSING CORPORATION

DEVELOPMENT OF NEW RENTAL HOUSING

Mr. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have a question for the minister responsible for the Canada Mortgage and Housing Corporation. Recent reports issued by the corporation indicated that several major Canadian cities have a vacancy rate of less than 1 per cent in the rental housing field. Can the minister tell us if the corporation and the cabinet are aware of the gravity of the situation, and whether they plan to take initiatives to develop new rental housing to meet the new demand?

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): We are aware of the gravity of this situation. As the hon. member has suggested, it is particularly acute in some areas. We recognize that substantial assistance is being given to the corporation in the form of public housing, graduated mortgage payments and other non co-op housing efforts, but the fact remains that for the present time we have not yet devised any meaningful strategy which will bring short-term relief. We are looking at the situation as closely as we can and we would welcome any initiative the industry or members of the House could provide.

* * *

[*Translation*]

INDIAN AFFAIRS

ATTIKAMEK-MONTAGNAIS COUNCIL—REPAYMENT OF LOANS THROUGH COMPENSATION RECEIVED

Mr. Charles Lapointe (Charlevoix): Mr. Speaker, my question is for the Minister for Indian Affairs and Northern Development. Last October 5, in a letter to the president of the Attikamek-Montagnais council of Quebec, the minister recognized the validity of the territorial claims made by the Montagnais and the Attikamek of Quebec. Therefore I would like to ask him if he could tell the House why he refuses to make the Attikamek-Montagnais council eligible for loans to be paid back through compensation as was done previously in the case of the Crees of James Bay, the Yukon Indian Brotherhood, the Naskapis, the Denes and the Labrador Montagnais?

● (1500)

[*English*]

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, I want to indicate to the hon. member that representations have been made to me on the matter he has raised. There was an initial request for some funding on the part of the Quebec Indians. The department forwarded $35,000 initially. That money has now been accepted by them, and they are going forward with their claim.

[*Translation*]

REVISION OF POLICY ON TERRITORIAL CLAIMS

Mr. Charles Lapointe (Charlevoix): Mr. Speaker, I have a supplementary question. I find it difficult to accept such an answer when a request for $1 million has been met by granting a mere $35,000. Can the minister tell us when he plans to be through with his review of the policy regarding the territorial claims because meanwhile Indians all across Canada are being

deprived of their lands without any possibility of defending their rights?

[*English*]

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, the question of land claims right across Canada obviously is a pressing one, but it is also important that the government of the day does a very specific and very complete review of the situation as it exists today. That has been my purpose, and when the cabinet has made a decision it will be announced.

* * *

[*Translation*]

AIRPORTS

REPAIR OF RADAR SYSTEM AT DORVAL—AIR SURVEILLANCE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Transport. This morning I received a report to the effect that the radar system at Dorval has been out of order for three or four weeks and that the air traffic controllers now have to use a dangerous and much less effective system. Could the minister tell the House what measures he has taken to correct the situation at Dorval?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I thank the hon. member for giving me prior notice of this very important question. I am informed that there was no system failure. Part of the antenna system had to be changed to resolve some problems which developed. This required that the terminal radar be shut down and the en route system used for all functions. The antenna replacement was unsatisfactory, and the terminal radar has been out of service since October 2, 1979. Additional equipment has been acquired and installed and, assuming that the above action is successful, the sytem should be back in service before the end of November.

[*Translation*]

Mr. Nystrom: Mr. Speaker, I should like to ask a supplementary question.

Mr. Speaker, we have had similar problems in Toronto, Vancouver and Calgary during the last two months. Could the minister tell the House whether he intends to instal a new radar system in the near future, a system that would prove more effective than the one we now have in Montreal, Toronto, Vancouver and Calgary?

[*English*]

Mr. Mazankowski: Mr. Speaker, the Canadian air transport administration is in the process of determining the requirements for surveillance throughout Canada through to the year 1995. That review is currently ongoing.

The situation at Vancouver is that there was no system failure. There were some technical adjustments which were required in order to improve the operation of the equipment.

Calgary did have a problem in August of 1979. Repairs were undertaken and the operation was returned to service on October 18. There is a new system that is in the process of being installed. The target date for completion is December 31, 1979.

* * *

TREASURY BOARD

REDUCTION IN STAFF OF CTC

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, my question is addressed to the President of the Treasury Board. It is a follow-up to a question asked yesterday by the hon. member for Parkdale-High Park. Will the minister tell the House directly whether the Canadian Transport Commission has suffered a reduction in man-years as a result of government cutbacks?

Hon. Sinclair Stevens (President of Treasury Board): Mr. Speaker, I am rather pleased that the hon. member has asked this question once again. I indicated yesterday that I would check into this matter, and I have found, first, that the Canadian Transport Commission makes its own allocation as to where its personnel will be used. The fact is that under the previous government a review was made jointly by CTC people, the bureau of management consultants and the Treasury Board to determine if there were person-year reductions possible within the CTC. As a result of that review the CTC agreed that 100 person-years could be reduced.

Mr. Benson, the chairman of the CTC, was so notified on June 6 of this year. Our understanding is that he agreed to the reduction. At no time since then have we had any indication that the CTC is objecting to the suggested reduction which the former government said was in order.

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ORAL QUESTION PERIOD

LENGTH OF QUESTIONS—STATEMENT BY MR. SPEAKER

Mr. Speaker: Order, please. I have received two notices of privilege, but again I want to call to the attention of the House today that I extended the question period a few minutes. It was an arbitrary decision which I will not make again, but I do want to bring this matter to the attention of the House and to ask for co-operation from both sides of the House.

If we examine the record of the question period today, we will find again a phenomenon occurring to which I have referred several times in the past. Members who put and answer questions in the early stages of the question period seem under some constraint to make the questions and answers long, whereas in the latter part of the question period it is expected—and in fact it happens—that the questions and the answers are much shorter, under the pressures of the time. I am inviting the House please to examine this phenomenon and, in the interest of greater and fairer participation and distribu-

tion during the question period, which I think all of us want, I invite those who perform in the early stages of the question period to be guided by the same disciplines which affect those in the later stages of the question period.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

PRIVILEGE

MR. BLAIS—ALLEGED CHARGE BY PRIME MINISTER

Hon. J.-J. Blais (Nipissing): Mr. Speaker, I have a question of privilege which I should like to reserve the right to bring up tomorrow. If I understood correctly, in the second answer the right hon. Prime Minister gave me, he alluded to the fact that I may have authorized the commission of illegal acts by the Royal Canadian Mounted Police while I was Solicitor General. I should like to look at the blues to ascertain exactly what the right hon. Prime Minister said, and then bring up the matter again.

MISS BÉGIN—ALLEGED CHARGES BY MINISTER OF NATIONAL HEALTH AND WELFARE

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, I hesitated before rising on this question of privilege, but I feel I must. It concerns the answer the Minister of National Health and Welfare (Mr. Crombie) gave the House in one instance yesterday, November 14, when according to *Hansard* he said, and I quote one short excerpt: " . . . it is important to carry out a social security review—because this government is determined to make sure that the review takes place. It is something that should have been done by hon. members who were in this House ten years ago." The present minister also said, on November 5, and I quote: "When I took over the department, I carried on the work she had begun"—speaking of me—"with regard to looking at all the social security programs that the Department of National Health and Welfare offers. It is in the spirit of those reviews that the "proposal" came out in the newspaper. I think that she well knows . . ." speaking of me once again.

I would like to tell the House that the Minister of National Health and Welfare misled the House about a matter that I consider as very serious because it affects the everyday life of people waiting for their old age security or family allowance cheques. I do not usually rise on such matters. I read carefully Beauchesne's Parliamentary Rules and Forms, and I think the only way I can let the House know that the minister misled the House and that he should set the facts straight is the one I am using today. If I may, Mr. Speaker, I would like to recall briefly that in June 1972, the then minister, the hon. member for Hamilton West (Mr. Munro), had before the House a family allowance proposal called FISP, which was rejected by

the Canadian people and was not brought back since the government was re-elected on October 30, 1972. Later my colleague and fellow frontbencher, the hon. member for Outremont (Mr. Lalonde), reviewed the whole matter of social security in the paper titled "Background paper on social security", published on April 18, 1973, examined at eight federal provincial meetings, the last one being the famous meeting of June 1 and 2, 1976, after—

[*English*]

Mr. Speaker: Order. In the interest of the minister's ability to hear the question of privilege which concerns him, I wonder if we could have a little order on his side of the House.

• (1510)

[*Translation*]

Miss Bégin: Thank you, Mr. Speaker. This very important federal-provincial conference dealt with the whole social security issue in Canada. I had a number of research papers prepared which were all published at the time and which touched upon specific areas of social welfare problems in Canada. There was also the Harvey Lazar report concerning pensions which the former government had approved just before the election and which has not yet been published. This report dealt only with old age security pensions. I should like to add that when I left the department, the object of research was the guaranteed annual income.

Canadian women have heard it said on several occasions that sooner or later the Progressive Conservative Party would cut off family allowances. The minister has said that I initiated this action. This is not true! When he was appointed to his department, he stated in the House that he had found a document to that effect. This is not true either.

I did not launch any study to cut family allowances. I want to make that very clear. What he did find in his research branch was a group studying the guaranteed annual income and it does not have anything to do with family allowances. On another occasion he said that there had not been any over-all review of social security in Canada. He is contradicting himself because on two different dates he said the opposite. There has been one. There has been an exhaustive study which lasted several years, three years in fact; it was stopped because Ontario among others rejected that proposal made to all provinces.

So I object when the minister tells Canadians that during ten years nobody ever did anything in Canada to update our social security system and hides behind that to tell people it is essential to cut family allowances by 1981. I would simply like him to familiarize himself enough with that file so as to be able to answer about each one, as it exists, because it has a name, and a research team behind it. He should refrain from muddling up the issue and putting up smokescreens to hide what exists or does not exist in terms of reviews. I would urge him to confirm or correct the list of reviews I just mentioned

so Canadians will know where they stand when we ask questions in this House and we are not told the truth. I know he is still new in his department, and that is why I simply ask him for an explanation or a retraction so he can set the record straight. I know Beauchesne talks about allegations, facts, which might be contradictory in the eyes of the opposition or the government. Those facts seem so important to me at this time that I would like them to be considered a question of privilege, Mr. Speaker, so the minister will have a chance to set the facts straight as they existed when he took over that department.

[*English*]

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, I am prepared to respond, but does Your Honour regard this as a question of privilege?

Mr. Speaker: I know it is very close to the difficulty which we have been trying to treat recently in the area of a disagreement as the result of an interpretation. However, without examining the record of what the minister had said previously and without hearing from the minister, it is often difficult for me to tell whether it is simply a disagreement. If it is, perhaps the minister might want to correct whatever misinterpretation there might have been. The difficulty the Chair faces in these cases is that if I do not give the minister an opportunity, sometimes ministers feel deprived in not having equal time. If I do, it appears that I recognize such disagreements as questions of privilege. Without hearing from the minister first, it is difficult for me to give a ruling.

Mr. Crombie: Thank you, Mr. Speaker. I may want to examine all of what the hon. member had to say. I would like to say that in the first couple of minutes there was some confusion because a glass of water had been spilled and it landed on my chair, and so I had some difficulty in hearing. And later, I missed some other comments from the hon. member because I had to change seats in order to hear her. So I would reserve the opportunity, if I can, to consult the record.

It seems to me that the concern of the hon. member is that when I commented in the House in response to a question from the hon. member for Oshawa (Mr. Broadbent) about the last ten years, I had hurt her feelings because somehow I was not giving a clear understanding of her record as minister of health and welfare and that of her party in the last ten years. My concern in answering the question the other day was to point out that there were a number of injustices which were raised by the hon. member for Oshawa, and indeed the purpose of my review was to try to deal with those injustices. If the hon. member is suggesting that a number of things were done in the last ten years, then I would agree that of course there were. My concern was that the injustices to which the hon. member for Oshawa and I were referring to had not been dealt with. If they had been dealt with, then of course I would not have to go through the review in order to deal with them.

I might say in particular with respect to the review the hon. member mentioned that it involves not only the question of pensions, which is before the standing committee, not only the matter of the select committee with respect to the handicapped, but a premise which was not carried out in the previous ten years, and, what is most important, the review involves participation by the provinces. I would invite the hon. member, if she would like, to visit those provinces and ask them how they feel about participation in terms of the review over the last ten years. I think she will get a pretty strong earful.

So I have no apology whatsoever for the comment I made with respect to the last ten years. I would suggest that in beginning with the Lazar report, the previous government did a good thing and it is now about to come before the committee. Indeed the reviews that were undertaken by the hon. member's predecessor were worth doing at the time but did not deal with all those injustices with which the review I have undertaken is supposed to deal.

I have one final comment with respect to whether or not the former minister carried out certain revisions.

Mr. Speaker: This is the area in which I think we may be getting close enough to warrant some consideration of the matter as a question of privilege. The rest is a straight disagreement on performance in the last ten-year period. However, the area in which the former minister complains that the present minister has created the impression that she had initiated a study, which in fact she now claims she did not, may be close enough to a question of privilege.

Mr. Crombie: Mr. Speaker, I can deal with that comment. I have dealt with it in previous answers to the hon. member's questions and indeed to another question from an hon. member of the New Democratic Party on the question of the principle of universality in relation to selectivity. I questioned at that time—and I believe it was one of the first questions in the House—whether or not previous governments had changed the family allowance in relation to the other two factors in the family benefits system. Indeed, the House did so on the recommendation of the former minister and reduced the family allowance, diminished the child tax exemption and established the child tax credit. That measure was adopted by the House and was one which I applauded, and indeed, as *Hansard* will show, I indicated my support for it at the time.

Mr. Speaker: The minister seems to me to be standing by the response which he made, which takes it out of the area of privilege and, it seems to me, puts it in the area of disagreement. I am sure that both hon. members will have ample opportunity to pursue the debate vigorously, but it seems to me to be a debate and not a question of privilege.

MR. ORLIKOW—MINISTERIAL STATEMENTS MADE OUTSIDE HOUSE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise on a question of privilege arising out of the statement made by the Minister of State for Science and Technology (Mr. Grafftey) this morning. When the minister and his colleagues were

on this side of the House in the official opposition, whenever a Liberal minister made a statement of policy outside the House when Parliament was in session and/or when the committees were meeting, the present minister and his colleagues protested, quite properly, that such a statement should have been made in the House or in committee where members of the opposition could ask questions or make comments on the statement.

Mr. Speaker, I will not be very long but I want to say to the minister that Canadians in general, and people in the science community specifically, can greet his announcement of this morning with enthusiasm and approval because it will mean an increase of over 30 per cent for one section of the scientific community and for scientific research and development, which is long overdue. However, there are some very important questions which arise out of what is not in that statement, such as, for example, what will be the role of institutions such as the National Research Council, and of scientific research institutions in the Department of Agriculture, the Department of Fisheries and Oceans and the Environment Department. None of these questions is answered. The government has said on other occasions that they want to encourage the private sector. That is all right, except that in some fields, such as agriculture and forestry, virtually nothing is being done in the private sector. So if the government institutions continue to be starved as they have been, we will continue to be in trouble.

I want to say to the minister that I personally—and I think I speak for many members of Parliament—wish he would follow the kind of advice he gave when he was on this side of the House about making important statements in Parliament where comments can be made and questions put, or in the committee where we can go into much more detailed questioning on and discussion of what the government proposes to do, more than we can when the minister makes a statement as he did today.

● (1520)

Mr. Speaker: The House knows very well that several times this has been decided to be out of the area of procedure. It is neither privilege nor order. The minister can do as he wishes, but I will hear him just briefly.

Hon. Heward Grafftey (Minister of State for Science and Technology): Mr. Speaker, just very briefly, I am fully cognizant of the traditions, rights and privileges of the House. In many ways I sympathize with what the hon. member has just said. May I simply say that in this particular case the estimates of my department are before the Standing Committee on Miscellaneous Estimates. We are meeting Monday night.

I will not say that it is an overly complicated question, but in terms of the time of this House—and there is room for debate here—I ordered my staff to distribute to every senator and every member of Parliament on both sides of the House a full explanatory kit of this announcement a number of hours before I made it in the press building. I felt that was the better procedure. It is open for debate. I do not want to impose upon the privileges of this House, but I thought, in terms of time and the fact that it was before the committee, that the hon. member will have ample time to question this in much greater detail on Monday night.

* * *

TREASURY BOARD

FUNDING OF NEW STOL AIRCRAFT—ELABORATION OF PREVIOUS ANSWER

Hon. Sinclair Stevens (President of Treasury Board): Mr. Speaker, my point of order arises out of a question put to me yesterday by the hon. member for Broadview-Greenwood (Mr. Rae). Your Honour will recall that in the hon. member's anxiety to discourage the privatization of de Havilland, he asked if I, as President of the Treasury Board, would confirm or deny that my department has been sitting for two months on approval by a committee in the Department of Industry, Trade and Commerce that the de Havilland corporation be given a grant of some $2 million.

At the earliest opportunity I want to do what I said I would do yesterday, that is, look into this and inform the House. The fact is that we have received no submission with respect to the $2 million amount raised by the hon. member. I understand the Department of Industry, Trade and Commerce, where the project recently received approval by the DIPP committee, is considering submission to the Treasury Board with respect to this amount. But to date it has not received senior management or certainly ministerial approval.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Pinard: Mr. Speaker—

Mr. Speaker: The hon. member for Drummond.

Mr. Pinard: Mr. Speaker, my question has to do with the business of the House.

I would like to ask the President of the Privy Council whether he can confirm that next Wednesday will be an opposition day. Could he also indicate what order he has in mind for the business of the House next week?

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, I wonder if I might allocate next Wednesday, November 21, as an allotted day, which I understand will be utilized by the official opposition.

While I am on my feet, I should like to indicate the business of the House. As everyone knows, today is an allotted day; there is a motion standing in the name of the hon. Leader of

the New Democratic Party. Tomorrow we will finish Bill C-23 because of the order, for which I thank the House.

Next week we will proceed first with Bill C-18, the customs tariff bill. I believe we are in Committee of the Whole with respect to that bill. Following that we will deal with second reading of Bill C-20, the property tax credit bill, and then Bill C-6, the old age security bill.

Mr. Knowles: Mr. Speaker, may I put two questions to the government House leader with respect to future business? As he knows, this is the sixth week in which this Parliament has been in session. As he also knows, in each of those weeks I have asked when we are to get the veterans' legislation. The answer has always been "soon", but last week the answer was, "I hope it is next week". Can he give us a precise definition of "soon"?

An hon. Member: Soon next week.

Mr. Knowles: My other question relates to hazardous products transportation legislation which is something that has been hanging around for a long time but has been brought into focus recently. Will there soon be legislation in that area before the House?

Mr. Baker (Nepean-Carleton): Mr. Speaker, may I deal with the veterans' bill. I regret very much that today I am not able to give my friend a time when that bill will be introduced. But I want to assure him that, as a matter of priority in the government, I will inquire specifically into when a bill might be ready in that field. I will inform him, as best I can, with respect to that. I know his concern; it is one I share.

With respect to the transportation of dangerous goods, the new government had a bill ready. It was ready to be introduced, but in view of the incidents which occurred in Mississauga last week, Mr. Speaker will recall that the minister indicated he was anxious to review that bill again. He undertook to introduce the bill in the House within ten days; I think that is what he indicated. That review is being completed. Of course, all of us are aware that there is another review under way now, and that is an inquiry by the CTC. The government has that bill, and I do not think there is any reason why the minister will not live up to his undertaking.

* * *

POINT OF ORDER

MR. HERBERT—VETERANS AFFAIRS—REFUSAL OF MR. SPEAKER TO PERMIT SUPPLEMENTARY QUESTION

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, my point of order is really to seek your guidance. I put a question to the Minister of National Defence and Minister of Veterans Affairs (Mr. McKinnon) which dealt specifically with deteriorating services in hospitals for war veterans attributable to budget cuts. In his answer the minister dealt only with an administrative problem in a hospital in his own riding. I wanted to zero in, in my supplementary, on the cuts, particularly the morale problem in the hospitals when the bilingual bonus is terminated fairly soon and its effect on service to our veterans. I ask why I—and it seemed I alone—was not permitted under those circumstances a supplementary question today?

Mr. Speaker: If the hon. member checks the record, he will realize that he was not alone. I wish he had been but he was not. Several of his colleagues received the same treatment today. Although I regret very much having to do that to members, it is either that choice or else further restricting participation in question period. I cannot remember them specifically now, but several of his colleagues who sit nearby had questions. I know the hon. member for Winnipeg-Fort Garry (Mr. Axworthy) had a question which I thought could easily have had a supplementary. There were two or three other members sitting closer by who had questions which could easily have been pursued with supplementaries. I did not grant it to him and one member of the New Democratic Party, simply because the early part of the question period put such heavy constraints in time on the latter part of the question period. It is something I regret very much and to which I alluded at the end of today's question period.

Only if we have a little greater balance in the treatment between the first and second parts of the question period can I be relieved of having to make the difficult choice. The hon. member knows that he was attempting to seek the floor yesterday, as were several of his colleagues who again did not succeed today because of this. It is a very difficult choice for the Chair, in the last minutes of question period, to decide whether to take two members and give them one question each, or to take one member and thereby leave another one standing another day. The only way we can help avoid that is if we receive co-operation in the early stages of question period so that I do not have to do that. There was nothing at all about the hon. member's question which made it in any way less deserving of a supplementary than many others which received supplementaries. If it is of any consolation to the hon. member, he had a lot of company today.

ROUTINE PROCEEDINGS

[*English*]

MANAGEMENT AND MEMBERS' SERVICES

First report of Standing Committee on Management and Members' Services—Mr. Coates.

• (1530)

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 94, 140, 210, 311, 349 and 402.

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

[*Text*]

YOUNG CANADA WORKS PROJECT FUNDED IN THE CONSTITUENCY OF RIMOUSKI

Question No. 94—**Mr. Allard:**

Since 1968, did the Department of Employment and Immigration finance projects in the constituency of Rimouski as part of the Young Canada Works program and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

Hon. Ron Atkey (Minister of Employment and Immigration): Yes.

(a) See appendices I and II.

(b) (i) 1978 (315,881)

1979 ($363,000)

(ii) See appendices I and II.

(c) See appendices I and II.

Young Canada Works — Appendix I
Constituency of Rimouski
1978

Project Number	Name of Project	Federal Contribution	Project Location
1177SH6	Au dévidoir de Métis	6,830	Grand-Métis
1178SH4	Enquête et travail pratique	5,464	St-Charles Garnier
1181SH8	Étude des populations oiseaux du Québec	14,597	Rimouski
1383SH0	Initiation jeunes plein Air	4,781	St-Cléophas
1626SH2	Loisirs culturels et sportifs	5,464	Ste-Angèle Merici
1627SH0	Création tapisserie Centrap	3,132	Ste-Flavie
1628SH8	Sport Cat	5,464	Ste-Blandine
1999SH3	Animation théâtre pour tous	5,464	La Rédemption
2001SH7	Embellissement et animation	4,176	St-Antoine-de-Padoue
2005SH8	Le jeune	4,176	St-Noël
2193SH2	Aménagement Parc Richelieu Mont-Joli	5,064	Mont-Joli
2566SH9	Étude géomorphologique région Rimouski	17,085	Rimouski
2567SH7	Loisirs plus enfants handicapés	7,596	Rimouski
2568SH5	Rénovation ancien parc sud-est Rimouski	8,440	Rimouski
2569SH3	Découverte plein air environnement	9,045	Bic St-Fabien St-Eugène
2571SH9	Plein air animation	3,654	St-Valérien
2573SH5	Relevé sites géographiques	11,816	Rimouski comté
2576SH8	Beauty Arts Rimouski	6,830	Rimouski
2580SH0	Ernest au pays des orthèses prothèses	9,284	Rimouski et environs
2582SH6	Escale	5,464	Trinité-des-Monts
2583SH4	Rythmes sonorités	7,962	Rimouski
2584SH2	Ardeur des jeunes	5,464	St-Moïse
2586SH7	Garde enfants, c'est sérieux	6,830	Rimouski
2587SH5	Animation éducation préventive face environnement	8,040	Rimouski
2593SH3	Ateliers modelage	5,464	Luceville
2596SH6	Éclosion service dépannage handicapé	6,830	Mont-Joli

Order Paper Questions

2598SH2	Occupons nos jeunes	8,040	Sayabec
2750SH9	Jeunes citoyens de Bic au travail	8,196	Bic
2752SH5	Rucher bourdonnant de Price	8,040	Price
2763SH2	Projet aménagement	3,654	St-Narcisse
2822SH6	Développement et consolidation	6,830	St-Charles Garnier
2825SH9	Retour aux sources	4,098	Ste-Jeanne d'Arc
3647SH6	Gestion conservation documents municipaux	6,830	Bic
3900SH9	Multiples facettes Saint-Anaclet	5,464	Saint-Anaclet
3904SH1	Rue du trésor	5,220	Rimouski
3905SH8	Information sexualité	6,830	Mont-Joli
4824SH0	Soleil nouveau	4,781	Val-Brillant
4828SH1	Pour le mieux-être de notre communauté	3,132	Ste-Irène
4839SH8	Étude socio-économique évolution commerciale Rimouski	8,196	Rimouski
4842SH2	Publication services dispensés par hôpital	6,830	Rimouski
4844SH8	Musée à découvrir et à aimer	5,176	Rimouski
4845SH5	Soleil pour enfants près du fleuve	5,464	Ste-Luce-sur-Mer
4875SH2	Bric-à-brac	3,132	Rimouski
4882SH8	Joujouthèque Ste-Odile	5,520	Ste-Odile-de-Rimouski
4883SH6	Animation sociaux culturelles et aménagement	4,176	St-Octave-de-Métis
4884SH4	Loisirs estivals Mont-Joli	6,752	Mont-Joli
4891SH9	Jeux naissent du plateau	5,464	Pointe-au-Père
4894SH3	Été des p'tites jeunesses	5,464	Ste-Blandine
4897SH6	St-Marcellin grandit	4,176	St-Marcellin

1979 — Appendix II

2201TH2	Animation de quartier	7,096	Pointe-au-Père
2238TH4	Nos rongeurs	5,744	St-Cléophas
2240TH0	Métis au soleil	13,058	Grand-Métis
2241TH8	Reflets de réserve du chenier	7,180	Esprit-Saint
2245TH9	A toulmond	3,294	Ste-Jeanne d'Arc
2247TH5	Plaisir estival	4,392	Luceville
2249TH1	Récréation estivale étudiante	5,744	Mont-Joli
2250TH9	Loisirs jeunes	7,180	Sayabec
2390TH3	Vacances	3,843	St-Noël
2393TH7	Activités estivales à Padoue	3,843	Padoue
2394TH5	Plan mise à jour tuyauterie municipale et services	4,392	Ste-Angèle-de-Merici
2787TH0	Consanime	7,096	Rimouski
2788TH8	Cette année, les jeunes d'abord!	4,392	St-Narcisse
2789TH6	Centre référence en loisirs	8,870	Rimouski
2790TH4	Intégration élèves en difficulté apprentissage	15,840	Rimouski
2862TH1	Karstification Rédemption	5,574	La Rédemption
2864TH7	Plein feu	3,843	Trinité-des-Monts
2865TH4	Jeunesse au travail loisirs Ste-Angèle été 1979	4,392	Ste-Angèle
2866TH2	École enchantée de l'été	7,096	Price
2867TH0	Acceuil animation 150e de Ste-Flavie	7,180	Ste-Flavie
2870TH4	Théâtre la Chou-Clac	8,469	Rimouski
2871TH2	Spéléo-Awant Jish	7,096	La Rédemption
2912TH4	Embarques on ira pas vite	8,870	Rimouski
2914TH0	Interprétation oiseaux marins de la région de Rimouski	6,588	Rimouski
2916TH5	Été soleil	4,392	St-Donat
2965TH2	Folklore chez-nous, pour enfants	5,005	Rimouski
3767TH1	Animation culturelle	7,180	Ste-Luce
3797TH8	Horizon jeunesse	7,676	Val-Brillant
3798TH6	Actif	4,026	St-Moïse
3799TH4	Le monde de demain	10,644	St-Gabriel Serm.
3800TH0	A la découverte de nos propres ressources	3,843	St-Marcellin
3876TH0	Canuelete	5,026	Rimouski
3880TH2	Pic-bois St-Valérien	4,392	St-Valérien
3882TH8	En m'exprimant, je me découvre!	4,392	St-Anaclet
3902TH4	Loisirs Euclide Fournier	4,392	St-Charles Garnier
3903TH2	Intégration sociale	7,180	Mont-Joli
3905TH7	Quenon	3,294	Mont-Lebel
4194TH7	Socio-animation	7,180	Rimouski
4197TH0	Vidéo prévention drogue	7,602	Mont-Joli
4199TH6	Recherche en communication rég.	11,658	Rimouski
4566TH6	Amélioration des services existants	5,026	Val-d'Irène
4576TH5	Loisirs-jeunesse	4,392	St-Gabriel
4577TH3	Les espaces verts à Rimouski, notre préoccupation!	10,644	Rimouski
4664TH9	Musique pour tous	5,805	Rimouski
4847TH0	Tournée théâtre	10,560	Rimouski
4848TH8	Co-opération estivale	4,941	Mont-Joli

Order Paper Questions

Young Canada Works
Constituency of Rimouski
1979

4850TH4	Image du Bic	6,462	Bic
4878TH5	Étude sur l'utilisation du sol à Rimouski	8,616	Rimouski
4881TH9	Amitié jeunesse troisième âge	7,180	Rimouski
4884TH3	Dansons, giguons	4,392	St-Donat
4886TH8	Sensibilisation des gens au gaspillage	8,616	Rimouski
4890TH0	Étude modifications secteurs commercial comportement CONSO	10,644	Rimouski
4976TH7	Calendrier artistique de l'est du Québec	8,870	Rimouski
4977TH5	J'habite nos logements	7,898	Rimouski

DELEGATION TO CLASSIFY IN THE PUBLIC SERVICE

Question No. 140—**Mr. Herbert:**

1. Was the delegation to classify in the public service withdrawn by the Treasury Board and, if so (a) from which categories and levels was it withdrawn and what is a definition in detail of these categories and levels (b) on what date was it withdrawn (c) which departments were affected (d) for what reason was it withdrawn (e) in what manner and how was it withdrawn?

2. Does the withdrawal affect senior levels only in the public service?

3. Which branch within the Treasury Board now has the full responsibility to classify as a result of the withdrawal?

Hon. Sinclair Stevens (President of Treasury Board):

1. (a) The Treasury Board has withdrawn from deputy heads and chief executive officers the delegated authority to classify positions in the following groups and levels

Economics, Sociology and Statistics (ES) Group, levels ES-5 to ES-8 inclusive;

Financial Administration (FI) Group, levels FI-5 to FI-7 inclusive;

Personnel Administration (PE) Group, levels PE-4 to PE-7 inclusive.

(b) The withdrawal took effect from February 9, 1979.

(c) The withdrawal affects any department in connection with the proposed classification of any position in any or all of the groups and levels identified in part 1 (a) of the question.

(d) To maintain consistency and appropriate classification relationships between departments for positions in these occupational groups and levels.

(e) Departments and agencies were notified by telex of the Treasury Board's decision followed by a letter to each deputy head and chief executive officer.

2. The answer to part 1 (a) of the question identifies the groups and levels affected by the withdrawal.

3. The personnel policy branch is responsible for the over-all management of the classification program.

NUMBER OF EMPLOYEES—MINISTRY OF STATE (MULTICULTURALISM)

Question No. 210—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Ministry of State's (Multiculturalism) payroll on March 31, 1979?

[Mr. Atkey.]

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism): (a) 31; (b) Ten.

PENSION APPLICATIONS—MEDICAL EXAMINATIONS

Question No. 311—**Mr. Herbert:**

1. What is the present average waiting period for those war veterans requiring medical examinations following an application for a veterans pension?

2. What is the longest that anyone presently has to wait for an examination?

3. Is there a shortage of qualified doctors and, if so, does the government intend to take action to improve the situation?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs):

1. An up-to-date medical diagnosis is usually provided with the application for disability pension. When the diagnosis is not provided, the Canadian Pension Commission will arrange for medical examination to establish such a diagnosis. The average waiting period is six weeks where no consultation is required and ten weeks where consultation is required.

2. In some districts a delay of five months has occurred where a psychiatric consultation was required.

3. There is no shortage of qualified doctors to perform medical examinations in the Canadian Pension Commission district offices.

PACKAGE TOURS

Question No. 349—**Mr. Herbert:**

Is the government aware of widespread complaints that many tourist travellers who purchase package tours (a) do not receive all the items advertised (b) are not notified of significant changes in the tour before departure (c) find great difficulty in establishing liability in cases of change to the contract and, if so, what measures are being contemplated by the government to protect the tourist who purchases a package tour?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs):

(a) The federal government is not aware of any widespread complaints that tourists who purchase package tours have not received all the items advertised. Any complaints that do arise in this area can, however, be brought to the attention of the director of investigation and research who would examine the matter in relation to the misleading advertising and deceptive marketing practices provisions of the Combines Investigation Act.

(b) There has been no noticeable number of complaints registered with my department that would indicate any material problems in this area of travel.

(c) Provincial jurisdiction over sales contracts has apparently brought about sufficient legislation to take care of most contractual travel problems of a recurring nature that have faced the consumer in the past. Ontario, Quebec and British Columbia have specific legislation regulating travel agencies and their activities. Most of the remaining provinces have in the past expressed no intention of initiating any legislative

action, given the number of complaints which they actually receive.

SALARIES PAID TO MINISTER'S EXEMPT STAFF

Question No. 402—**Mr. Evans:**

What is the salary paid to (a) Jean-Carol Pelletier, Special Advisor (b) Jacinthe Lavigne, Special Assistant (c) Brad Addison, Special Assistant, exempt staff in the office of the Minister of Supply and Services?

Hon. Roch La Salle (Minister of Supply and Services): (a) Jean-Carol Pelletier, special advisor, up to $47,500; (b) Jacinthe Lavigne, special assistant, up to $26,700; (c) Brad Addison, special assistant, up to $26,700.

[*English*]

Mr. Speaker: The questions enumerated by the hon. parliamentary secretary have been answered.

[*Translation*]

Mr. Olivier: Mr. Speaker, I would like to make a comment on the Parliamentary Secretary to the President of the Privy Council (Mr. Kilgour). Last week or some ten days ago, I requested answers to certain questions. I notice today that he is answering one of those questions. But, Mr. Speaker, a large number of questions were put. Questions Nos. 274, 292 and 295 in particular are extremely important. There is also question No. 384, put by the hon. member for Ottawa Centre (Mr. Evans). Despite the government's philosophy of being an open government, we cannot get answers.

So, Mr. Speaker, I demand that the parliamentary secretary inform his minister that we want immediate answers because our parliamentary system does not allow every one to question ministers every day. The best way to have accurate and precise answers and to save members' time is to table questions and have them answered by the parliamentary secretary. I therefore hope that this government will understand once and for all that it should reply immediately to the questions once they are tabled.

Mr. Kilgour: Mr. Speaker, I am glad to reply to this question of the hon. member for Longueuil (Mr. Olivier). He asked certain questions last week and asked me why we had not replied to questions Nos. 140, 150 and 160, I believe. The facts are as follows: we have replied today to question No. 140. We replied to question No. 150 on October 30. As for question No. 160, it concerns the presence of public servants at non-governmental conferences. We have asked the ministers to reply. We are expecting 22 answers. In short, Mr. Speaker, I want to note for the record that we have replied to 116 questions out of 625 during this Parliament. This means that we have replied to 18 per cent of the questions on the order paper. During the last Parliament, the government had replied in the corresponding period to 46 questions, which means 7 per cent of the questions. We are, therefore, making some progress on this side of the House, Mr. Speaker.

[*English*]

Mr. Speaker: Order, please. Shall the remaining questions by allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO SUPPORT FARMERS

Mr. Edward Broadbent (Oshawa) moved:

That this House condemns the government for its failure to support the farmers of Canada, as demonstrated (*a*) by the imposition of unconscionably high interest rates (*b*) by its determination to follow the policies of the former Liberal government in continuing to ignore the grain transportation recommendations of the Hall commission, and (*c*) by proceeding to abandon the Crowsnest Pass rates for the movement of western grain.

Mr. Speaker: Members are reminded that, pursuant to section 11 of Standing Order 58, proceedings on this motion shall expire at the ordinary hour of adjournment later this day.

Mr. Broadbent: Mr. Speaker, on May 22 of this year hundreds of thousands of Canadians across the country registered their disapproval of the preceding Liberal government. There was no question in the minds of Canadians in almost every province of the land, when they voted for substantial change—understandably, given the abysmal record of the Liberal party, particularly as it pertained to the economy—that change was desired, and that is the way the vote went.

The key area of concern of the people of Canada was, of course, in the economic domain. The key area of concern of the present Prime Minister (Mr. Clark) during his debate in the election campaign was the economy. The key area of backtracking in almost every aspect of election promises by the present government is also the economy. They have backed down on virtually all aspects of central concern as they outlined them in the campaign. Tax cuts were promised before the election. We have been told since by the Minister of Finance (Mr. Crosbie) that we could not afford them. New job-creation programs were promised before the election and not one has been produced since. Particularly in the context of today's debate, Conservatives in opposition promised low interest rates and promised unequivocally the maintenance of the Crow rate and the implementation of the Hall royal commission report.

In these three areas as well we have consistency—consistency at least in one respect by this government—and that is that never has a party abandoned so fast and so completely all of its central election promises as has the Conservative party of Canada. That is the one thing they have been consistent on. None of these promises, in terms of the negative effects on the people of Canada, has been worse than the government's

abandonment of the commitment to provide the people of Canada with a low interest rate policy.

An hon. Member: Oh, oh!

Mr. Broadbent: Today I particularly want to speak to the joking member, that backbencher in the Conservative party who thinks high interest rates are a joke. I tell that member that his constituents and the people across this land do not think they are a joke. Some 50 yards from the House of Commons they do not think they are a joke. I understand even half of his own caucus does not think they are a joke. I do not think they are a joke.

Today I want to speak about the effect of high interest rates on the farmers of Canada. Interest rates of the present kind are causing extreme hardship for many farmers; indeed, I would say for all farmers. They are discouraging investment in agriculture and forcing many young farmers literally, for the first time in many years, to leave their farms. This is terrible for farmers, but—and this is a point I want to make because the connection has not recently been made at all—it is also very bad for Canadian consumers.

The Liberal-Conservative policy of high interest rates in this important agricultural sector will result before many months are up in a virtual zero increase in productivity in the agricultural sector. This is an observation made not by New Democratic Party researchers or farm groups directly affiliated with the New Democratic Party, but by a number of independent observers, the most recent among whom is Professor Macfarland of McGill University. Productivity is going to go down to zero in the agricultural sector. We are going to experience long-term food shortages unless there is a turnaround. The inevitable consequence of this, and this is the emphasis I want to make today, bad as it is for Canadian farmers, is higher food costs for Canadian consumers from coast to coast.

Following seven successive interest rate increases by the Liberals, the Conservatives, not to be outdone by their friends, have continued this grotesque policy with four increases of their own, increasing the interest rate by almost 3 per cent since they have taken office.

● (1540)

Most farmers cannot live on a year-to-year basis without credit. It is the kind of operation or economic activity that requires credit on a continuing basis, even for successful farmers. We estimate that the increases in the interest rate under the Conservative government and the Liberal government this year alone has meant that Canadian farmers will be paying over $200 million more in interest charges in 1979 over 1978. It is good for the banks, but it is good for neither Canadian farmers nor Canadian consumers. For example, a typical farmer in Saskatchewan must borrow between $12,000 and $15,000 a year to buy chemical fertilizer, and this does not include his other costs. That means for that farmer interest charge expenditures of approximately $2,500 this year, thanks to the Conservative government.

[Mr. Broadbent.]

The continuation of high interest rates means that the farmers will be unable to improve or expand their operation. For example, many beef producers will not be able to purchase breeding stock to expand their herds. This is happening precisely at a time when there is a shortage of beef in Canada. Most cattlemen must borrow money to buy feed to fatten up their cattle for market, but with the last Bank of Canada hike, farmers will now have to borrow at 16 per cent to 17 per cent interest. Many cattle farmers cannot afford to restock their herds at these interest rates. If herds are not restocked there will be a decline in the supply of beef, which means an increase in the cost of beef for the Canadians who live in cities. Those are the damaging facts in terms of the effect of interest rates on beef prices.

Mr. Mazankowski: Whose side are you on now, Ed?

Mr. Broadbent: Unlike the minister, we have been clear as to where we stand. We were for low interest rates both before and after the election. It is the minister who did the flip-flop, not us, and we make the same speeches in western Canada as we do in eastern Canada.

I have talked about beef producers. Let me now turn to the dairy farmers.

Mr. Malone: Do that.

Mr. Broadbent: Yes, I will do it. The hon. member indicated a moment ago that he likes high interest rates. I wonder if he will like what is happening to the dairy farmer.

An hon. Member: The hon. member for Crowfoot (Mr. Malone) has not changed at all.

Mr. Broadbent: That is right, the hon. member for Crowfoot has not changed at all. A typical dairy farmer in Ontario by the name of Bob Kerr has said that the monthly payments for his herd of 130 dairy cattle will rise from $2,200 to $3,000. That is only the monthly payment. This is because of the way in which the bank rate has gone up. Mr. Kerr has indicated that he would like to purchase more cows, but a 16 per cent interest rate on a $2,000 cow means $320 in interest charges alone. He has concluded that he will not expand his herd. This conclusion means only one thing for the Canadian consumer, and that is that with fewer cows producing—there will be less milk and therefore the price of milk to the Canadian consumers in the cities will go up, thanks again to the Conservative government's high interest rate policy.

I would like now to turn to the typical western wheat farmer who is operating a combine that costs anywhere from between $50,000 and $100,000. He, too, is paying an interest rate on the loan for this machinery of 16 per cent to 17 per cent. For many such farmers the interest rate on that kind of capital investment makes it virtually impossible for them to expand. If the output by Canadian farmers declines in the coming year, as we are being told by experts outside the House of Commons, it will be as a direct result of this insane high interest rate policy of the Conservative government. In terms of the long-range development of our country and the kinds of com-

munities we want to maintain and expand, and as bad as the situation is for the established farmer, it is virtually calamitous for the young farmer who is just starting out. For the young farmer in western Canada just starting out, the high interest rates make the venture almost prohibitive.

Approximately two weeks ago I visited the community of Weldon, Saskatchewan. I had one of the most moving experiences of my life there while talking to an older farmer in his early sixties. He was telling me about his son who was interested in starting his own farming operation. This gentleman spoke with great directness and simplicity about how just a month ago his son had plans of going into farming, but after the last interest rate increase he had decided that he could no longer afford it. I do not claim to have any direct experience with farming, but I have tried to learn about the problems which farmers face. I would like to put on record the reason why a young farmer on the prairies today cannot go into farming with the current interest rate being as high as it is.

A typical young farmer, such as the young farmer I just mentioned, would start out by purchasing probably one section of land. For those of us in the east who are more accustomed to talking in acres, that means 640 acres. That is a humble beginning in the prairies in grain farming. The going rate per acre is $500, so the total cost of the section would be $320,000. If this young farmer was able to get a loan from the Farm Credit Corporation at 12 per cent interest, which is 3 per cent below what he or she would be paying the banks, the interest charges alone would be $38,400 a year.

Let us assume that this man gets under way in spite of these costs and he produces the average long term yield of a farm in Saskatchewan of 23 bushels per acre. Let us also assume that he is using 60 per cent of his land and leaving the rest in fallow. The total net revenue if he or she gets $5.50 a bushel would be $48,576. If we take this young farmer's annual interest charge of $38,400 and subtract it from his or her net revenue of $48,576, he or she is left with—and I am sure that even the cabinet ministers on the other side can make this calculation—a balance of $10,176.

Some people might quickly conclude that the $10,176 is his profit, but I have not included what this young farmer would be putting out if he or she were buying equipment. If he or she were to buy the minimum equipment necessary, it would cost approximately $75,000 and $10,000 a year for the interest charges. If we subtract the $10,000 he or she pays for interest charges from his balance of $10,176, the young farmer is left with $176 for a year's work. That is $176 for a year's work, without having talked about what he would have to spend for fertilizers or chemicals, or any other costs.

● (1550)

The conclusion is obvious and tragic for those of us in this country who believe that we should perpetuate a small, efficient farming operation. The conclusion is that because of the high interest rate policy of this government, young Canadians cannot go into farming. That is the conclusion, Mr. Speaker.

Understandably, all farm organizations across the country have blasted the Conservative party for its high interest rate policy. These include the Canadian Cattlemen's Association, The National Farmers Union and the Ontario Federation of Agriculture, to name three. The National Farmers Union just recently petitioned the Minister of Finance asking him to reduce interest rates. I hope at long last he will respond to that.

On the interest rate question, Mr. Speaker, this House has discussed many times already its direct effects on urban Canadians—the direct effects of driving up the cost of housing, the cost of living in every respect. I have tried briefly to show that, bad as it has been for those in urban Canada, it has become a disaster in rural Canada. It is time for the Tories to live up to their election promise and bring down the interest rate structure in Canada.

I want to turn now to another central area of concern for the farmers in our country. Before the election it was an area of expressed concern for the Conservative party. I refer to the Hall royal commission. I should like to put on record what some notable Conservative had to say before the election. The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) called the Hall report the "Magna Carta" of the west.

In a speech to this House in May last year the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) said that the Crown rate should be maintained and Crow related rates should apply even to processed products. He not only wanted to maintain the Crow rate but wanted to extend its application.

I am delighted to see the Minister of Transport (Mr. Mazankowski) in the House. No doubt he will be taking part in the debate. I will quote what he said for the hon. member for Crowfoot who is talking so much. I hope he joins in the debate officially at some point.

Mr. Malone: I will catch you.

Mr. Broadbent: On April 25, 1978, the Minister of Transport said in this House:

> —my party endorses the Hall recommendations not only as a transportation charter for the west but also as an economic manifesto.

Finally, Mr. Speaker, before the election, in a campaign statement issued on April 19 of this year, the Conservative party stated that the Crowsnest Pass rate is to be maintained. That is what the Conservative party said before the election, Mr. Speaker. Before dealing with what the Conservatives said after the election, I should like to say something about why the Crow rate is important, not only to western Canadians but to Canada as a whole.

Basically, in the national context, the Crow rate is important because it is part of this national bargain. It is one way of viewing the country but by no means the only way of viewing it. It is part of the national bargain that is involved in a country as geographically diverse as our own. Industry in the geographic heartland of Canada, in the provinces of Quebec and Ontario, historically has had economic measures taken to

ensure industrial growth. In return for this there has been an historical commitment, certainly on the part of my party and also it was thought on the part of all parties in the past, that what was good in terms of encouraging industrial growth in Ontario and Quebec ought to hold good in terms of the Crow rate for western Canada. I want to say on behalf of my party, Mr. Speaker, that I have made that point, not only in the province of Ontario but also in western Canada. We say the same thing in both parts of the country and just as we defend industry in Ontario, we defend, without qualification, the Crow rates in western Canada.

Let me put in concrete terms what it means for a farmer, let us say, in Saskatchewan in a small community by the name of Wakaw. The Crow rate from Wakaw to Vancouver is 24 cents per 100 pounds. The commercial rate that CN has filed for domestic grain from this community to Vancouver is $3.12 per 100 pounds, 13 times the Crow rate. If the Crow rate goes, farmers in this community would lose $1.73 per bushel or 29 per cent of today's wheat price.

The Crow rate in general gives Canadian farmers a competitive edge over their counterparts in the United States. American farmers have to pay anywhere from four to six times the transportation costs of Canadian farmers under the Crow rate. Finally, Mr. Speaker, the Crow rate, while enabling Canadian farmers to obtain export markets, has enabled the same farmers to contribute some $2.3 billion to our balance of payments in 1978. Once the Crow rate is gone, as it seems is the clear plan of the government, in my view it would be gone forever as long as we had either the Tory or Liberal parties around.

Payments to individual farmers—and that is what is being talked about in terms of a replacement for the Crow rate—would appear to be some kind of welfare to the Canadian farmer. Such schemes, as in other welfare schemes when they are seen by the Tories, would be abandoned whenever it was politically expedient or when we had someone like the President of the Treasury Board (Mr. Stevens) get up on the wrong side of the bed some Monday morning and decide it is time to take a whack at the ordinary people of this country.

It has been argued that the Crow rate should be abandoned because the railways need a financial incentive to haul grain. That is the classic argument heard from the backbench Tories who are so vocal on the point. They need an incentive, they say, for their good friends in the CPR. I should like to consider the effects of such incentives, Mr. Speaker.

In the United States, despite grain rates that are, as I have said already, four to six times higher than the Crow rate, rail cars take longer to get to port than they do in Canada. There is a chronic car shortage which is worse than it is in Canada and tracks are, believe it or not, on the whole in worse shape than they are in Canada. So much for financial incentives as a method of improving grain handling facilities as we have seen it in the United States.

We do not have to go to the United States to find a comparable grain shipping situation, however. We can consider our own farmers in the maritimes, for example. They, too, have experienced financial incentives given to the railways. For example, the potato rate in that part of Canada is six times the Crow rate. This does not mean better transportation of potatoes for farmers in the maritimes or an improvement in conditions. Between 1974 and 1977, potato rates increased 53 per cent. That is the charge to the farmer. The supply of refrigerated freight cars, so essential to the same farmers, fell at a rate of 6 per cent and, as a result, potato shipments from the maritimes dropped by some 32 per cent.

Regrettably, incentives have never worked with the CPR in the past nor are they likely to work in the future. At the present time CPR owes some $679 million to the people of Canada in deferred income tax. Public gifts to the CPR have simply enabled it to make $227 million profit because of the way bookkeeping is permitted in this country. That profit is for the first six months of this year, while still owing some $679 million in deferred income tax to everyone in the land. The point is that the railway companies just ought not to be coddled by some kind of financial incentives. They are compelled by the Railway Act passed by this Parliament to provide suitable and adequate accommodation for all grain offered for shipment, and they should live up to that obligation by law to the farmers of this country.

• (1600)

Some hon. Members: Hear, hear!

Mr. Broadbent: I suggest in this context it is no more proper for the railways to demand an incentive to haul grain than for a private citizen in Canada to demand an incentive for obeying the speed limit on the highways. The law holds for the ordinary citizen; it should hold equally well for the CPR.

The Hall royal commission said that the government should make the railways obey the law. It said that the railways should have to buy the hopper cars and fix the tracks, and then, and only then, should it come to the Government of Canada for subsidies, after they have completed their actions. Surely, Mr. Speaker, Hall was right. We said Hall was right before the election; we repeat it now. I wish the Tories were doing the same thing.

Mr. Axworthy: Where are they?

Mr. Broadbent: I want to point out the Hall royal commission recognized that the Wheat Board is doing a good job for the people of Canada and for our farmers. It suggested that the Wheat Board should be given more power, not less power, in terms of its responsibility in the co-ordination of grain movements.

Western Canada and the NDP greeted the Hall report with open arms in 1977. None of the major recommendations I have talked about today were implemented either by the Liberals before the election or the Conservatives since the election.

Mr. Axworthy: You are fibbing again.

Mr. Broadbent: I welcome the hon. member's participation in the debate. He had better watch his language or we will have a question of privilege.

Mr. Axworthy: Touchy.

Mr. Broadbent: The Liberals had their chance for two years after the Hall royal commission report. They blew it. They did nothing.

I have already quoted several Conservatives and their statements made during the election campaign before the election. I would like now to turn around and show what the Tories said after they formed a government. Here is what they said; I have three examples. In July, two months after the election, two provincial Tory governments, one in Alberta and the other in Manitoba, suggested that the Crow rate be scrapped,—completely contrary to the Hall report. In October, the Conservative government in Ottawa stripped the Wheat Board of its powers to co-ordinate grain movements and transferred that power to their good friend, Mr. Hugh Horner, a well-known Tory, who promptly announced that the quota system should be abolished. I might add he had already indicated that he too wanted the Crow rate abolished.

Mr. Malone: That is false.

Mr. Broadbent: Mr. Horner wanted to get rid of that as well.

Mr. Malone: That is false.

Mr. Broadbent: The Tories are getting excited again. One thing a Tory cannot stand is the truth.

Some hon. Members: No.

Mr. Broadbent: It puts them in a state of apoplexy. The Hall report recommended that the Wheat Board play a more prominent role, as I said a minute ago, in the co-ordination of grain transportation. Who do they appoint for the task of co-ordinating grain? A man who is opposed to the very principle.

Finally, on November 7, about a week ago, the Minister of Transport, who is sitting over there chuckling this afternoon—

Mr. Mazankowski: Chuckling at you.

Mr. Broadbent: —suggested that the Crow rate be changed. I hope he gets up. I have his speech here and I would be delighted to read it at length back to him. This is specifically what he did. In his speech of November 7 he said that the Crow rate ought to be changed. He said "under a lot of conditions", of course.

Some hon. Members: Oh, oh!

Mr. Broadbent: A lot of conditions. I say to the minister his own party's propaganda before the election was that there should be no change in the Crow rate. After the election he is now saying it should be changed.

Mr. Malone: List the conditions.

Mr. Broadbent: Let him square those two facts. I shall watch for him—

The Acting Speaker (Mr. McCain): I regret to advise the hon. member that his time has expired. He can continue only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Broadbent: I thank hon. members. I will try to conclude my remarks and I will listen with interest to what other hon. members have to say.

The Conservatives have simply shelved the Hall report. They have been continuing the very programs of the Liberals in this field, that before the election they were so critical of. They are in fact perfect students of Otto Lang. They talk one way before an election and act completely differently after. The Liberal government did not like the Hall report, so it set up other studies to stall the implementation of the report and tried to come up with other proposals. That was the purpose of setting up all these other studies.

The Conservative government, I regret to say, is doing the same thing. We have the hon. member for Lisgar (Mr. Murta) heading up the Conservative grain task force, for example. He too has suggested the Crow rate must go. Indeed, he went to a secret meeting with the railway companies before the election specifically to discuss the abolition of the Crow rate.

The Conservative CPR gang in western Canada, and that is what I will call them, say they will somehow maintain the value of the Crow rate. That is the new language they are coming to. They will maitain the value of the Crow rate by abolishing it. That is a nice step of logic. They are going to abolish it, but they are going to maintain the value by compensating the farmer for the higher freight rates he will have to pay. This scheme, specifically rejected after careful consideration by the Hall commission and described by the Hall commission, and I quote, as "appalling", sounds very much like the spirit of Otto Lang reincarnated in the Tory party. Hall said it was appalling precisely because it is stupid to send out to more than 160,000 farmers individual cheques, which is what is involved in the scheme. Talk about government waste! What should be done, as Hall indicated, is to compel the railways to live up to their legal obligations, repair the lines, produce the hopper cars and then, after they have met their obligations, if a subsidy is needed, pay it. That is the way it should be done, Mr. Speaker.

I want to add by way of conclusion two final points that remain important to my party about the Crow rate. Scrapping the Crow rate means permitting the railway to give preferential treatment to foreign-owned inland grain terminals. This could, in our view, mean the end of the line, if you will excuse the expression, Mr. Speaker, for co-ops. Second, railroads would be allowed to set high rates on branch lines and low rates on main lines, thus giving them control over which lines will be abandoned. This could mean the end of the line for rural lines as we know them in a good many parts of the country.

In his speech to the United Grain Growers a week ago to which I referred earlier, the Minister of Transport said:

I am frustrated at present because we are passing up sales—perhaps worth one billion per year—because of limitations in our transportation system.

I share the concern. I say to the minister through you, Mr. Speaker, that he need not be frustrated. He simply needs to compel the railways to live up to their legal obligations. He simply needs to meet his own party's election promises and implement the Hall report. Canadian farmers are tired of studies and backtracking. They do not demand special privileges; they simply want fairness. We say it is time they got it.

Mr. Mayer: Mr. Speaker, would the leader of the New Democratic Party permit a question?

The Acting Speaker (Mr. McCain): Since the hon. member's time has expired we would have to have unanimous consent for him to do so. Is there unanimous consent?

Some hon. Members: Agreed.

● (1610)

Mr. Mayer: I would like to ask a brief question concerning one of the commodities to which the Leader of the New Democratic Party referred—beef and beef cattle. I noticed that during the election campaign a member of his family complained loudly and publicly about the price of beef, saying it was too high. The leader of the NDP said today that he did not know a lot about farming. He told us he was learning. In the light of that learning experience does he still think the price of beef is too high? I wonder what he would tell the people of Wakaw about the price of beef.

Mr. Broadbent: Mr. Speaker, I am absolutely delighted to answer that question. The hon. member is quite correct that during the campaign my wife said she found, as an ordinary Canadian who lives in an urban community, as a consumer, just as I have farmer friends living in Saskatchewan and in many other provinces, housewives as well, that the price of beef was too high. As a consumer, I understand that and I am sure most other Canadians do too. One of the reasons it is too high, as the hon. member would know if he was listening to my speech, is not the fault of the farmer at all, and she made that very clear. It has lots to do with middlemen in the system and it has everything to do in the immediate context with the high interest rate policy of his own party.

Hon. E. F. Whelan (Essex-Windsor): Mr. Speaker, I take great pleasure in talking today to the motion put forward by the New Democratic Party. I just want to say that the Leader of the New Democratic Party proves to me he knows one thing about agriculture—and that probably has to do with the male species of the beef cattle family.

Some hon. Members: Oh, oh!

Mr. Whelan: The motion of non-confidence put before the House today could be qualified by some as crass political exploitation to influence a byelection in Saskatchewan.

An hon. Member: Right on!

[Mr. Broadbent.]

Mr. Whelan: But I do not think voters in Saskatchewan will be taken in by this game, by this act. It is, in fact, an exercise in hypocrisy. In between the parts of the motion that make good common sense there are allegations which are absolutely incorrect and which cannot be substantiated, although the leader of the NDP sure tried hard.

I agree in principle with most of what the hon. member for Oshawa (Mr. Broadbent) had to say about this government's unconscionable handling of destructively high interest rates.

Mr. Rose: Talk about hypocrisy!

Mr. Whelan: The hon. member says "Talk about hypocrisy." The situation today is much different from what it was at that time. Because of Liberal government programs, inflation is lower in Canada now than it is in the United States, so when we talk about interest rates today we are in a different position from that which prevailed a year or nine months ago. These interest rates will, no doubt, cripple many farm operations and businesses and cause the cost of food to Canadian consumers to skyrocket. The other direct consequence will be an increase in the cost of imported food. Also, we will have to search for more food in other parts of the world resulting in an unhealthy increase in consumers' dependency upon foreign food and a parallel shrinking of our own agricultural base. It will mean further expenditures abroad, expenditures which ought not to be necessary since producers have the know-how in this country. It will mean a worsening of our balance of payments position.

The foods affected will be especially those which are marketed outside marketing boards or national agricultural marketing agencies. There were a couple of good articles in one of the western papers I was looking at the other day—the *Western Producer* dated October 25. One of them carried the headline "PCs say Whoa to some Liberal Ag Projects". You know, they should be speeding ahead with some of them—most of them they are just carrying on. If they were speeding ahead with some of them—for instance, harmonization of stabilization—the farmers would get 100 per cent of the cost of production. They would not necessarily make any money but at least they would not fall behind; they would maintain the status quo, because one of the basic things used in harmonization of stabilization is the interest rate and it figures in the costing formula.

The other agencies which have a cost-pricing formula and which have stayed below the national inflation rate are concerned with products which are being grown, produced and marketed under national agencies in this country. Some of them are not under national agencies, they are under provincial agencies, but those pricing formulas make sure that the products stay in production. It is the producers who fall outside what is called the great free market system who will back off and quit producing; some of them are in dire trouble at the present time.

Unless the government wakes up and, more particularly, unless the Minister of Finance (Mr. Crosbie) begins to realize that high interest rates are no joke, unless he realizes that the

crushing burden he is placing on food producers in this country will seriously weaken the ability of our farmers to supply Canadians in all security, unless he is willing to quit his smart alec remarks and, instead, redress the untenable situation in which he is placing farmers, the farmers and consumers of Canada will have his hide. I do not know what they will do with it, but they will have his hide, that's for sure. Does the government realize that farm businesses and farm operations today are run on 50 per cent or more of open-ended loans? Only yesterday a farmer feeding cattle in southwestern Ontario indicated he had lost $20,000 solely as a result of increased interest rates charged him by his bank since the government took office in June. He does not know what he is going to do.

I invite members opposite to do a little calculating on the basis of the 16 per cent rate presently paid by farmers. A feeder with 250 steers at 400 pounds who had to pay $1.20 a pound to purchase the animals faces an operating open-ended loan costing almost $20,000 a year. That feeder will have to try to get $19,200 to be exact, from the sale of his fattened cattle to send to the banks without any relationship to his competence as a farmer. Nothing for his work, nothing for his feed and so on. He has to make close to $20,000 for the banks before anything else comes back to him. Is he going to be working for nothing? The government said this would not happen, but that is what is going to happen. Either our farmers across the land are going to get a beating they never imagined, one they never imagined they would have to face under the previous administration, or Canadian consumers will face an unwarranted jump in their food costs.

I wish the Minister of Fisheries and Oceans (Mr. McGrath) was in the House today. I remember when he was on this side of the House as critic in the field of consumer affairs. Boy, when eggs went up a cent a dozen did he raise Cain in this House! Did he make a lot of noise! And, boy, is he quiet today! Yet that is infantile alongside what this is doing to the cost of food and the way in which it is going to hurt production and people. The very thing that he condemned, the egg marketing board, for instance, is one which has the cost-pricing formula installed in it which guarantees there will be eggs produced in Canada under that system and that producers will make a profit if they are efficient.

The hon. member asked about beef. The economic developments that took place in connection with beef should have never happened as far as I am concerned. But do not blame the government for it because I can remember going into cabinet meetings here and receiving telegrams from every beef producing organization. They were not all the same, but practically all of them said the same thing: "Don't let Whelan do anything for the cow-calf producers; don't let him intervene at all." My colleagues went along with that view. But I was up in that great area of Prince Albert the other day and I can say this to the Conservative members: a former member of the executive of the late right hon. member's constituency organization was my escort for one day. The next day two young people who before that were strong NDP supporters were my escorts. So I am just saying that in that area they know what we did. This is why I say that this motion is full of hypocrisy and fault. It is because of the very things which were done.

● (1620)

The Western Grain Stabilization Act was condemned by them. It is heralded by those who joined it voluntarily as one of the greatest things ever to hit the west because farmers are getting their cheques for their crops. They know what good it has been. The NDP say nothing was done, that there was no care and that no concern was shown for farmers. That is not true because the Western Grain Stabilization Act is looked upon as one of the greatest things, and the harmonization of stabilization would be doing the same thing, perhaps not to the great extent that the Western Grain Stabilization Act is helping those farmers who suffered depressed prices a year or so ago, but it had that same principle involved in it, that it would be voluntary for them to join. Again, what happened? Beef producers said, "Don't get involved in that; we are going to get over-production of beef".

What is happening to beef farmers today? As late as last night in the area of Wellington and Waterloo where I was, a farmer came to me and said: "My son-in-law is being helped both by myself and by his father. He already has a debt. He knows that just the interest rates on the cattle he has bought for the feedlot amount to $40,000 before he gets a penny for himself". The price of finished beef is not as high as it should be to give returns for the capital outlay that is involved.

I just want to say that I am concerned about some of the statements which have been made here. It would be one thing if interest was the only cost increase that producers and consumers have to face, but this government seems to be hell-bent on hitting Canadians with a double whammy by cranking up the rate of energy costs twice as fast or even faster than the previous administration was prepared to do. This is a costly, costly thing.

There are some countries in the world which have special programs for energy used in food production. Some of them have costs as low as 17 cents a gallon for the diesel fuel used in food production. I understand that the Prime Minister (Mr. Clark) has once more been convinced by Premier Lougheed that the latter's stand on the need for higher energy costs and on the distribution of income resulting from these higher prices is correct. What kind of leadership is that? Never have so many Canadians been sold down the river of convenience by one man for the benefit of partisan gain. I almost feel as if I am a citizen of a foreign country, not because of the Parti Québécois problem in the land and not because of the tough bargaining Premier Lougheed is able to put up for his people and province, but because of the weakness of this present government—its shameful posturing which is inconsistent with the facts, its inability to bring home the bacon when the going gets tough and its naiveté in having even the bacon which was on its plate taken away through sheer incompetence.

But enough of that, Mr. Speaker. Let us just turn to grain transportation for a while. When I think of some of the things

which have been said and read some of the speeches which are being prepared by the ministers and others I am concerned. You would almost think nothing had been done before.

I return again to the limp, hollow and inaccurate NDP motion before the House, because it almost says the same thing. The NDP knows very well that the previous administration was effective in improving grain transportation since 1973. We acted and put in place useful helpful programs, while at the same time studying the possibility of further improvement. This government seems to think it is enough to appoint committees and negotiate away advantages.

It was way back in 1973 that a Liberal government started by acquiring rolling stock, without which grain movement in this country would not only have some problems but would in fact be in serious trouble. The government started by buying 2,000 grain hopper cars in 1973. By last year 8,000 were delivered with an average 3,000 bushel capacity. That makes an increase of rolling stock capable of moving an extra 24 million bushels of grain.

If we took all the rolling stock used for grain, they could carry 36 million bushels if they were all loaded at once. Just imagine! That is about ten million bushels more than the total storage capacity on the west coast. Rolling stock, rolling grain containers, rolling grain elevators—whatever you want to call them—are there. I am not saying there is not a need or some need to co-ordinate this in a better fashion to move it more quickly, but there has been this accomplishment.

That effort was accompanied by pressure being put on the railways to improve their turnaround of cars, which in fact improved from a 21-day cycle in 1974 to an 18-day cycle this year, with the possibility of another day being knocked off by next year. That exercise in itself increased rolling stock capacity by another 20 per cent. At the same time the Liberal government spent $100 million in 1977-78, $70 million in 1978-79 and committed $70 million this year for 1979-80 to rehabilitation of rails and beds to improve the movement of grain to home and export markets.

When I think of some of the things which have been said and some of the claims which are being made, I think it is almost like a cook in a kitchen baking a cake and preparing the icing. Then somebody comes in, puts the icing on the cake and says, "We did it all". Practically all this government is doing in some instances is putting the icing on the cake. In some instances it is missing part of the cake with the icing, as far as I am concerned, by not following up the programs which were installed by the former Liberal government.

These efforts were made in the full knowledge that the Crowsnest rates—whether you are for them or against them—have left a huge problem of deferred maintenance to be dealt with. My point is, rather than watch the grain movement in this country decline year by year while studying every aspect of how to deal with the Crowsnest rate problem fairly and to the benefit of producers, a Liberal administration acted to the point where in fact almost one billion bushels of grain have been moved on a yearly basis over the last five years. That is a lot of grain. At today's prices that represents the movement of that product, by a small "c" conservative estimate, in an amount far exceeding $5 billion.

Then Dr. Hugh Horner was appointed. I knew Dr. Hugh Horner when he was a Conservative member of Parliament. I knew Dr. Hugh Horner when he was a Conservative minister of agriculture. I knew Dr. Hugh Horner when he was a Conservative minister of transport and deputy premier. I never knew him as a transport expert. I knew him as a politician, and a Conservative politician. I do not think he knows any more about a train than a former member of Parliament, who was removed from the chairmanship of the board of Air Canada, Mr. Mackasey, knew about a plane, as far as that goes. Dr. Hugh Horner is being paid $75,000 a year, more than the Prime Minister, to run around and tell them how to shunt cars. The other day in Toronto he said that he finds the CPR and the CNR main lines the best in all of North America. We have known that for a long time. He has already received pretty near a month's pay to tell us what we knew. I think that is great. One of the greatest things I know about Dr. Hugh Horner is his brother.

Mr. Broadbent: Tell us more.

Mr. Whelan: A further 2,000 hopper cars have been acquired by the Canadian Wheat Board, and what is this government doing about hopper cars? Get this, it is going to rent some hopper cars! Ain't that great? The Liberal government bought them and paid for them. The previous minister in charge of the Canadian Wheat Board got the Canadian Wheat Board involved and bought cars, but the Conservative government which claims it is doing so much, is out renting cars. Can you imagine?

The western provinces will acquire 2,400 hopper cars by the end of 1981. That wealthy Conservative government of Alberta is going to contribute 1,000. It has more than $6 billion in a heritage fund that it does not know what to do with. Hon. members opposite know as well as I that Peter does not know what to do with that. If I were minister of transport in charge of the Canadian Wheat Board, I would go to Peter and say, "Come on, Peter, you can do better than that". I am sure he would listen to the Minister of Transport (Mr. Mazankowski) because the minister is from Vegreville and is respected tremendously in that area. I know of the tremendous respect he has in the House and I know that if the Minister of Transport, who is that member, went to Peter and said: "Look, you can do more", I am sure he would, because I am sure he would talk to the Minister of Transport. I had the impression that there was no communication between the first minister of Alberta and the first minister of Canada, and there seems to be a lack of will to communicate, from what we have seen of events in Saskatoon last night after three hours of discussion. Certainly it did not sound very progressive to me, that's for sure.

● (1630)

But let us go now to the political allies of this party.

Some hon. Members: Hurray!

Mr. Whelan: In Saskatchewan they fired the best cabinet minister they had.

Some hon. Members: Oh, oh!

Mr. Whelan: They fired one of the most honest men in western Canada.

An hon. Member: What is his name?

Mr. Whelan: They fired him for no good reason. The premier wanted him to say he was sick, but he was as healthy as the Leader of the New Democratic Party ever was, and he knows a hell of lot more about farming than he does. He was born and raised on a farm and he worked in a factory, so he knows of what he speaks. He knows practically all the people in Saskatchewan, but they fired him because he would not resign on the ground of ill health. So then he resigned his seat. I was appalled when I went to Prince Albert and the NDPers said, "But your brother resigned, he was not fired." What a bunch of malarkey, what a bunch of boondoggling! That guy had given his whole life to that party from the time he was 18, but he was fired for no reason at all.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. McCain): Order, please. I regret to inform the hon. member that his time has expired. He can continue with the unanimous consent of the House.

An hon. Member: He has expired.

An hon. Member: Continue.

The Acting Speaker (Mr. McCain): Is there unanimous consent to allow the hon. member to continue?

Some hon. Members: Agreed.

Mr. Whelan: But what did the province of Saskatchewan do? They are going to supply 1,000 cars. They got into the act too. They are the political allies of the party which put forward this hypocritical motion. They are the province which stands to gain most from improved grain transportation because of its geographic location and the importance of grain production to that province. They will only supply 1,000 cars. They have the lowest rate of unemployment of any province in Canada, probably because, as I was told the other day, the unemployed there have moved to Alberta.

The Liberal administration between 1974 and 1978 spent some $280 million on hopper car and boxcar repairs. At the same time, railroad rehabilitation subsidies from 1977 to 1980 equalled $240 million; the expenditures on improvements of grain movement through the port of Churchill between 1968 and 1978 were almost $16 million; and branch line subsidies between 1971 and 1978 amounted to $602 million.

Hon. members know full well the efforts the Liberal administration has made to export grain out of the west coast, both in Vancouver and Prince Rupert, B.C. The Minister of Transport knows full well that what he signed with regard to Prince Rupert, etc., was all ready for him. All he had to do was to get the pen. I was involved in some of those negotiations. Perhaps even I could have got as much from Peter on that deal, I do not know, but I did not see any great advances being made by the new minister over and above the agreement that was negotiated at the time the election took place.

The unfortunate shipping accident disrupting the improved rate of grain exports is not being handled with sufficient dispatch by this government. I want to tell the minister that he had better cross his fingers because some farmers think that, because there is demurrage to pay on ships waiting as a result of that railroad bridge having been damaged and the inadequacy either of the ship's captain or the pilots supplied by the Canadian government, they will have to pay that demurrage. I said to them that the Minister of Transport in charge of the Wheat Board is a reasonable man and I know that in no way will he allow that to happen. You see how fair I am on the political hustings?

Some hon. Members: Oh, oh!

Mr. Whelan: I was just going to say that if we go on to talk about other things, this government has once more adopted the policy of appointing a grain transportation co-ordinator, and that is encouraging. But partisan Conservative task forces, such as the grain movement task force named by the Minister of Transport in July, are unacceptable, Mr. Speaker. You can expect that sort of thing in a totalitarian type of system where there is only one party. You see that in other parts of the world. But this is an all party Parliament.

People are under the impression that that task force is a parliamentary committee. It is not a parliamentary committee, it is a caucus Tory group of politicians who are using government employees to help them. I never remember that being done, Mr. Speaker. It is just unacceptable. It is blatant partisan boondoggling reminiscent of the Ontario Conservative government's tactics, and it brings into question the privilege of members of this House. The hon. member for Lisgar (Mr. Murta), the hon. member for Kindersley-Lloydminster (Mr. McKnight) and the hon. member for Wetaskiwin (Mr. Schellenberger) should not have been given the privilege of constituting a Conservative caucus partisan committee usurping the function of Parliament.

I know that another member of the House, the hon. member for Glengarry-Prescott-Russell (Mr. Ethier), has brought to the attention of the Chair a similarly unacceptable situation with regard to the task force on beef established by the government. If there is anything that anyone wants to know about beef, there are piles and piles of documents on hearings, etc., and yet we appoint another committee. We used a highly paid person who was our chief agriculture negotiator at GATT to be secretary of that beef committee. His name was Mike Gifford. I have known him for years. He was one of our most qualified people out there, but he is paid by the taxpayers of Canada to work for the Conservative caucus. It is a shameful use of funds.

An hon. Member: Open government!

An hon. Member: Shame.

Mr. Whelan: This government's habit of establishing a Conservative task force and giving then an aura of a parliamentary investigation instead of giving the country action in government is entirely unsatisfactory, undemocratic and highly questionable political behaviour and morals. Yet this comes from a government which purports to be the champion of Parliament.

Some hon. Members: Hear, hear!

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, at the outset I want to thank the leader of the New Democratic Party for presenting this motion because it gives the government an opportunity to respond to some of the statements that have been made by the NDP. It also gives us an opportunity to respond to the somewhat inaccurate thrusts contained in the motion itself. I could not help but recognize the torture which the leader of the NDP so obviously went through when he read his speech, which was probably prepared by the hon. member for Yorkton-Melville (Mr. Nystrom).

Mr. Whelan: He is not that capable.

Mr. Mazankowski: I have a great deal of respect for him. He is the only rural member in that caucus, I think, although I am not sure whether he ever drove a tractor. But I think he has seen them. Notwithstanding the fact that he has never driven a tractor, I do have a lot of respect for his ability to deal with agriculture, and I am sure he helped his leader out immensely today, notwithstanding the torture that his leader had to go through.

There are a couple of points with which I want to deal and, as well, a couple with which I take issue.

I should say at the outset that, knowing the leader of the NDP to be a very skilled and competent debater, I would have thought it would not have been necessary for him to distort a speech and to quote it out of context. Because he quoted a portion of a speech I had made to the UGG in Calgary a week ago wherein I stated that I was frustrated because we were passing up sales worth perhaps a $1 billion a year. What he failed to do is to put that statement in the context in which I put it, in the summarization of the issue as I saw it.

I want to put what I said on the record because I think that to quote that passage alone tends to distort what I wanted to say. I am surprised that the hon. member would use such tactics, because he certainly does not have to; he has the ability and skill to make his point very well without attempting to distort or to quote passages out of context. I did say that if I were to sum up my views on Canada's grain marketing and transportation, I am disappointed with the past and somewhat frustrated with present conditions, but extremely optimistic about the future. It was in that context that I made my statement.

Mr. Broadbent: I left out the optimism.

[Mr. Whelan.]

Mr. Mazankowski: I would say further that I am disappointed because of our well documented inability to put grain into the export position and to take advantage of high prices and strong demand. That is what I said. It is interpreted quite differently in its total context than in the manner in which the hon. member quoted that portion.

● (1640)

I have a tremendous amount of respect for the hon. member for Essex-Windsor (Mr. Whelan). I think all of us enjoyed his contribution today. I am not sure he was quite as well prepared today as he used to be when he was a minister. Nevertheless, the hon. member always is enjoyable and makes his points very vigorously. I know very well he is a sincere man when it comes to dealing with the problems of agriculture. I know of the sincerity of his devotion to trying to improve the grain handling and transportation system. In making those comments, I can conclude only that either he was not listened to by his cabinet colleagues in the government of which he was a member, or he was much less vocal than he was during the debate today. I am not sure which of the two comments apply.

Needless to say, if what the hon. member said today was listened to by the former administration, probably they would have been able to achieve a lot more in the improvements of grain handling and transportation, and perhaps they would have had a little better showing in the election of May 22. I suppose we can say only that the hon. former minister of agriculture was simply not in the right clan to assert his influence, because if he had been I am sure we would have had a co-ordinator then, which is something he suggested to me he had advocated for quite some time.

Mr. Whelan: Nothing new.

Mr. Mazankowski: Essentially the motion deals with three points. It reads as follows:

> That this House condemns the government for its failure to support the farmers of Canada, as demonstrated (a) by the imposition of unconscionably high interest rates—

This is a very serious matter. I accept it as a serious part of the motion. It continues:

> —(b) by its determination to follow the policies of the former Liberal government in continuing to ignore the grain transportation recommendations of the Hall commission—

It is almost ludicrous and laughable. The suggestion that this government is ignoring the recommendations of the Hall commission is simply hogwash. It continues:

> —and (c) by proceeding to abandon the Crowsnest Pass rates for the movement of western grain.

That is pure politics, to say the least.

Mr. Broadbent: Oh!

Mr. Mazankowski: It is a distortion of the government's position on the Crowsnest Pass rates. If it is not a falsehood, certainly it borders on being one. At a minimum it is deceptive and deceiving.

Mr. Broadbent: Where do you stand?

Mr. Mazankowski: I will tell the hon. member where I stand, "you betcha". I will quote passages from my election campaign document and my speech, so that the hon. member will see very clearly that there is no inconsistency in the position taken before or after the election.

I should like to deal with the question of high interests rates and their impact on farmers. I am not so naive as to suggest that high interest rates are not hurting the producers of Canada. It would be intellectually dishonest to suggest that I have an immediate solution. In effect, the high interest rates reflect the problems of the economy. The government intends to deal responsibly with these problems. The challenge faced by Canada is not to provide merely a cosmetic solution which would cushion the immediate effect for some Canadians. Such problems would deal only with the symptoms and not with the root problems. Moreover, probably they would guarantee more serious problems in the future.

The new government took over office from the former administration with the highest dollar value budgetary deficit in Canada's history, over $11 billion this year, and an extremely high deficit in our international current account, in excess of $7 billion. These are the solutions in redressing those problems. Understandably there is a great deal of concern about the high level of interest rates. In fact, this concern has been reflected by the exchanges which have occurred in the House of Commons. My colleagues who will follow me later will deal in more detail with this particular matter, but let me add that if high interest rates are painful to some people right now, ignoring the serious underlying factors would be even more harmful to our over-all economy and indeed to Canadians.

As far as grain farmers are concerned, the subject to which this motion is addressed, it seems to me the best way to help grain farmers is to get on with the job of improving the grain transportation system in the country and to support some of the initiatives we have advanced to improve that system.

It is funny to hear the NDP condemning the former Liberal government, the Liberal party. We had a very serious vote of confidence a couple of weeks ago wherein members of the Liberal and New Democratic parties ganged up in a non-confidence motion. It is very interesting to see what was reported in *The Globe and Mail*. It reads as follows:

> The exercise in brinksmanship which saw the government survive a Liberal non-confidence motion by only two votes was entirely political. The motion put forward by former prime minister Pierre Trudeau attempted to chastise the Conservative government for failing to do in six months what the Liberal government had failed to do in 11 years.

That is the sum and substance of that particular phoney motion of confidence which was supported by the NDP.

An hon. Member: With glee.

Mr. Mazankowski: With glee. The motion refers to the alleged fact that we are following the same policies of the former government and that we are not following the thrust of the Hall report. It is very interesting to read what Mr. Hall had to say about this government. I should like to quote from the Saskatoon *Star-Phoenix* dated Friday, September 21, 1979. This is what he said.

Mr. Nystrom: You cannot find it.

Mr. Mazankowski: I was pausing because I wanted to save the best part for the last. Mr. Hall is reported as saying the following:

> Transport Minister Don Mazankowski's goal of increasing grain exports 50 per cent by 1985 can be achieved if more hopper cars are built, says Mr. Justice Emmett Hall, author of a major report on western grain handling.
>
> The extra exports "can be achieved with the existing rail lines but not with the existing equipment," Hall said Thursday . . .
>
> "There's going to be a considerable number of hopper cars brought into the transportation system as quickly as they can be built," Hall said . . .
>
> The previous Liberal government acted on few of his grain handling recommendations, made in 1977, but the Progressive Conservatives seem inclined to put more into action, he said.

Some hon. Members: Hear, hear!

Mr. Mazankowski: The article continued:

> A major initiative will be appointing a co-ordinator for grain car movement, Hall said. The government is trying to decide who to hire.

I must say that the appointment of Dr. Horner, while it may not have been approved by the hon. member for Essex-Windsor and members of the NDP, was applauded very warmly and enthusiastically by Mr. Justice Emmett Hall. The article continues:

> A July meeting between Mazankowski and the four western transport ministers produced "a unanimous and co-operative view that much more was going to be done," Hall said.

This is the part I wanted to save for the last because the hon. member for Yorkton-Melville will appreciate it:

> Mazankowski is a "very able and active minister and I think he's really going to accomplish his intention of increasing exports."

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Broadbent: He is also very modest.

An hon. Member: Right on.

Mr. Kempling: One cannot hide the truth.

Mr. Mazankowski: I should like to deal with this in some more detail, because the motion suggests that we have been following the same policies of the former Liberal government. It is very clear from the words expressed by Mr. Justice Emmett Hall that indeed we are following the basic thrust of the Hall commission report.

Mr. Broadbent: He did not say that.

Mr. Mazankowski: As well I must say that I meet with Mr. Justice Hall on a very regular basis. I can assure the hon. member that indeed the details of our initiatives and policies are approved by that very, very distinguished gentleman.

● (1650)

Our policy is not only different from the Liberals' in terms of substance, it is different in terms of emphasis, because grain transportation has been our number one priority. It is an area on which we have placed the greatest kind of emphasis because we do know—we have said it before and we say it again—that we have been losing far too many sales in the export field, millions and billions of dollars. We have tried to turn that around and we are working towards doing that.

The other thing is attitude. We have approached the resolution of these problems employing the co-operative and consultative approach. We have replaced confrontation with co-operation, working together with the Canadian Wheat Board, working together with the Canadian Grain Commission, working together with the grain handling companies, working with the railways, working with the industry at large, working with labour and working with provincial governments.

The leader of the NDP may not realize that it is a very complex system and each and every component of that system must function well. The whole system must function in a harmonious fashion in order to achieve the maximum degree of throughput. That is one of the essential differences.

The other difference is the degree and the intensity with which we place our emphasis upon the movement of grain, particularly to export positions. We have approached this on two basic fronts; the short-term and the long-term. We set out very quickly after assuming office to get the Prince Rupert project back on the rails because negotiations had broken down. There is a site evaluation committee which is concluding its work right now. It will be reporting to me by the end of November and we will then be taking a decision. I would expect that construction of that facility would commence in the early part of 1980.

We are looking at ways and means of increasing our export capability through the port of Churchill. Yesterday we had a very historic and significant event. We visited Churchill and witnessed the loading of some 24.5 thousand metric tons of barley being loaded in the MV *Arctic* for movement to Poland. This is the latest movement, a month after the season had closed. We hope to repeat that in the early part of the season and to repeat it again next fall. Nevertheless, we need not only Prince Rupert, we need Churchill, we need Vancouver and we need Thunder Bay.

I see Canada as a major grower of grain and a major exporter of grain utilizing four spouts; the port of Thunder Bay, the port of Churchill, the port of Prince Rupert and the port of Vancouver. We are going to need each and every one of those ports if we are to achieve the 30 million metric ton export target figure which we have pledged to do by 1985. We will do it given the time and given the kind of initiatives we have taken, and I am confident we can.

In the area of additional rolling stock, the Canadian Wheat Board has 2,000 hopper cars coming on stream right at the present time. They are being delivered right now. The federal government did engage in leasing some 2,000 hopper cars and they will be coming on stream in the early part of next year. There were basically two reasons that we leased; firstly, the Liberals did not leave us any money to spend on that item so we had to lease; and secondly, the matter of leasing cars allowed us to bring cars on stream much quicker than if we had purchased them, so we will be receiving these cars in the early part of next year. There will be 2,000 from the Wheat Board, 2,000 from the federal government, 1,000 from the province of Saskatchewan, 1,000 from the province of Alberta and some 400 from the province of Manitoba; that is 6,400 additional hopper cars coming on stream right now.

In addition we have renewed the boxcar rehabilitation program, which is going on in the city of Winnipeg primarily. Some 5,000 rehabs will be coming on stream between now and the middle of next year, so that is a total of 11,400 boxcars and hopper cars which will be coming on stream between now and 1981.

Some hon. Members: Hear, hear!

Mr. Mazankowski: That is being done, not by any miracle, but by employing a co-operative approach. We think that much more can be done employing the co-operative approach. The solutions are not easy. We are now going to have to concern ourselves with ensuring that there are adequate and sufficient numbers of locomotives and motive power to do the job. We are presently in the process of discussing that matter with the railways.

These are some of the initiatives. I am glad the hon. member for Essex-Windsor brought up the matter of the work of the task force involving members of Parliament. We on this side consider members of Parliament to be "somebodies". They want to work, they have expertise and they have done an excellent job. They have gone out and examined in minute detail, here again in co-operation with members of the grain trade, the Canadian Wheat Board and the Canadian Grain Commission, ways and means of improving the system. They looked at new innovative techniques which we might be able to employ. They looked at ways and means by which we may be able to cut down the turnaround time. Their report is due to be handed in to me within the next couple of weeks, I presume, and it will be turned over to the grain transportation co-ordinator so he can implement those many innovative recommendations which will flow from that committee.

The member who just spoke before me said he supported the concept of a co-ordinator, and so did the official spokesman for the Liberal opposition. I think we are very fortunate to have been able to acquire the services of a man who has outstanding qualifications, not only as a politician but as a grain transportation expert.

Some hon. Members: Hear, hear!

Mr. Mazankowski: His appointment has been lauded clear across the country from Halifax to Victoria and there can be no doubt about that. I can assure the House that the job of co-ordination and of utilizing our grain handling and shipping systems to their maximum will be achieved under the direction

of Dr. Hugh Horner. I have no doubts about that at all. As a matter of fact, I am sure that we will come very close, notwithstanding some of the breakdowns—bridges falling down and some being burned—to increasing our exports by the 20 per cent figure which we have set as a target. That is Dr. Horner's target, that is my target and that is this government's target.

Some hon. Members: Hear, hear!

Mr. Mazankowski: Not everyone agrees with the solutions and not everyone agrees with the diagnosis of the problems that are before us. There are different views. There are different views with respect to whether we have enough hopper cars or whether we need more; there are different views as to how we might best turn the system around. The UGG convention that the hon. Leader of the NDP referred to was a rather interesting occasion in that the president of the UGG, a man very highly regarded in grain circles, said that the subject of the shortage of rail cars has been much overplayed. He indicated at that meeting that he did not feel we needed any more hopper cars; he said we have enough.

In the meantime the president of the Saskatchewan Wheat Pool, Ted Turner, told delegates at the pool's annual meeting on Thursday that he is very optimistic about the future of Canada's grain industry, referring, of course, to the initiatives we have taken as a government. He went on to say that while he is happy with the purchase of hopper cars by the federal government and by the provinces, 1,800 additional cars are needed every year to maintain an adequate level. You have these kinds of differences.

● (1700)

Mr. Runciman also said:

—there has been an overreaction to the shortage of grain cars. With governments in Ottawa, Saskatchewan and Alberta responding to the Wheat Board's request for more cars, supplies would far exceed demand in about one year.

These are things we have to consider. The official spokesman for the NDP, the hon. member for Regina-Lake Centre (Mr. Benjamin), said in *The Leader Post* of Regina on July 21:

He urged a three-point program: immediately placing all but the 155 miles in the permanent rail network; reducing from four years to two a program to upgrade track; immediately ordering 6,000 to 8,000 new hopper cars.

That statement was made in July, and this is now November. There are 7,400 hopper cars coming on stream between now and 1981. The news article goes on to say:

Benjamin opposed any change in the Crow rate and approved appointing a transportation czar to co-ordinate grain movement.

Mr. Broadbent: Not Horner.

Mr. Nystrom: Within the Wheat Board.

Mr. Mazankowski: Now they are splitting hairs. The hon. member first said that he did not approve of the concept of a co-ordinator. I can assure hon. members that the appointment and concept of a co-ordinator has clearly been endorsed across this country; but, more importantly, the appointment of Dr. Hugh Horner has received accolades from Halifax to Victoria, as I have said.

Mr. Broadbent: From his family.

Mr. Mazankowski: I would now like to turn to the portion of this motion which deals with the matter of the Crow rate. I would like to place on record a statement which my party used during the election campaign relative to the Crow rate. We said:

To provide incentives to move increasing volumes of grain, and to rehabilitate and maintain adequate plant and equipment, the railways will be adequately compensated for the hauling of grain. They, in turn, must guarantee adequate service levels for grain movement.

Here is the qualifier:

The benefits of the statutory freight rates will remain for western producers.

The federal treasury will meet the difference between statutory and compensatory rates on a basis to be decided upon through consultation with the producers.

Essentially that position is not changed. That is what we said then and that is what we say now. I do not need a lecture from the professor from Oshawa on what the Crow rate is all about.

Mr. Whelan: None of my kids are going to that school.

Mr. Mazankowski: I know the historical and economical significance of the Crow rate and what it means to the average western farmer. This government has no intention of removing the value, benefit, or advantage of the Crow rate as it now exists from the producers.

Some hon. Members: Hear, hear!

Mr. Kempling: Eat crow, Ed.

Mr. Mazankowski: I wish that the NDP would stop distorting and deceiving the facts, although they are masters at that.

Mr. Knowles: Order.

Mr. Mazankowski: If I got overexcited, Mr. Speaker, and said some things that were unparliamentary, I must say right here and now that I did not mean them in that context. If there were any offensive words related to the statement which I just made, I want to withdraw them and apologize to the hon. member.

Mr. Alexander: What a nice man.

Mr. Broadbent: Now get back to the truth.

Mr. Mazankowski: There have been representations, even from members of the NDP, about modifying the application and the structure of the Crow rate. The hon. member for Regina-Lake Centre and I have discussed this matter on many occasions. I am not trying to distort his position, but we have had a lot of discussions on the matter, and there have been representations from provincial governments and several farm organizations as well.

Concern has been expressed about the processing of grain products. I know that the NDP would say, "Well, we'll pay the

railways the difference, whatever they want, and if there is not enough from the federal treasury, then the provinces will dig in and give them some more." This government does not take that position. I want to assure this House that any change in the structure application of the Crow benefit, value or advantage will only come after there is full consultation with the producers, if there will be any changes at all. We believe that the producers of Canada should have some say in this matter, and we are prepared to capitalize on their expertise and ideas.

The second point I want to make is that our government believes that the railways have a firm obligation to move our grain expeditiously, effectively and efficiently in the producers' interests and, indeed, in the national interest. I want to make it very clear that under this government the railways will not be allowed just to run the gravy trains. We do not accept as fact the formula of Snavely, just as we have not accepted the PRAC report or the totality of the Boze-Allen report.

If there are any changes in the application of the Crow rate, they will have to be coupled with adequate service guarantees. Because we believe that grain is a national asset. We in the federal government will not shirk or squelch upon our responsibilities in backing up the commitment of providing adequate revenues to the railways, but not so as to affect the benefit or the value of the Crow rate in statutory form as it is presently applied. That is a firm commitment; and we have honoured it and we will continue to honour it.

I would like to conclude by saying to the Leader of the New Democratic Party yes, the people of western Canada did vote for change. They voted for change, they voted for improvement in the grain transportation and handling system and for retaining a greater portion of the branch lines than that which the former government wanted to retain. They voted for a party that was committed to moving more grain. The NDP had a policy for western Canada as well and, as I said, they set out to distort the position we took throughout the campaign and have continued to do so. I would remind hon. members that that party did not elect many rural members on May 22, and I do not think that they will elect many more either. I agree with the former minister of agriculture who suggested that this motion, particularly as it relates to the Crow rate, is simply political posturing because they have their eyes set on Prince Albert. The people of Prince Albert will deliver a message on Monday, and they will deliver it in our favour.

We will continue to work out the problems and continue to work with components of the grain handling system, with the railway, with the Canadian Wheat Board, with the Canadian Transport Commission and with the producers. We will work on these problems together. We will not promise instant solutions or miracles, but through co-operation and consultation we will get the job done. We will achieve our 20 per cent this year and 50 per cent by 1985.

Mr. Broadbent: Mr. Speaker, I rise on a question of privilege. I recognize at the outset that the minister checked what he had to say about a point shortly after he said it, but since I courteously accepted a question from a member on that side, I wonder if the minister would accept a question from me in the context of his comments when he said that we were deceitfully misleading. That was a rather serious accusation, and I wonder if the minister would permit a question in that context in order to clarify the record?

[Mr. Mazankowski.]

Mr. Deputy Speaker: Order. Even if the minister agrees, the hon. member will need the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Is the minister prepared to accept a question?

Mr. Mazankowski: Yes.

● (1710)

Mr. Broadbent: Mr. Speaker, I said at the outset that I believe in toughminded debate, but like the minister I do not believe in deception on the other side. If I am guilty of an error, I welcome correction.

I have with me a campaign bulletin issued by the Conservative party of Canada dated Ottawa, April 19, about a month before the election. That campaign bulletin does not say that the "benefits" of the Crow rate, the "value" or the "advantages" of the Crow rate would be maintained. It says categorically, and I quote:

We have proposed that: the Crowsnest Pass freight rate be maintained.

I referred to that earlier and indicated that since the election the Minister of Transport, the hon. member for Lisgar (Mr. Murta) and Hugh Horner, who has been appointed to a position by the government, have all changed that statement. They have "withdrawn". Those were my words and if I am wrong I want them corrected and the record corrected. They have suggested no longer that the Crow rate be maintained, but something that they ascribe to the benefit of its being maintained.

That is the only accusation I made in my speech; nothing more or less. I said I did not accept that policy and that there was a change in the Conservative party policy. If I am wrong, I should like the minister to correct the record now.

Mr. Mazankowski: Mr. Speaker, may I preface my remarks once again so that there is absolutely no question. I apologize to the hon. member and to members of his party if I was overexuberant in my description. I also have to say in the same vein that the hon. member is wrong. I have the policy paper in my hand. It is a policy which was written by myself and other members of the Conservative transportation caucus committee and ratified by the party. I quote it again so that there is absolutely no misunderstanding. I am not sure what the hon. member is quoting from but I—

Mr. Broadbent: A Conservative party document.

Mr. Mazankowski: I do not know what the hon. member is quoting from but I can certainly substantiate this. I have taken his word and he is simply going to have to take mine. I think

this will be endorsed and ratified by other members in the House as well. Very simply, the words that we used during the election campaign are these:

To provide incentives to move increasing volumes of grain, and to rehabilitate and maintain adequate plant and equipment, the railways will be adequately compensated for the hauling of grain. They, in turn, must guarantee adequate service levels for grain movement.

And in capitals, for emphasis, it continues:

The benefits of the statutory freight rates will remain for western producers.

It goes on to say:

The federal treasury will meet the difference between statutory and compensatory rates on a basis to be decided upon through consultation with the producers.

That is the right policy and that is the one we presented to the Canadian people before the election of May 22. We continue with that policy as I have just read it.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Papineau (Mr. Ouellet)—Inquiry of the ministry—Inquiry whether Prime Minister met Péquiste candidate; the hon. member for Windsor-Walkerville (Mr. MacGuigan)—International trade—Automotive industry—Fair share for Canada of capital investment; the hon. member for Charlevoix (Mr. Lapointe)—Unemployment insurance—Seasonal workers—Request for revision of benefits system.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO SUPPORT FARMERS

The House resumed consideration of the motion of Mr. Broadbent:

That this House condemns the government for its failure to support the farmers of Canada, as demonstrated (*a*) by the imposition of unconscionably high interest rates (*b*) by its determination to follow the policies of the former Liberal government in continuing to ignore the grain transportation recommendations of the Hall commission, and (*c*) by proceeding to abandon the Crowsnest Pass rates for the movement of western grain.

Mr. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I welcome the opportunity to speak in this debate. The topic that is under discussion should be, and we hope will be, a matter of major importance to this House.

We have spent a great deal of time since Parliament opened talking about the issue of energy as a natural resource, yet for members from western Canada, and in fact for all Canadians, the question of grain is in its own way as important, and perhaps more important, as the basis of the Canadian economy.

If we can put aside for a moment the somewhat blatant political purposes of the resolution and the somewhat peevish nature of the remarks made by the leader of the New Democratic Party, who seemed to build most of his case upon the science of character assassination rather than hard fact, going after a Lang or a Horner or whatever—if we can put those particular problems aside, it is important for members of the House to have the opportunity to express their points of view on the critical issue of the grain industry, and that is the effect of current policies. In particular, we welcome the opportunity of hearing from the Minister of Transport (Mr. Mazankowski) and other members of the Conservative caucus about what the policies, programs and directions of the government will be. I think those members would concede that there is some degree of confusion at this stage about exactly what those programs are.

This confusion, of course, is caused by the retraction of many of the statements and proposals made prior to the Conservative party becoming the government, both in the form and content of how they intended to tackle grain handling programs.

The Minister of Transport was very eloquent in his defence of the need to initiate a wide variety of studies and examinations. I, for one, do not object to his using members of Parliament to do some research and investigation, except that this runs totally counter to what he said he would do when his party became the government. In a June 14, 1978, news release, the minister said that more studies were not needed, that what was needed was to implement the key solutions outlined by the Hall commission. That seems to be pretty straightforward, except that one of his first actions after taking office was to set up all kinds of new studies.

In another news release issued on May 29, 1978, the minister said that Progressive Conservative members believed that the Standing Committee on Transport and Communications was an appropriate forum where issues dealing with the Wheat Board, the Hall commission and grain handling could be pursued. Now we learn that this is not to be the case. Instead, there are to be somewhat privileged and protected task forces and parliamentary groups composed only of members of the Conservative party who are providing the only contribution and making the only statements. This raises some real doubt in the minds of the public as to whether these reports and investigations will ever be publicly proclaimed and whether there will ever be any formal hearings.

I can only refer to the position taken by the hon. member for Lisgar (Mr. Murta) who was reported in a recent issue of the *Manitoba Co-Operator* as saying that the Crow will be exam-

ined, that the government will move in a couple of weeks to set up a special committee and that he was not sure whether there will be public hearings on the matter.

We must be excused if we complain to some degree about the confusion that surrounds the movements and directions of this government. We are not really sure who is making policy. Obviously the hon. member for Lisgar has taken it upon himself to make certain statements of major policy commitment which, because of this special appointment, take on the weight of real significance. His remarks are reported faithfully in all the agricultural papers and the western newspapers as being articles of faith.

The Minister of Transport denied what the hon. member for Lisgar said, explaining that he did not really mean it,—"We are not going to do anything about Churchill even though the hon. member for Lisgar says we will, and we are not really going to have a special committee on the Crow even though the hon. member for Lisgar says we will."

I hope that in the course of these discussions today the Minister of Transport will firmly declare who is making policy for this government. Perhaps he will be good enough to go through his record of statements, the record of the Prime Minister (Mr. Clark) when he was leader of the opposition and the commitments that were made at that time, of which there is a great list. None of them has been carried out and, in fact, most of them have been contradicted. They have not denied them wholesale but certainly they have denied and rejected the very clear and unequivocal commitments that they made to implement things.

This brings me to the statements made by the Leader of the New Democratic Party, who presumes to be leader of the opposition. The problem with the Leader of the New Democratic Party is that he has not learned to count. He does not realize that there is only a group of 26 members in his party. While he takes on the airs and pretentions and the posturings, you can tell the inner turmoil and frustration of the poor man as his peevishness and verbal pollution pour out. He cannot stand the thought that that great breakthrough which he was predicting on May 22 in fact turned out to be a fizzling firecracker.

● (1720)

There was not much electricity or activity on the part of the New Democratic Party. They were still gumming with their teeth to hang on to some political group. I suppose it may be a trifle unfair, but this gentleman who postures about his position as a national leader when his party—had trouble finishing—in fact did not finish—behind the Rhinocerous party in the province of Quebec, a province which only elects a major proportion of members, can be excused for his frustrations. One can understand the sort of the internal bile that builds up over periods of time.

The Leader of the New Democratic Party, skilfully evaded in a kind of gutless way the real issue. He was very strong and vehement in his castigation of Liberals for their non-confidence motion. We were prepared to put one. We were prepared to go to the wall on this one. Instead, what did the New Democratic Party do? They weaselled out on this one. They made sure the motion was so designed that other opposition parties could vote for it. That is a tactic. I can understand their particular position. They do not want to get into another campaign because the 26 might be further reduced. They were able to find a nice sort of polite way of avoiding having to go to the wall again. When they stand up on their sanctimonious soap boxes and talk about their purity in the political world, one has only to look at their record. It speaks much louder than their words.

Let us deal with this question where the Leader of the New Democratic Party tried to pretend his statements were based on nothing but pure unadulterated facts. Of course, the motion itself contradicts that. When they suggest that somehow there has been a total and complete ignoring of the Hall commission report, that does not square or meet up with what the previous government did.

Within eight days of the publication of the Hall commission report, many of its major recommendations were brought into effect by order in council. Some 14,000 track miles were made permanent. A serious commitment was made to the rebuilding of the lines. A commitment of close to $700 million or $800 million was made to that particular commitment to rebuild the lines. The Liberal government included an additional 5,000 track miles that the Hall commission was uncertain about and brought in under the Prairie Rail Action Committee track mileage on the branch lines that the NDP, in their slavish devotion to Hall, were obviously not prepared to accept. These have always been brought into the permanent category. If the NDP are going to stand on the sacredness of the Hall commission, then what they are denying are some of the major advances that have already been made on behalf of western farmers. If they want simply to become devotees of the written word as opposed to practitioners of real action, that is their business. I do not think that members of this House should be beguiled into thinking that somehow their words necessarily lead to proper and effective progress.

In fact, what is interesting about the New Democratic Party is their interest in proclaiming their openmindedness that they are the party of progressive reform.

An hon. Member: Sneak back into the subject.

Mr. Axworthy: They like to say that we are the ones who are the initiators and the innovators, and yet no party has been more closed-minded, reactionary and obdurate about the whole question of grain handling in western Canada than the New Democratic Party. They are not prepared to budge an inch or to recognize that there is a serious difficulty in moving grain in western Canada, and that part of the problem is the statutory rates. What they try to do is to take sheer political partisan advantage and say that everybody else is trying to get rid of it as opposed to asking themselves the real question.

The real question is: How do we try to come up with a proper program to bring about grain transportation improvements in western Canada so we can get the grain to market? That is not a partisan statement, Mr. Speaker. What we are

saying is: Here we go again; are you for or against it? Even the New Democratic Premier of Saskatchewan is prepared to go to meetings and discuss alternatives, but not the federal wing of the party, they are much too pure for that. At least the NDP in Saskatchewan who have had some years of pragmatic politics are prepared to. In fact, they commissioned a report in the province of Saskatchewan which they are not prepared to release at this time. They are not prepared to release it because it probably says some things that the NDP do not want to hear, but they commissioned a report to look at the problem. I know that the blindness of the NDP in its federal wing would not permit them even to go that far.

The fact of the matter is that we all know that improving the grain handling system of western Canada is absolutely essential to the improvement of the basic grain industry and the export of grain. You cannot look at it in isolated segments, Mr. Speaker. You have to look at it in totality. You have to look at the hopper cars, the trackage, the railways and their obligation, the statutory rates and the area of subsidies.

Why these paragons of progressivism, who love to posture in this House about their sort of innovative outlook, are so absolutely rigid and reactionary simply is that what they are trying to do is to have it both ways. They cannot have it both ways.

Mr. Whelan: They have not changed their philosophy a bit in 35 years.

Mr. Axworthy: That is right. You can be a reactionary and get rid of those manifestos, but boy, you are not prepared to budge an inch. Manifestos are no replacement for wisdom.

We should begin to look at one of the fundamental questions that faces this Parliament and this country in terms of the grain industry, and that is the present high interest rates. The ability to improve productivity, to get more products grown on the farms, is being seriously impeded by the existence of high interest rates. This is not a further progression of previous policies; there are major economic differences. I would suggest again to the souls on the left that they go back and look at transcripts of the committee hearings. There is a significant difference between the real rate of interest and the nominal rate of interest as compared to the American system at the present time.

Furthermore, the Canadian economic cycle is different from the American economic cycle at the present time. One of the major economic facts of Canada is that we have a substantial oversupply of capital because we save far more than the Americans do. All those reasons argue for a different interest rate policy than what the Bank of Canada is following. We should be shortening the supply of money and not using interest rates to do it. We should let the interest rate find its own market level.

We should also recognize a tradition that has been quite common in this country and accepted by the federal government, which is to provide protection and cushioning when there are economic hardships being faced by holders of monetary instruments. I categorically reject the position taken by the Minister of Transport and the Minister of Finance (Mr. Crosbie) that nothing can be done. That is simply not true, Mr. Speaker. There are many things that can be done to provide for transitional credit and to ease the kind of burden that farm producers and home owners and small businessmen are facing. They are a particularly vulnerable part of the economic sector. They do not have the same cushion that a large corporation has with large capital reserves sitting at the bank or which has the capacity to weather out its investment programs. The lines of credit of a farmer, small businessman or home owner are short. They must go to the bank. They are working on one, two or three months' credit.

I would like to bring to the attention of members opposite—there are some members from Manitoba here—the results of a recent survey taken by the Brandon *Sun*. Thirty-five questionnaires were sent out to Manitoba farmers in preparation for a major conference on agriculture to take place after Christmas. Over 50 per cent of the questionnaires that have been returned by farmers in that province indicate that they are going to have to cut back farm production as a consequence of high interest rates. Over 50 per cent will be cutting back production in the next seed year beginning in the spring. That is a serious fact. It means that if the intention as expressed in those questionnaires is followed through, then grain production in western Canada will be substantially down. Our ability to sell and to export will be reduced. It will have a multiplier effect throughout the entire western Canadian economy. It will reverberate among the implement dealers, the fertilizer firms; all the industries which are based upon agriculture will face serious consequences. I am, frankly, surprised that the weight of representation in the Conservative caucus from western Canada has not so far been able to pressure the inner cabinet into making some changes and bringing in fiscal means to provide for the cushioning that is needed. We are not talking about massive expenditures of money. We are talking about a transitional period, and easing of terms for a short period until the rates come down. This is something which has been done before. We are not breaking new ground. Such measures are necessary, now.

• (1730)

I cannot accept the argument put forward again by the Minister of Transport (Mr. Mazankowski), or by the Minister of Finance (Mr. Crosbie), that the reason the government makes the decisions it does is because of the heavy deficits left by the previous government. Hon. members opposite have had six months in which to bring in their own policies, yet the only policy they have talked about is to add to the deficit for this year's $575 million for the mortgage credit plan. They are not talking about reducing the deficit, they are talking about adding to it.

How can they castigate the former government when they are proposing to add to the debt? They can't have it both ways. You can't have a minister of the Crown get up and say, "Boy, those Grits left us with this deficit and we can't do anything about it." Well, you can do something about it. Don't spend money on a foolish, economic program. Don't spend money on

a program which has no economic impact. Don't simply fall sway to the Svengali of the Senate who tells the Prime Minister (Mr. Clark) he has to live up to his promises so as to look macho or something.

The fact is that the government is committed to heavier deficit spending purely and simply for political purposes so that it can look strong and tough, and the Prime Minister can pretend he is John Wayne when he is out in Alberta, or something. The fact is, you are adding to the deficit. You are committing the federal government to expenditures close to $3 billion over the next four years without having any idea as to what the economic conditions will be. You are buying a pig in a poke. You are entering into a major economic program without knowing what the economic conditions will be. If the Prime Minister or the Minister of Finance, or somebody in that inner cabinet, has all of a sudden acquired the talent to see far into the future and tell the Canadian public that in 1980 the economy is going to need a further $1 billion stimulation, he shouldn't be in Parliament, he should be in a side show doing magic tricks. No one has that power, and we should not be tied into this economic program based on it. So we simply cannot buy this hollow argument about deficit financing.

If members of the Conservative caucus were so concerned and so upset about deficit financing, the solution would be obvious to them: talk to the Minister of Finance. I challenge hon. members over there: get up on your feet next week when that mortgage plan comes up for debate, and oppose it. Oppose it for the sake of your own constituents, farmers and small businessmen and homeowners who will not benefit by that program at all. That is the challenge you gentlemen should be facing, not trying to do a cover-up, not trying to whitewash that program.

Let us forget all the nonsense about deficit financing and get back to the issue at hand, namely, that the government is acquiescing in a policy of high interest rates even though the economic facts of Canada argue against it. Furthermore, ministers are refusing to introduce any form of protective measures to ease the hardship on those who are severely punished by those high interest rates. The consequence of that policy will be—

Mr. Deputy Speaker: Order.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, it is difficult to decide where to begin when you listen to the former minister of agriculture talking about all the wonderful policies he had and talking about the fact that the western grains stabilization plan was such a tremendous thing for farmers in western Canada.

I just want to tell the House that the average payment under that plan that Otto brought to Canada was $1,100 a year, and when you compare that to the typical interest charges now paid by a farmer which amount to $20,000 or $30,000 a year, it is peanuts. Or you can listen to the Minister of Transport (Mr. Mazankowski). I don't know whether he has been on a farm. He is a machine dealer. He was chastising the leader of our party for not being a farmer and he was talking about the policy of the Conservative party on the Crow rate.

My leader quoted from a document put out by the Conservative party, headquarters in Ottawa, on April 19, a month before the election which said very clearly that the Crowsnest Pass rates would be maintained. I would like to take the word of the minister who said this was not the policy of the Conservative party, except that I have just been provided with some more information, it was handed to me a moment or two ago. It is an article in *The Western Producer* of May 10. Spokesmen for all three parties, the hon. member for Essex-Windsor (Mr. Whelan), myself, and the spokesman for the Conservative party had outlined their farm policies. The Conservative farm policy says very clearly: "the Crowsnest Pass freight rate be maintained for grain producers." Note the words "be maintained for grain producers". One of the Conservative party members says "Hear, hear!" But the minister says this is not the policy of the Conservative party.

An hon. Member: He did not.

Mr. Nystrom: If you go back to the record, you will find he said, "I want to make it very clear that that is not our policy." What he said in this House was that the policy is to make sure that the value and the benefit and the advantage of the Crow rate be maintained for the farmer; he said the benefits of the statutory freight rates would remain. The benefits. This is what the debate is about. Our party is making it very clear that we want the statutory rate to remain as is. But what the Conservative party is doing along with the CPR—that Tory-CPR alliance—is discussing changing the Crow rate and providing the benefit, they say, in some other way.

But what is that other way? The minister says he does not really know but they are going to talk to farmers about it, and perhaps they will take money from the federal treasury and pay it directly to the farmers to compensate them for the difference between the Crow rate and the commercial rate. That is one of the possibilities. First of all, it involves sending out all kinds of cheques to individual farmers and is terribly bureaucratic. Another suggestion is that the railways be compensated directly for the difference between the statutory and the actual rate for hauling grain. That is what Hall is saying.

If you make a direct payment to farmers, it is a legitimate concern of Hall, of the government of Saskatchewan and of a great many farmers, that the time may come when a minister a few years down the road in another government is going to say, "This is a place where we can save money." Some future government will say, "We can save money by not increasing those payments, and by cutting down on them."

• (1740)

Some hon. members opposite laugh, but I say to them that we have seen many programs in the past which have been almost carved in stone by governments of the day. The intention was not to change them in the years ahead. The intention was that there would be subsidies on bread, milk or what have you, but all of a sudden there is a different minister. With

regard to family allowances we have the commitment from the minister that universality will stay until 1980, but what happens after 1980? What about medicare? Ministers and governments have said to this House that those programs would never change, so I cannot take the word of the Minister of Transport when he says that the value and benefit will stay but that there is no commitment that the Crow rate itself will stay.

The only protection the farmer has is the engraving by law in stone, in the statutes of this country, that it is a statutory rate which will stay there regardless of whether the present member for Vegreville is the minister or the hon. member for Kindersley-Lloydminster (Mr. McKnight), or the hon. member for Winnipeg North Centre (Mr. Knowles) is the minister.

We need the assurance that the Crow rate will stay there and be guaranteed to the farmers of this land. That is the position of this party. I thought that was the position of the Conservative party as well, but apparently it is not. I think it is very enlightening that we should know about four days before the byelection in Prince Albert that the Conservative party's policy now is not to guarantee that the Crow rate stays and that it remains a statutory right, but that it is considering changing the Crow rate in this term of office.

As the Minister of Transport has said, we do not need any more lectures about the value of the Crow rate. We all know the value of the Crow rate to farmers in Canada. We know about the guarantees which were made back in 1897 when the Crow rate first came into effect. We know about how it was guaranteed by Parliament in 1925 that the Crow rate would stay, and that farmers would have this low freight rate indefinitely for shipping their grain out to market.

The reasons for that guarantee are very simple. In return for the Crow rate, the CPR—the buddies and bed partners of the Conservative party—received all kinds of mineral rights and land. The CPR received much more land than did the Indian people of this country, for example. The CPR got all these benefits in return for providing the Crow rate to move western grain.

Another thing which is important is that the farmers of western Canada have to haul their grain to market farther than any other farmers in the world. If we want to remain competitive, we need the Crow rate to haul grain. For example, the average haul for farmers in Canada is 906 miles. In the United States it is 383 miles. I remind the House that in the United States there is a system in which river barges are heavily subsidized for moving farmers' grain. In the U.S.S.R. the average haul is some 533 miles. So, if our farmers want to remain competitive they need this statutory rate.

My experience tells me that the railways of this country are much more powerful than are farmers in terms of bargaining for adequate compensation to move grain. If the Crow benefit is provided by direct cheques to farmers, who will guarantee that those amounts will go up every time there is an increase in the cost of hauling grain, or that they will keep up with inflation? There is no guarantee that that will happen. It is much easier to assume that the railways will have more bargaining power and clout than will the individual farmers of this country.

Mr. Speaker, I leave it to your judgment, but it seems to me that it is very clear where the Conservative party stands on the issue of the Crow rate. Just yesterday in the House of Commons in answer to the hon. member for St. Boniface (Mr. Bockstael), for example, the Minister of State (Transport) (Mr. Howie) said with regard to maintaining the Crow, and I quote:

> The answer to the first part of his question is in the affirmative, in that it is the intention of the Department of Transport to preserve for farmers the value of the Crowsnest rates.

"The value of the Crowsnest rates". In the speech the Minister of Transport made to the UGG in Calgary on November 7 he said, and I quote:

> I want to assure you that any change in application of the Crow benefit will come only after there is full consultation with producers.
>
> If there is any change of application of the Crow rate it will have to be coupled with adequate service guarantees.
>
> And, because we consider grain to be a national asset—

The minister went on and talked about the problems of grain movement and grain handling in the country. He also said in his speech:

> —we as a government have no intention of removing the value of the Crow rate from the producer as it now exists.
>
> There are, however, pressures to modify its application—to review its structure, and there are differing views—

I think it is very clear, and it has been confirmed in the House today, that the policy of the Conservative party is not to keep the Crow rate as a statutory rate. The policy of the Conservative party is to take it out of the statutes of this country, to make sure it is not guaranteed as a statutory rate and to leave it up to the good intentions, the good wishes and the benevolence of future governments to make sure that the value or benefit of the Crow is applied to the farmer in some other way in future years.

That is not good enough. I know that the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) would not agree. Were he in the House, I know Mr. Diefenbaker would be up chastising the government. I can just see him talking about reneging on the commitments of the Conservative party. The people who buy *The Western Producer* are the people who take the policies of the Conservative party seriously. I know the voters in Mr. Diefenbaker's former riding will be following the Crow issue and the transportation issue very seriously. The hon. member for Kindersley-Lloydminster is agreeing with me. He agrees that the Conservative party will not guarantee the Crow rate.

Mr. McKnight: No.

Mr. Nystrom: He says no!

Mr. McKnight: I say I do not agree.

Mr. Nystrom: He disagrees with the Minister of Transport, and I will be looking forward to hearing the hon. member for Kindersley-Lloydminster disagree with the Minister of Trans-

port because my leader made it very clear when he quoted what we thought was Tory policy, and the Minister of Transport said no. He said, "Take my word, it is not Tory policy that the Crowsnest freight rate be maintained for the grain producer". He said, "Take my word," and, of course, we will take his word. We believe he is speaking the truth, so I would be very pleased to see the hon. member for Kindersley-Lloydminster get up and say a few words in this House.

Another thing which strikes me as extremely interesting is to see how many Conservative backbenchers are happy that their party is a high interest rate party. The hon. member for Crowfoot (Mr. Malone) really went after the leader of my party when he was talking about the fact that the Conservative party is the high interest rate party. He was in agreement with that interest rate policy.

Mr. Malone: False statements.

Mr. Nystrom: If the hon. member has made any false statements, I want him to get to his feet and speak.

Mr. Malone: Then you sit down.

Mr. Nystrom: I can hear him muttering right now, but I wish he would get up and speak in this House, because we have not heard him speak very much since the May 22 federal election. He has been muted. Perhaps he is like the hon. member for Athabasca (Mr. Yewchuk). The hon. member for Athabasca sits on the back benches sulking because he did not get a cabinet post. In any event, the hon. member for Crowfoot is proud.

Another hon. member who is proud of the high interest rate policy is the hon. member for The Battlefords-Meadow Lake (Mr. Nylander). He was very proud that the Conservative party raised interest rates so that it is very difficult for farmers. Of course the Minister of Transport said it is very difficult for farmers. No one can deny that. Well, if it is, why does the government not listen to the credible economists in this country and, indeed, around the world, who say that a high interest rate policy is not necessary? Why does the government not listen to them?

● (1750)

Across the way we have a party that is in the saddle. In a few short months this country has had the highest interest rates I have seen in my lifetime. They are driving many farmers off the land. I have met two or three farmers recently who, without their sons and daughters—

An hon. Member: Farmers don't give up that easily.

Mr. Nystrom: Ah, I hear Tories laughing as they drive farmers off the land.

Some hon. Members: Oh, oh!

Mr. Nystrom: Now they are nodding.

An hon. Member: Disgraceful!

[Mr. Nystrom.]

Mr. Nystrom: The expert on beef across the way, the hon. member for Medicine Hat (Mr. Hargrave), is laughing as well because the interest rates are so high that farmers are being driven off the land. I invite him to come to Prince Albert with me. I was out there last week. I bet he will not find any farmer who agrees with little Joe and crazy John in the fact that they have raised their interest rate right through the ceiling in this country.

The hon. member for Assiniboia (Mr. Gustafson) is embarrassed. He nods his head in agreement with the policy of his party, but he is embarrassed by it. I want to see him get up and defend the high interest policy of the Prime Minister (Mr. Clark). He is embarrassed. They are very quiet over there. The only member who is not quiet is the hon. member for Crowfoot. I think he has picked up a disease that afflicted his predecessor who sat in the House for many years. He tends to talk from his seat all the time.

We heard the Minister of Transport boasting about the hopper cars his government has provided. May I remind members that they have not provided the 5,000 or 6,000, or is it 6,500 or 7,000 hopper cars he talked about? Of course, I would never accuse him of deceit, I know that is not parliamentary, but I want to lay the facts on the table. The federal Tories have leased 2,000 hopper cars. That is all the government across the way has done since it has come to office.

Mr. Malone: That is false.

Mr. Nystrom: The hon. member across the way says it is false. He is getting excited. He better be careful. I would not want to see him develop severe chest pains because he is getting very excited.

Mr. Malone: That is false, that is wrong.

Mr. Nystrom: The farmers, through the Wheat Board, and the provinces of Alberta and Saskatchewan are providing some 4,400 hopper cars. I just ask the government what kind of commitment that is. The hon. member says it is false. Is he therefore accusing me of lying? He is nodding his head. Let him get up and say that. I can see him nodding his head from here, but it would be more audible if he would articulate those words, because the more I see of the government across the way, the more I see the ghost of Otto Lang being resurrected in the government across the way. I know the hon. member for Essex-Windsor would see that with disgust because he knows in his heart how much damage was done to the western economy by the former minister in charge of the Wheat Board.

In response to the hon. member for Winnipeg-Fort Garry (Mr. Axworthy) who was chastising our party for the policies we have, I want to say simply that if he wants to see whom the people in the west believe, he should just look to see whom they have been electing. There are three Liberal members of Parliament, one Liberal MLA, and, I am told by the hon. member for Mission-Port Moody (Mr. Rose), that perhaps there is a Liberal mayor in some village in his riding. But that

is all that exists of the Liberal party in western Canada. He would probably not admit it anyway.

An hon. Member: He is a closet Liberal.

Mr. Nystrom: We have nine members in the prairies, we have a government in Saskatchewan, we are the opposition in the province of Manitoba, we have eight members in British Columbia and we will soon form the government in that province. So I say to the hon. member for Winnipeg-Fort Garry that he is living in a glass house when he says that we do not say things that are wanted by people in western Canada. He is making a serious error and he is, indeed, skating on thin ice.

I am glad we had this debate today, Mr. Speaker, because we now know the Conservative party will not guarantee the Crowsnest Pass rate as the statutory rate. They will change that rate, and once it is changed and taken out of the statutes, as the former member for Prince Albert would say, it is only a matter of time before the benefits of that rate will no longer go to farmers of western Canada. More and more farmers will be forced to leave the land, and the Conservative party with its gang of three, the Conservative party together with the CPR, will have the day.

I am very anxious to sit down and hear the hon. member for Crowfoot, the hon. member for Assiniboia, who is disgusted with his party and embarrassed, and the hon. member—

Mr. Deputy Speaker: Order, please. The time of the hon. member has expired. The hon. member for Crowfoot (Mr. Malone) has the floor.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, in this great chamber it is expected that we would have some good debates and differences of opinion. From time to time we have had some between the Liberal party and our party. In this debate today we have heard from the hon. member for Essex-Windsor (Mr. Whelan) and the hon. member for Winnipeg-Fort Garry (Mr. Axworthy). I could not repeat everything they said, naturally, and that is not expected. Nevertheless, at least they did not throw false statements at the House, as has been done by the NDP, and there are no words I can find to let you know how bitter and angry I am at the continuing practice of the NDP, be it regarding PetroCan or another subject, of trying to make the Canadian people believe somehow that they could have cheap oil in a day when they should recognize that we are only six years away from the time when light and medium crude will start disappearing in this country.

To come here even today when we are talking about such things as statutory rates and to say that somehow they are going to disappear, when that has never been our policy, and to leave that kind of an illusion across the country, is shameful. Those statements are so false they have no place in this House of Commons. Whether they made those statements deliberately, or whether they made them without having done proper research, either way they have done them out of ignorance, and they are incompetent and do not have the right to serve here.

Some hon. Members: Oh, oh!

Mr. Malone: The fact of the matter is that there will be 7,000 new hopper cars on the prairies as of January next year, and that is as a result of the initiative of this government. What is one of their resolutions? It is to ignore the grain transport on the prairies. There will be 20 per cent more grain moved off the prairies to port and out of port into international markets this year than there was last year, and 50 per cent more grain will be moving by 1985. That will come about because of the initiatives at Rupert, increasing the capacity from 30 million bushels to 45 million bushels out of Churchill, and increasing the hopper fleet which, as the members of that party ought to know, is taking place.

Then we come to their position on Petro-Canada. I cannot believe that they would think they could use words like "disintegrate", "tear apart", and "dismember" when they know that this is not the policy of our party. It is now not just a day but a succession of days, and that particular party has come to the House to load us with false information. They should know better, and they should have taken time to research to find out what the position of our party is.

Mr. Nystrom: Do you want a copy of the Mazankowski speech? I will give it to you.

Mr. Peters: Don't bother; he can't read.

Mr. Malone: Mention was made of the Alberta heritage fund giving more money for the purchasing of more hopper cars. What they misunderstand very badly is that the heritage fund is for the benefit of the province which has a resource that is rapidly disappearing, because in six years the conventional crude will be gone. The money in the heritage fund will not even cover one year of government operations in that province, and it will certainly not last five weeks in terms of the federal government's operations. That party, like many other people, is always looking for a way in which it can spend someone else's money.

Today we have heard the Leader of the New Democratic Party (Mr. Broadbent) say that the Wheat Board was being diminished, as if somehow the Wheat Board was being torn apart and was not being allowed to operate because we appointed a grain transport co-ordinator. The fact is that the co-ordinator now allows the Canadian Wheat Board to do what it was set up to do, that is, to sell grain. The transport co-ordinator will now relieve the Wheat Board of a major headache by organizing the transport system so that, as sales are made internationally, the grain will get to market. In the past the situation was such that the Wheat Board would sell grain, and then during the later part of the season would have to face the awkward problem of having to move large amounts of grain.

Unfortunately, Mr. Speaker, the time has run out, so I will conclude with this final sentence. I really hope the NDP will quit loading this House with false statements as they have done ever since the start of this Parliament. I hope they will learn to be above that.

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

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

Mr. Arthur Phillips (Vancouver Centre): Mr. Speaker, it is a pleasure to be here this evening to speak to this motion which has been presented by my hon. colleagues to the far left. I wish to take this opportunity to talk a little about some of the grain problems which are addressed in the motion, but from the point of view of the west coast. I should like to take this opportunity to talk just a little about the two major west coast ports and to urge the government, which is examining both of them but particularly the port of Prince Rupert, to pay very serious attention to some of the issues before it in the case of Prince Rupert and in the case of Vancouver.

In the case of Prince Rupert, as we all know, the former government found a measure of agreement with the province of Alberta and the grain companies to proceed with the expansion of the port of Prince Rupert. As it stands right now, there is a committee appointed by the present government to recommend on the choice of two sites, namely, Casey Point and Ridley Island. I should just like to express the view of a member from the west coast in favour of taking the long-term view on this issue.

All too often those of us who are in politics are discouraged by the views we hear from members of the public that politicians do not often enough take the long view, that they too frequently take the short view on things, and that in the long run this is costly to the public and the whole country. I think we have a classic case in point here in Prince Rupert, because the government will be faced with a dilemma. There is the desire to move quickly and speed up the handling of grain. There is the desire to save money. Everyone understands and shares that point of view, but there is a dilemma. There is the case before us of Casey Point which is a much smaller and potentially less advantageous port site than we have in Ridley Island.

I am glad the minister is here now. I should like to address my remarks directly to him because I know this is an issue which will concern him. I am talking about the issue of Casey Point versus Ridley Island. I believe it is a classic case of taking the short view or the longer view. As a member from the west coast I urge the minister to take the long view on this issue for a number of reasons.

Casey Point will be attractive, because probably it will be indicated as being more economical and quicker. But there are some potential drawbacks. I understand that there have been a number of geological surveys in the vicinity of Casey Point that indicate potential landslide problems and potential delays because of this. I am sure the report will cover those points and may even conclude that, in spite of that it would be quicker.

● (2010)

I would urge the minister to take a long look at this issue because I believe that the opportunities opening in the Pacific rim and on the west coast of Canada are just enormous and that we have to have the vision to look ahead at those opportunities.

We are dealing here with a committee that is essentially made up of people in the grain business, and yet we are dealing with a situation where much more than the grain business is involved. In the case of Ridley Island, if we look ahead at the future growth, we can not only accommodate greater grain capacity, as I understand it, in that area, but more important it has the potential to do other things. It has the potential to handle coal from northeastern British Columbia, and this is going to be one of the great growth areas for the province of British Columbia and for all of the west. We know, as we are more and more conscious of energy concerns, that coal is going to become a more and more valuable commodity. This site of Ridley Island is sufficiently large that it could handle coal.

We know, too, it could handle metal concentrates, and there are a great many mining opportunities in the province of British Columbia to mine copper, molybdenum, zinc and so on, which could be shipped out through the Port of Prince Rupert if a site like Ridley Island were chosen. I am given to understand that it is even possible for a small steel mill to be put on that site. The site is sufficiently large that that could be done and could handle our ores and concentrates and could in fact, provide the basis of a manufacturing industry right on that site.

One of the cost factors that the minister should be taking into consideration is the fact that the premier of British Columbia has indicated that they would share the cost of a road to this site, which is an important cost; they would share it 50-50 with the assumption that DREE would pay the other half.

In addressing my remarks to the minister, Mr. Speaker, I would like to say that on this issue I urge the government to take a long look, and I can assure him that, as a member from the west coast, if they decide to take a longer look and it means some short delays in the production of the port for grain export, he is not going to find criticism from this member, but that, indeed, he is going to find praise from this member for taking a long-sighted decision.

I wish to shift my comments, if I may, at this point, talking again about the shipment of grain and other commodities out of the west of Canada and through the port of Vancouver, and talk just briefly about the port of Vancouver itself.

Part of that port is in my riding, part of the port is in the ridings of the hon. member for North Vancouver-Burnaby (Mr. Cook), on the north shore, and Capilano (Mr. Huntington), and part is even in the riding of the hon. member for Richmond-South Delta (Mr. Siddon) because Roberts Bank is all part of the port of Vancouver. The port of Vancouver is, as

many of you know, the second largest port in North America, the largest port on the entire west coast, and it is about twelfth in global terms as a port. It is an extremely important port. It is, of course, the reason why Vancouver exists, basically, because the port and the connection with the CPR that linked those two important transportation modes formed the city. We are very concerned about our port and very proud of it. We are very concerned because we do not feel that it is operating as well as it could be operated. This, in my view, is not a partisan political issue; it is a matter that all of us as Canadians, certainly I as a member from Vancouver, are concerned about.

It is a fact that we have lost business to the Port of Seattle, containerized business, over the years, and that has hurt the city of Vancouver and hurt the country. It is a fact grain shipments have not always moved as smoothly as we wished through the port, and it is perhaps a much more important fact than all of those that there are numerous opportunities in the future for the growth of shipments of goods from Canada to the entire Pacific rim, and all of us must be concerned with how we can move those efficiently across the country and out by ship to other countries.

A recent article, just last month, indicates, for example, that the volume demand in the next 20 years will far exceed the present capacity of the Vancouver area ports, particularly for coal. According to a very recent study, it envisages total demand rising to more than 122 million metric tons from the current 45 million tons for the port of Vancouver; an enormous 20-year growth, more than doubling, almost tripling the volume in physical terms, let alone dollar terms, going out through that port.

What is the problem? The problem is not one of money because the port of Vancouver makes money, unlike many ports in Canada, and the port in fact has accumulated surpluses of nearly $30 million that are currently invested in treasury bills and so on. They have all sorts of projects on which they would like to spend that money. They can see the expansion potential in the port because the managers are able people. We have able management and we have a good, skilled, and experienced labour force in the port of Vancouver. We have those ingredients and we know what needs to be done in the port, but there is a missing link. What is the problem?

The problem, as I see it, is that it is managed by the National Harbours Board out of Ottawa, also by very good, dedicated, and concerned people, but the system works against them.

I can remember when I was mayor of the city of Vancouver, when I was at that time concerned about the lack of local autonomy in our port, urging the government to examine the situation. I know that they did examine the situation. I know that a bill was brought in last year and I also know that bill never did get through Parliament, but that that bill would have given greater autonomy to the port of Vancouver, and in fact would have changed the structure of all ports in Canada. I have talked to the minister about that bill and I know that he is re-examining the bill and may introduce some variation of it in the time to come.

I can sympathize with the Minister of Transport (Mr. Mazankowski). There are many things on his plate, and it is my guess that that bill will not hit the top of the pile very quickly.

What I want to urge this Parliament is that we examine the port of Vancouver and single it out for special treatment; not special benefits or any sort of special treatment in the sense of plowing money into it, but an examination of the picture of the port of Vancouver separately.

In fact it is my understanding that a good deal of the motivation behind the national bill that was brought in for the revision of all our ports was specifically to deal with the problems of the Port of Vancouver, and the fact that it was managed by long distance, that it has to go through National Harbours Board, Treasury Board and all this kind of stuff, and by the time you do all that it just takes too long to get through the whole process.

I think there is a very simple solution to this problem and I would like to urge the minister to examine this solution. In fact I have put in a private member's bill, but I think it is marginal as to whether it is going to come up in the draw by the end of this Parliament. Even though I know the new government is committed to giving serious treatment to private bills, the draw is certainly one that is going to make this a little bit tough because it is not right at the top of the draw.

In any case, the private member's bill is something I would like to speak to very briefly here today because I think it is in the interest of the minister and the government, and in fact of all the citizens of Canada, to examine this particular bill. It is a very simple solution to a very complicated problem. It would be simply this. It would take the port of Vancouver out of the National Harbours Board and make it a Harbour Commission port, the same as is the port of New Westminster. The port of New Westminster has functioned very well with the degree of local autonomy that one gets from being a Harbour Commission port. This means that the port would have, if it had a five-person board, which is conventional for harbour commissions, two representatives appointed by municipal governments surrounding the port, and it would have three representatives who live locally in the area, appointed by the federal government. That would give it a five-person board made up of local people, still with ultimate control federally, but able to deal with the problems of the port there.

This port does not need money and it does not need expertise from Ottawa. It has the expertise it needs in Vancouver. It has the money it needs in Vancouver, and it generates a good cash flow every year. It has $30 million in the bank, and it cannot unlock the problem. I suggest that there is a simple solution and that we need not have another bureaucracy in a very complex system for the whole of Canada. We do not need to solve all the problems all across the country at once, and this is a classic case of how we can use the existing systems, namely the Harbour Commissions Act of 1964, to solve a complex problem.

● (2020)

I would urge the minister and the government at this time, even if my private members' bill does not surface in this session, to consider the solution of separating the port of Vancouver from the National Harbours Board and including it with all those other ports that are Harbour Commission ports under the Harbour Commissions Act of 1964.

I believe that all of us, as Canadians, would benefit from such a move, not only those who live on the west coast and represent the greater Vancouver area of British Columbia, but those who come from the prairie provinces and who are equally concerned with the smooth functioning of the port of Vancouver, those who come from the interior of British Columbia who have coal and other goods they wish shipped out through the port of Vancouver, and those who import goods through the port of Vancouver. It is a classic case where a simple solution would solve a complex problem. I urge that the government consider this very important change for the port of Vancouver.

Mr. Friesen: Would the hon. member permit a question?

Mr. Phillips: Yes.

Mr. Friesen: There is a fair amount of attractiveness to the proposal put by the hon. member to make the Vancouver port a Commission port rather than what it is today. Is the hon. member aware that if he were to follow that pattern under the present legislation introduced by the previous government it would lose not only taxes, but grants in lieu of taxes? So, under the present system it might be good for the port itself, but it would not be good for the city. The hon. member was making quite a pitch for Ridley Island in Prince Rupert. I was wondering if Cec Koslich and Rivtow Straits have an interest in that island.

Mr. Phillips: Mr. Speaker, in answer to the second question, I have no idea. I have not spoken to Cec Koslich on this matter. I have spoken to the former member for that area, Iona Campagnolo, but I have not investigated the ownership of those properties, and I do not know who owns what in which area. I have read a good deal on Ridley Island and Casey Point. I was simply making a judgment on what I have read and on my conversation with the former member.

With regard to the question about the city of Vancouver losing tax revenue under the Harbour Commissions Act, the hon. member is absolutely correct. The law does not require the payment of taxes, but it does not prohibit the payment of taxes. In my judgment if the port of Vancouver were made a Harbour Commission port, it should continue the practice of paying grants in lieu of paying taxes as it does now. That should be a basic understanding in the switch from the Harbours Board to the Harbours Commission.

I have discussed this matter with members of the Vancouver Port Authority and with civic officials. I think that they all saw the improvement that would be brought about. The hon. member is quite correct, that they would not be required by law to pay taxes, but they would certainly be allowed by law to pay taxes and they should do so.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I am honoured to be a member of the Thirty-first Parliament. I want to offer my congratulations to you, sir, on your re-election to office. In the short time that I have been here, I have been impressed with your ability to preside with fairness and dignity over this chamber. I would also like to add my congratulations to the Clerk, who comes from my province of Saskatchewan. Also I want to thank the people of Kindersley-Lloydminster for allowing me to serve them.

Like so many western Canadian families, my family came from Ontario seeking a new way of life, and suffering the hardships of settlers in the west, as did most of them whether they came from within Canada or from abroad. Some of the land I now farm was homesteaded by my great grandfather, farmed by my grandfather and my father. The strengths of western Canada, as we all know, come from the rich resource of the people who live within it. Our rural way of life may not be that of bright lights and tinsel, but it is a life of closeness, of family, and of sharing the labours of the farm and the family business. These are the things that the citizens of Kindersley-Lloydminster value. These are the things that this government values.

My riding stretches from the North Saskatchewan River to the South Saskatchewan River and runs west to the Alberta border. It contains a great mix of people. There is a substantial population of the first Canadians, an area known as God's Little Acre, a settlement near Wilkie where Father Swares, the first pioneer missionary, held mass in the early 1900s. Canadians came to my area of Saskatchewan from Great Britain, the rest of the British Isles, and from Europe. Over the years there have been many representatives in this august House from my area, and to name just two of them, there was M. J. Caldwell, the leader of the CCF party, and Dennie Hanbridge, former lieutenant governor of Saskatchewan. These gentlemen, and others, represented my constituency well, and I will do my best to carry on their tradition.

I had one regret on entering this chamber, and that was that I was unable to do so at the same time as the right hon. gentleman from Prince Albert. Mr. Diefenbaker served the people of Canada and the people of Saskatchewan with a compassion and understanding that never will be forgotten.

As a new member entering this House, I find it a bit confusing after today and days past. What I find confusing is that I was always under the impression that debate was carried on with facts and not fiction. A debate should be based on fact and not on misrepresentations to make political hay.

The terms of the motion before this House were worded in such a way, I am sure, that the Liberal party could not support the NDP. That shows the willingness of the NDP to enter into an election at this time. The wording was deliberately chosen so that they would not have to go and face the people of Canada on the policies of their performance in this House over the last month. I am sure, too, that this debate was planned to

assist the faltering campaign of the NDP candidate in Prince Albert. I think we all understand that it is a desperation move on behalf of the NDP to gain votes in the province of Saskatchewan.

One of the problems that party will face in Prince Albert is that the people in Saskatchewan understand what the NDP government can do from the time when the socialist sickle swept across Saskatchewan and took individual initiative away from people who believe in individual initiative and individual effort. I do not think that the rural people of Saskatchewan will return an NDP member to this Parliament.

I am sure that it is a great consolation to the farmers in Saskatchewan and in the west to know that the agriculture critic for the NDP, as diligent as he may be in attendance and his concerns, has a very deep understanding of the situation from his past, which was on a farm in Saskatchewan. But he appears to be much more at home in other areas. If he would spend more than just a vacation on the farm in Saskatchewan, he would understand the problems and represent the people of western Canada in a much better way. The members of the official opposition do not understand western Canada, but I give them credit for understanding some of the problems in the east.

● (2030)

The plight of the farmers in Saskatchewan and western Canada over the last 16 years did not come about by design, but by ignorance. The former minister of agriculture spoke of how shabbily his brother was treated in Saskatchewan. I can understand that because I think, along with a lot of members of this House, that his own party has treated him shabbily in the past and probably will continue to do so in future. I think the hon. member had his heart in his work but had great difficulty getting the members of the former cabinet to pay any attention to him. I understood him to say, earlier this afternoon, that the people of Saskatchewan were pleased with the policies of the Liberal government in the past. I heard him quote several instances. I think they were so pleased, Mr. Speaker, that they did not elect a single member in the province of Saskatchewan and probably will not do so in the very near future.

There is a byelection coming up in Prince Albert where the candidate for the Liberal party, supposedly, was ashamed up until last week, to put a Liberal sign in his committee room. He is running as an independent. That is very disturbing to the strong Liberals—the three of them—in Prince Albert.

There is a great deal of talk about the byelection in Prince Albert today. It deals with a lot of the problems in the past and with the legislation presented by the former government. I will give two examples, Mr. Speaker. The first is the metric conversion that has been rushed and pushed on the people of Canada by the former government, and the second is the gun control legislation that is very harmful to the people of northern Saskatchewan and rural Canada. I feel that these things will have a great bearing on the byelection on November 19.

Grain Transportation

The Minister of Transport (Mr. Mazankowski) and this government have taken steps over the past few months to provide 7,000 hopper cars for the movement of grain and an additional 5,000 rehabilitated boxcars for the farmers of western Canada. This was done with the co-operation of the provinces of Saskatchewan, Alberta and Manitoba, and in co-operation with the Canadian Wheat Board and the CNR. Indeed, with co-operation, this government has brought about a new era in the mode of transportation of grain. This government has taken steps to implement the recommendations of Mr. Justice Emmett Hall, one of which was the appointment of a grain co-ordinator. Our party compaigned on that promise throughout western Canada, and it has been fulfilled. I am pleased, Mr. Speaker, to have had a small part in that decision, along with the hon. member for Lisgar (Mr. Murta) and the hon. member for Wetaskiwin (Mr. Schellenberger). Dr. Hugh Horner, a man of the west, born and raised in the riding of Prince Albert, who ably served in this House and in the assembly of Alberta has made a lifelong commitment to the people of western Canada, which is well known and understood. He has now renewed that commitment with his acceptance of the responsibility of the position of the grain co-ordinator. Hugh Horner is a man who placed the interests of western Canada ahead of his own. I have every confidence in his abilities to fulfil this role, as does the government.

In the past we have heard that the Canadian Wheat Board objected to the appointment of a co-ordinator. I should like to take a moment to read part of an article from the Saskatoon *Star-Phoenix* of September 19, 1979, as follows:

Powers of the federal government's proposed grain transportation co-ordinator will complement those of the Canadian Wheat Board, according to the board's chief commissioner.

In an interview Tuesday, Esmond Jarvis said the board has accepted the government's decision to name a co-ordinator, and the government has designed the powers of the co-ordinator to complement the board's powers,—

I think that should put an end—if anybody understands that—to the problems that have been alleged between the board and the co-ordinator.

Mr. Speaker, the difference between this government and the last administration is that the Prime Minister (Mr. Clark) knows that members of Parliament have a contribution to make, whether they sit on the front bench or the back bench. We are not called "nobodies" in this party; we are used to serve the people who elected us.

The party opposite has hired consultants in the past, sometimes from the United States or elsewhere, at a great cost to the Canadian taxpayer. We on this side have had the opportunity to serve our government. We have used the abilities of such members as the hon. member for Moose Jaw (Mr. Neil), who is studying the abandonment of and will save the rail lines that were scheduled for abandonment under the Liberal administration. I am sure the people of western Canada will be pleased when his report is brought forward. This government has used the abilities of the hon. member for Medicine Hat (Mr. Hargrave) to study the beef import quotas which, under the last government, almost ruined ranchers in western Canada.

The Minister of Transport has taken steps to bring about the reality, not the shallow promise, of the port of Prince Rupert. At least when we decide to go ahead with a facility on either point in Prince Rupert, we will have more than just an ecological survey of 40 feet to find out the foundation structures in that area. The port of Churchill has been and will continue to be used as an additional outlet for the people of western Canada in the shipment of their grain.

I can understand the difficulties of the New Democratic Party in grasping the problems that face the farmers of the west, as they are so poorly represented in that party by those members. It does not excuse them from misstating the facts concerning the Crow rate. The Prime Minister, ministers of this government and members on this side of the House, have said time and time again, and will continue to say, that the value of the Crow rate to the farmers of western Canada as it now exists, will not be changed. There are many things more important to this government than changing the statutory rate for the movement of grain.

We know that the parties opposite stand for the status quo; they stand for a three-bushel wheat quota which almost broke the farmers of western Canada last year. That is what they stand for and that is what we have to change. If we cannot continue to grow and sell wheat in western Canada, we cannot continue to survive.

Members opposite stood for the removal of branch lines from the communities of Saskatchewan. This government has taken steps to save those lines.

We have heard some discussion today about Conservative policy, Mr. Speaker. On page 442 of the speaker's manual that was issued by the Conservative Party of Canada there appears the following statement:

The benefits of the statutory freight rates will remain for western producers.

That is obviously not good enough for members of the NDP. I am sure they will continue to misrepresent the facts, for political gain.

I should like to thank the people of Kindersley again, Mr. Speaker. I should also like to say that on Monday the people of Prince Albert will probably return another Conservative to carry on the tradition of the late John Diefenbaker, and I should like to thank you for this opportunity to speak, Mr. Speaker.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, I am pleased to take part in this debate and I want to thank the hon. member for Oshawa (Mr. Broadbent) for giving us the opportunity of examining once again the consequences of the lack of an economic recovery policy. Since I came to this House one problem has constantly troubled me, that of the difficulties which farmers face. Over the years the agricultural sector has become an increasingly important economic activity in terms of production and investments. Despite this fact, our farmers unfortunately run up against ever more bureaucratic annoyances. We have in this country as many marketing agencies as we have agricultural products.

● (2040)

Farmers who have to fight increasingly complex government directives also come under all those marketing agencies. It is entirely understandable that a small farmer should feel completely defenseless against that, particularly because a number of decisions are made by agencies and pools without consultation with farmers or even adequate communication.

The whole issue of industrial and whole milk quotas was instrumental in weakening our small producers by giving them access only to a limited share of the market, thus making it impossible for them to progress. During my three terms I have had many cases of small farmers faced with Draconian decisions with respect to their quota allotments.

I believe, Mr. Speaker, that farmers are facing major problems. In this area as elsewhere, small farmers suffer, and big farmers profit.

I believe this government should protect the weaker groups in our society. Unfortunately, we have put little importance on that. We think in terms of maximum yield and consider that only big farmers and businesses can and must prosper. That judgment which characterizes our development plan can be found in nearly all areas of our economy. Let us remember the insecurity facing independent heating oil distributors. The same thing goes for several economic groups. In the ocean, bigger fish eat smaller fish. It is the same thing in our human ocean.

The system in which we operate does not allow small producers to develop. Up until recently, little had been done for small producers and small business. Only in recent years have governments awakened to the potential of small producers and small businesses. We on this side have always said that small businesses, not multinationals which pocket profits and go and invest somewhere else, are the backbone of our economy. But despite this new awareness, small producers are still faced with an unfavourable system. In order to develop and prosper, they need funds. Of course there are farm credit corporations designed to help them, but at what rates? This government does not seem to have any more control over interest rates than the previous government.

On October 18 last, the Minister of Agriculture (Mr. Wise) announced that the Farm Credit Corporation's allocation had gone up by $50 million. This is all very well. But on that date that corporation raised its interest rate from 10¾ per cent to 12 per cent, which blocks the road to many small farmers who cannot meet such payments.

Of all economic groups, farmers may be the most vulnerable. In addition to having to deal with numerous government agencies and bodies, to being exposed to natural hazards, to seeing middlemen pocket large profits at their expense, to

being unable to sell their products, very often because our market is flooded with foreign imports, now they are being hit by skyrocketing interest rates. As if that were not enough, they are always the first victims of labour conflicts in grain transportation. For example, the last strike in Montreal harbour jeopardized the production of many farmers who had to pay much higher prices for cattle feed. Here again the government reacted too slowly. It is obvious that our farmers feel insecure with the succeeding governments. As I said earlier, it is obvious that our system is serving our farmers badly.

Mr. Speaker, I am nevertheless pleased to see that the hon. member for Oshawa included in his motion the issue of grain transportation. I entirely agree with the Leader of the New Democratic Party when he says that the Liberals have neglected the recommendations of the Hall report. The previous government was known for commissioning reports and shelving them. If our country is to offer equal opportunities to all small producers, we must be able to depend on an efficient and reliable transportation system. The undependable supplies facing eastern producers are entirely unacceptable. The whole system needs to be set right. The situation has been debated in the House for many years. At the beginning, I really believed as many of us did that the government would come up with a sound policy in grain transportation. Once again, proposals still have to be made. I hope it is because they have something really constructive to submit.

[*English*]

I have stressed the negative consequences of high interest rates on our economy as a whole. I do not really believe at this point that this government is considering doing anything about them. In fact the new government is proving to us that it cannot do better than the former Liberal government. There is a total absence of long-term economic policies; there is even very little short-term action. They seem to be saying, "let us wait and see."

The Liberals have been raising hell recently about high interest rates. They have even tried to bring down the government because of this situation. How can they possibly blame someone else for their own mistakes? On the other side of the House, any unpopular move is explained this way, "blame it on the Liberals, they were here before." I do not know how long we will see these two parties throwing the ball at each other. Politics is not a ball game. Politics is action. The Canadian people want action from our government. They do not want to hear people blaming each other for the mess we are in now.

It seems that no one in this government has a say in the running of our economy. The Minister of Finance (Mr. Crosbie) was telling the finance committee on October 30, that high interest rates were needed as a response to American rates of interest. The Americans are deciding what our interest rates should be, and we follow. The Canadian economic dependence on foreign finance is such that another country almost decides what we should pay for loans.

Is anyone worried about our debt and the interest we will be paying on it? Our deficit now runs at 5.6 per cent of the gross national product. This is one of the highest in the industrialized countries of the world. This represents close to 25 per cent of all savings of all Canadians. Faced with this situation, what is the government doing? It is buying time, and the Canadian people are paying the bill.

• (2050)

[*Translation*]

Mr. Speaker, on October 18 the Canadian Board of Trade made certain suggestions to fight inflation and pave the way for economic recovery in Canada. Two major points emerge from their proposals: higher production and capital formation. This shows that businessmen do not agree with the government as to the means likely to restore economic stability. Neither do Canadians.

As for us, Social Crediters, we have always stated that the monetary system must serve the people, not vice versa. The present system does not allow individuals to develop their potential nor the economy to work at full capacity. Since we must be patient with a new government, especially when it inherits the chaos left by the Liberals, I am willing to let this new government prove itself. However, I suggest that it should listen to the opposition parties, for they often make very positive comments which should receive the full attention of the government.

Mr. Pierre Deniger (Laprairie): Mr. Speaker, I am very happy to take part tonight in the debate on the motion of the New Democratic Party. However, I first wish to join the other hon. members who have mentioned the byelection to be held Monday in Prince Albert. Indeed, Mr. Speaker, there is no doubt that this byelection is the cause of the motion before us this evening. I have had the opportunity to visit Prince Albert and to meet many residents of this constituency and tonight I want to congratulate them and thank them for their warm reception. I wish to thank more particularly the people of Debden, St. Louis, Victoire, Conway, Hoey, Prince Albert and all the other cities where I was received.

Mr. Speaker, when I was a lawyer with the Canadian Transport Commission and later a member of the staff of the minister of transport, I had several opportunities to travel throughout Canada. Of course, I was always especially interested in transportation matters. I have indeed a special feeling for Saskatchewan because my former employer was the minister responsible for Saskatchewan as well as the minister of transport. My in-laws themselves are from Saskatchewan and I often have the opportunity to go there to see my wife's uncles and aunts.

Mr. Speaker, I am foremost a Canadian, a Quebecker, and a Francophone. If I rise to speak tonight it is precisely because, in my view, the grain issue is one of national interest, which means it concerns all Canadians and all members of this

House. That is why I have trouble accepting that a member from Alberta, who also happens to be the Prime Minister (Mr. Clark) of all of us Canadians, refuses to concern himself with the sovereignty-association and referendum issues in Quebec.

If I, as a Quebecker, can be concerned with national issues and especially with the western wheat issue, I do not see why our Prime Minister should refuse to consider or participate in the sovereignty-association and the referendum questions in Quebec. If the Progressive Conservatives think that Quebec members do not care about the 157,000 farmers out west, they are mistaken. I have the good fortune of having relatives out west who also happen to be farmers and I am and always will be interested in their problems.

[*English*]

You know, Mr. Speaker, agriculture is a unique system in our economy. It is unique in the sense that producers operate under a very difficult series of uncertainties. It is a high risk business. First of all they face the uncertainty of the weather. I often reflected that when we were criticized as a party in power in the last Parliament, one point they failed to get over was that we were responsible for the weather—we know the opposition tried to blame it on us but the people of Canada did not believe that, at least.

There is also the uncertainty of price, another high risk factor—the law of supply and demand. The farmer has no say in the price he gets.

There is also the uncertainty of the rail networks in delivering crops to market. The very success of our farmers is reflected by the difficulty the rail networks find in delivering their products. It is eloquent that the problem which has arisen with regard to the transport of grain came into being because western farmers have been able to produce so much.

Today there is a new risk aside from the weather, price, and transportation. It is the government opposite. When I was in Prince Albert recently I had occasion to talk to several farmers who expressed grave concern in relation to interest rates. I shall not cite the examples used by the Leader of the New Democratic Party, or by my hon. friend from Essex-Windsor, the former minister of agriculture. They were right on. The consequences are disastrous. A further element of high risk to western farmers is presented by the oil policy of the new government. Farmers will now have to pay exorbitant amounts of money for new equipment. I have come to the conclusion, rightly or wrongly, that though times do, indeed, follow a Tory government, and if the Tories of the thirties gave us the Bennett buggy, I think the Tories of the eighties will give us the Clark carts.

I think the interest rate policy is disastrous. If I could support in its entirety the NDP motion, as of course I could not, I would support the first part, the part about interest rates. I had the occasion, while doing some research before my speech this evening, to look into the figures for grain production in past years.

[Mr. Deniger.]

[*Translation*]

So, Mr. Speaker, I referred to the annual report of the Canadian Wheat Board for 1977-78, and I noticed that from 1958 to 1963, when Canada was governed by a Progressive Conservative government, exports averaged ten million tons over those five years, while during the last few years when my former boss was minister of transport and minister in charge of the Wheat Board, that is 1975, 1976, 1977 and 1978, the average was closer to 20 million tons. So the Liberal government doubled exports of Canadian grains and grain byproducts.

The Liberal government did a good job, in co-operation with the western farmers, to sell their products on the international market. I have tremendous respect for the Minister of Transport (Mr. Mazankowski). However, I miss his predecessor, but I respect the new one enormously and I am a little bit disappointed, indeed very disappointed, because the minister felt he had to set up parliamentary committees.

[*English*]

The Minister of Transport calls for parliamentary commissions. Yet they are only to be composed of Tory members. Because of my background in rail matters with the CTC I would have enjoyed being part of the minister's commission, or being part of the Moose Jaw commission or of the Medicine Hat commission. However, I was not even asked. I was not even allowed to be part of that so-called parliamentary committee.

• (2100)

When I spoke in this House in the throne speech debate I said I agreed with the freedom of information legislation and that I agreed with the open government which was proposed to us by hon. members opposite. I have since realized that it is indeed an open government, open only to hon. members opposite, not to us.

Mr. Baker (Nepean-Carleton): Oh, my!

Mr. Deniger: I have to say also that if the government opposite was sincere—

[*Translation*]

Had the government sincerely wanted to help improve the lot of Canadian farmers, it would never have tolerated a five-month strike in the port of Montreal, while there was a settlement in Vancouver three days after the elections. During five months, Mr. Speaker, that government remained passive and did absolutely nothing. What does the government inaction mean to Quebec farmers? It means that it will be more costly for the pork producer, for the beef producer, for the chicken producer or for the production of anything else, that the people in eastern Canada will have to pay higher prices precisely because of the inaction of this government. And yet the government maintains that it is close to farmers. Well, Mr. Speaker, I have some reservations.

The minister referred to the necessity of purchasing rolling stock and he is entirely right. Indeed the policy of his predecessor, the former minister from Saskatchewan-Humboldt, has always been to purchase rolling stock to ship wheat. Mr. Speaker, only 15,000 additional cars would be enough. However, members opposite would have to be prepared to allow a few wheat inspectors from Vancouver to paralyze the entire system. That would not solve anything because the wheat problem in western Canada does not stem only from a shortage of railway cars, there is also a question of weather, of strikes and of willingness to act. I must admit the Minister of Transport seems to have this willingness to act. Of course, I am looking at him now and he may not seem really concerned, but I still think he is interested in the current wheat situation in Canada. And when the co-ordinator was appointed, the famous czar, Dr. Horner, I heard deprecating comments from the New Democratic Party and I heard very flattering remarks from the Minister of Transport. So, during supper I also went to check the sources, as did the member who spoke before me, the hon. member for Kindersley-Lloydminster (Mr. McKnight); I checked what were the exact reactions of western Canada to Dr. Horner's appointment, and I soon discovered that the National Farmers' Union, the Saskatchewan Wheat Pool and even the government of Saskatchewan, which indeed wanted a co-ordinator, have been really disappointed with Dr. Horner's choice. On the other hand, the governments of Alberta and Manitoba, and certainly members opposite, are very happy. As for me, Mr. Speaker, I endorse the position taken by the—

[*English*]

—United Grain Growers Limited of Alberta, which summed up the Horner appointment in this way: "The proof of the pudding is in the eating". Basically the bottom line is going to be my evaluation of Dr. Horner. If he does the job he is required to do, very well. The job has to be done, but so far what has he done? He has done nothing. Do hon. members know why he has done nothing? It is because he has waited for the Murta report which should have been presented several months ago. Where is the report? Surely we are not holding it up. We were not even allowed to sit on the committee, nor were members of the New Democratic Party. Where is the report? Where is the Neil report? I raised these questions in the House, and hon. members told me, "It is coming, it is coming, it is coming."

Mr. Mazankowski: It is being translated.

Mr. Deniger: Well, good. I am pleased that it is being translated and that we are just about to have it. I must say that the minister has always been one who was willing that we Francophones, who have some difficulty in both languages, should have all documentation in both languages. I thank the minister for that, and I am looking forward to it, although I cannot agree with an hon. member who spoke before me who said that the government opposite prevented the abandonment of 1,900 miles of rail lines because those were the lines not yet addressed by the CTC. He is basically presuming a judicial decision of a regulatory agency. It had not been decided to abandon them, and they were referred to the CTC—two very different positions.

Mr. Mazankowski: The gospel according to PRAC.

Mr. Deniger: I am glad the minister is now awake. Let me conclude by wishing the minister well in this very important issue, because it is a national issue. It interests all Canadians. I am proud to be able to participate in this debate because when I was growing up in my riding, which has no farms, I never thought that I would be speaking in the House of Commons on farming and on western grain movement. I think I am very lucky to have had the opportunity to do so. In committee the minister is always willing to have us give him our points of view. I appreciate that, but I am disappointed that he did not feel that way when he set up the Murta committee, the Neil committee, and the Hargrave committee.

Mr. Simon de Jong (Regina East): Mr. Speaker, the farmers of western Canada are pretty good at producing agricultural products. Over the years they have been quite resourceful. They have fought through some pretty tough times over the years, climatic hard times and economic hard times. When the depression hit in 1929, many farmers were just getting on their feet. The crash knocked them down, and a short time later the elements ganged up and kicked them again. Through good times and bad, western grain farmers persevered.

Over the years the number of farmers in Canada and Saskatchewan has been rapidly dwindling. Every year more and more farmers are forced off the land and into urban communities, in most cases the larger cities of the west. Government policies, economic booms and busts, and the weather, are all formidable obstacles in a farmer's life. I realize we cannot do anything about the weather, at least nothing good, but we can do something about government policies and the economy.

For too long the people of the west have had decisions made for them by non-resident experts either working for corporations or the federal government. You only have to take a quick look at some of the more recent government policies to see how the people of the west have been treated over the years. It was not too long ago that farmers were paid not to grow wheat. LIFT, I think they called it. Imagine, we live in a world that is short of food, and farmers were being encouraged not to grow wheat. The cabinet minister who thought that one up is not around any more. He is not pretending to speak for farmers any more. Now he has an open arrangement with those whose interests he has promoted for so long anyway. The farmers saw the light.

Now another federal government policy which farmers do not appreciate or want is rail line abandonment. The same fellow who gave us LIFT wanted to transform totally the agricultural patterns of the west. Grandiose plans! "All you have to do is assume that bigger is better; let us do whatever is

necessary to streamline rail transportation; forget about the way of life of those affected."

The plan is quite simple. Through wholesale abandonment of branch rail lines the railroads would streamline their systems. Thousands of miles of rail lines would be abandoned. Hundreds of small communities would lose rail service, and elevators would close. As the number of delivery points is reduced, farmers would be forced to transport their crops further and further. Instead of hauling ten or 12 miles, farmers would have to haul 20 or 25 miles. Farmers would be faced with higher transportation costs. Many would have to borrow to buy bigger trucks. Municipalities and provincial governments would have to spend millions of dollars to keep road systems in good repair, road systems which would be damaged as the increased traffic of heavier vehicles would pound toward the huge centralized inland terminals.

Saskatchewan people understand the history of the Crow rate. They know that the CPR was given incredible gifts in return for moving our produce. They are suspicious of any attempt to change this historic agreement. We are all aware of the benefits the CPR received. Over the years it has used these gifts to build a diversified multinational corporation.

Let us look at that empire. It is more than a railroad. There is a steamship line, a hotel chain, a trucking company, an airline, a resource company, and a real estate empire. But they are not interested in hauling wheat, and they have already given up on passengers. They have forced the Canadian taxpayer to look after rail passengers. They do not need the railroads any more. It is too much of a loser for them with the Crow rate, the branch lines and all that. They would rather get out of rail transport altogether.

● (2110)

The CPR now derives over 60 per cent of its revenues and over 72 per cent of its profits from non-railroad sources. It is easy to see why they are not interested in moving grain. As of September of this year, CP investment had a 60 per cent rise in net income over a nine-month period. Per share earnings rose from $2.99 to $4.72. Income from mining was up 185 per cent, forest products were up 177 per cent, iron and steel were up 66 per cent. As well, each year CP investment expands its business interests, diversifying into other areas and into other countries. The people of Saskatchewan know that the CPR has done well by its agreement. They expect the CPR to live up to its commitments.

The CPR already has shirked many responsibilities. It has downgraded services, abandoned rail lines, and let boxcars deteriorate. When it should be buying boxcars, it refuses, forcing the governments of Alberta and Saskatchewan, along with the Wheat Board, to buy the running stock. The people of western Canada realize they must have a rail transportation system which serves their needs, not just the interests of this greed monster.

The former government has taken the side of the railways. That party has little support in the west today. If this government treats the west in the same fashion, it will suffer a similar

[Mr. Jong.]

fate. They had better rethink some of their policies before it is too late. Farmers want the Crow rate protected. They want relief from inflation and high interest rates. They want Canadian control over our economy. To date this government is failing on all accounts.

Earlier there was a variety of debates on the Crow rate. It seems to me there is some confusion about this. Some of the backbenchers opposite feel their party is committed to retaining the Crow rate. There seems to be a debate over the interpretation of words, that is, the difference between Crow rate and Crow benefit. Some hon. members say that this might be splitting hairs. To me the Crow rate means the Crowsnest statutory rate. It means that it is statutory. Crow benefit means that it is not a statutory rate. It allows for flexible rates—the railroads can increase rates on the lines they want to abandon.

As I mentioned earlier, Otto Lang used to talk about maintaining the Crow benefit. He had visions of 50 grain handling points in Saskatchewan instead of the present 700 points, approximately. The railroads thought this was a great idea. It would mean the farmers would have to truck their grain to some 50 points, and then they could haul it away on unit trains. The bureaucrats thought it was a great idea because it would clean up the map and make things easier for the administration. They wanted a bigger centralized operation. The farmers did not want it. They did not want to lose their communities. They were leery of the schemes and the fast talk. They did not trust Otto's seductive talk about Crow benefit. Westerners wanted the continuation of the statutory freight rates.

A great champion of western Canada in former days, as reported in *Hansard* of May 17, 1977, said the following:

> In view of the recommendation which re-affirms the continuation of the statutory freight rates for the movement of grain, will the minister seize the opportunity to ensure the producers of western Canada that this very important recommendation will be accepted as government policy?

Who is this? Who made this great statement on behalf of western Canadian farmers? This was delivered by the present Minister of Transport (Mr. Mazankowski) when he asked the then minister of transport, Mr. Otto Lang, to state that the government would back the Hall Commission report. I am afraid we are not hearing the same words today from the minister.

I should like to refer to some other quotes. Another great champion of western Canada was Judge Emmett Hall. What did Mr. Hall say? I understand the Minister of Transport is claiming that what the government is doing is right in line with what Hall recommended. On June 13, 1978, Mr. Justice Hall, when referring to Snavely, said the following:

> . . . he says in his report that if you give the CPR or the CNR money in one cheque, they are not going to be very competent, but if they get it in a number of small cheques from the customers, they will be extremely efficient, which seems to be a condemnation of the management and if that is the kind of management we have, let us throw them out and get some better management . . . if that has not been done with the CPR, there is always a possibility that maybe the nation can handle it better than they.

Again what did Mr. Hall say? Also he said the following:

There is a school of thought which keeps repeating that, yes, we favour the Crow rate, but maybe there is another way of doing it. My frank opinion—and it is only my own and it is only because I am an old man after 70 years in a western gallop—is that the other way is to load it on the backs of the grain producers.

No ifs and buts about it. Let us not tinker, let us not fool with the Crow rate. None of this Crow benefit, none of this equal value; let us keep the Crow rate.

There is another quote I should like to offer to the House. It is a quotation from another great western Canadian, a defender of western Canadian farmers. On November 29, 1978, the following motion was presented under Standing Order 43:

That this House declares there shall be no interference with these rates and that they should be continued in full force and effect.

On an opposition day debate on the Hall report on May 26, 1977, the same gentleman said the following:

We do not want any more equivocation. We want a definite, clear and undiluted statement that there is going to be no tinkering with the Crowsnest pass rates. That is all we ask for.

That was said by the Right Hon. John Diefenbaker.

Some hon. Members: Hear, hear!

Mr. de Jong: The Right Hon. John Diefenbaker said: "That is all we ask for," and, "we do not want any more equivocation".

An hon. Member: That is right.

Mr. de Jong: He said: "We want a definite, clear, and undiluted statement that there is going to be no tinkering with the Crowsnest pass rates." That is the question I would like to ask now of the present government and the Minister of Transport. Will he answer Mr. Diefenbaker's question? I challenge them to answer.

What are the people in the west to think of the present government? They got rid of Otto and his visions on how he could reorganize western Canada in a somewhat better administrative and cleaner form—those delusions! The Conservative party was supported by many western Canadian farmers. They believed Mr. Diefenbaker. They believed the then minister of transport. What are we to make now of the statements of the minister? The statements of the minister are not clear. His statement is not one which was the same as his party's statement reproduced in *The Western Producer* of Thursday, May 10, 1979. It was pretty clear then. It was stated that the Crowsnest Pass freight rate should be maintained for grain producers. What are we finding today?

I should like to refer to notes from a speech by the Minister of Transport delivered on November 7, 1979, in Calgary. He indicated that his government had no intention of removing the value of the Crow rate from the producer as it now exists. He indicated that, however, there were pressures to modify its application, to review its structure, and that there are differing views as to how it should affect the total western economy. Later on he said that he wanted to assure us that any change in application of the Crow benefit will come only after there is full consultation with the producers. Further he stated that if there was any change of application of the Crow rate, it would have to be coupled with adequate service guarantee. Mr. John Diefenbaker said, "Leave it alone, let us have a clear statement." He said:

● (2120)

We do not want any more equivocation. We want a definite, clear, undiluted statement that there is going to be no tinkering with the Crowsnest Pass rates.

These are the words of Mr. Diefenbaker's motion. None of this tinkering, it says.

An hon. Member: This is from John Diefenbaker, not John Crosbie!

Mr. de Jong: Indeed, Mr. Speaker, it is amazing how the changes occur. Sometimes I wonder, being a new member of the House, what the difference is between the Liberal and the Conservative parties. Obviously one is the government and the other is the opposition—that is the obvious difference. But one becomes somewhat more progressive when it sits on this side of the House and the other becomes more reactionary on the other side. The difference is that when they sit on this side of the House, they have to listen to the people because they want to be elected, but as soon as they sit on the government benches they start to listen to the boardrooms and they lose all contact with the people.

Some hon. Members: Hear, hear!

An hon. Member: Geoff Scott in particular.

Mr. de Jong: Mr. Speaker, the people in western Canada thought that with the election of the Tory government they would finally get some support from Ottawa. But all we got was confusion on the Crowsnest Pass rate. We have a grain commissioner who has stripped the Canadian Wheat Board of its powers to co-ordinate grain transportation. Indeed, as the Minister of Transport mentioned, our transport critic, the hon. member for Regina West (Mr. Benjamin), agreed that we needed a grain transport co-ordinator. Indeed, he was right. However, he did not quote the whole statement made by the hon. member for Regina West, which I quote as follows:

Canada needs a grain transport co-ordinator, but that person must be an employee of the Wheat Board with power to allocate available grain cars and power to require the railways to provide adequate supplies of locomotives and cars.

It was not just a transport co-ordinator the hon. member for Regina West was calling for, but a transport co-ordinator who is part of the Canadian Wheat Board. We are afraid that with a grain co-ordinator outside the Wheat Board there will be a gradual erosion of the powers of the Wheat Board.

What about railroad abandonment? During the election campaign the Conservative platform was that there would be no railroad abandonment; they were totally set against it. Now that the election is over we have a committee studying it. Are they having second thoughts? It sounds like Otto Lang—another committee, another study. Why not just state, as they stated before the election: no railroad abandonment. We are

not going to see communities go down the drain; we have had enough of this. I thought that this was what people in western Canada were saying when they elected hardly one Liberal. Don't you fellows ever get a message? I am sure the Liberals do, because they are not talking about railroad abandonment in this debate any longer. But what did the western farmers get? We got higher interest rates. I will not get into the subject of higher interest rates; it has been well discussed. The effects of higher interest rates on the Canadian farmers have been discussed.

What else did we get? Now we have a new oil policy. What effect is this going to have on western farmers? Nobody has spoken about this yet. Well, the Canadian farmers used 9.7 million barrels of diesel oil and 20.5 million barrels of gasoline in 1977, for a total equivalent of 28.1 million barrels of crude oil. The Conservative policy to raise crude oil prices by $4 per barrel each year will take $112 million out of farmers' pockets in 1980, $224 million in 1981, and $336 million in 1982, for a total of $672 million over the next three years. Farmers have no choice but to use petroleum. This is the gift, the jack in the box, that came out on May 22 so far as Canadian western farmers are concerned. Not only does this apply to the oil they use, but there also is an increase in the price of chemicals and fertilizers which farmers must use.

Certainly the government we have today is not a great friend of western farmers. I think we will hear that message next week. I think there will be a reaction. I, too, was in Prince Albert and I also spoke to farming people. I spoke to people who voted for the Conservative party in the previous election. They had expectations, but what they were expecting and what they got were two different things.

An hon. Member: Bye, bye, Prince Albert.

Mr. de Jong: I spoke to farmers who are telling me that they had notices from the bank saying they will be charged a 17 per cent interest on their farm loans. It is insane. There will be a price increase on fertilizers, chemicals and gas, as well as an increase in interest rates. On the other hand the whole question of the Crowsnest Pass rate is undecided. Western Canadian farmers thought they were through with this type of uncertainty and nonsense from Ottawa. It is just a continuation of the same thing.

An hon. Member: Crosbie's Crow.

Mr. Whelan: Never were we that bad.

Some hon. Members: Oh, oh!

Mr. de Jong: Maybe that is true. Maybe the Liberals were not that bad. I feel that for the poor western Canadian farmer it has gone from bad to worse. It was definitely not good to begin with, and they gave their message on May 22, but when the next opportunity comes for them to give a message, we will get a new message, and I do not think it will be all that encouraging to government members opposite.

[Mr. Jong.]

Farming has always been a shaky economic venture. People stuck with it because it also was a way of life, a life of a closer community, a life closer to the earth and to the very basic human values. But we have seen farmers being pushed into a lifestyle very often not of their making. They have had to expand their operations in order to be economically viable. In the process they have become more indebted to the implement dealers, they have become more indebted to the banks, they have become more indebted to the chemical companies. They have increasingly lost their freedom.

I think there was an expectation that with a government which would represent the interests of western Canadian farmers they would have a government policy that would allow them to gain a sense of economic control over their lives, that they would be able to increase their own economic freedom. That is why the farmers in the west, when they were being robbed by the grain companies, joined together and formed wheat pools in order to have some economic control over their lives. As a result of the interest rate policy of the government, the increase in the price of oil, and with the uncertainty about the Crowsnest rate, the western farmer will become more dependent upon multinationals and financial institutions, and less free. Therefore, in the name of freedom for the western Canadian farmer, I can do nothing else but support this motion.

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker—

An hon. Member: Farmer John.

Mr. Crosbie: Mr. Speaker, the farmers of Canada can rest satisfied that they have in this government a government concerned about them, and that they have friends here in Ottawa at last.

Some hon. Members: Hear, hear!

Mr. Crosbie: Not short-term friends, not fair weather friends.

An hon. Member: It is you who will be short term.

An hon. Member: High interest rate friends.

Mr. Crosbie: Not people who are content to use the cosmetic approach that members of the NDP would use, not a government that will spout simplistic sophistries that we have heard from the hon. gentlemen of the NDP, but a government that wants to deal with their problems in a long-term fashion, a government that wants to deal with inflation, inflation which is the enemy of the farmer, just as it is the enemy of the fisherman, of the pensioner, and of all those who are unorganized. That is the kind of government they have here in Ottawa now.

An hon. Member: It is an enemy of all those people, not a friend.

Mr. Crosbie: Mr. Speaker, I am speaking tonight because part of this neurotic resolution says:

That this House condemns the government for its failure to support the farmers of Canada as demonstrated—

and I will only deal with (a), the first part of this nonsensical resolution.

—(a) by the imposition of unconscionably high interest rates—

In the first place, this government has not imposed any rates in this country, high, unconscionable or otherwise. This government has come to office and now faces a certain set of economic circumstances that dictate in this country at the moment a condition of high interest rates, not a policy of high interest rates. Our policy is a low interest rate policy and our wish is for lower interest rates. That is our policy.

Some hon. Members: Hear, hear!

Mr. Crosbie: But this government is faced with the economic circumstances.

● (2130)

Not only this government, but the government of the United States of America is faced with certain economic circumstances, and the government of the United Kingdom is faced with certain economic circumstances, and the government of Italy is faced with certain economic circumstances, and the governments of all the western industrialized countries are faced with certain sets of economic circumstances that dictate that at the present time we have a condition of high interest rates.

Mr. Speaker, wherever I have travelled this year since becoming the Minister of Finance—Washington, London, and the IMF meeting in Yugoslavia, and Tokyo, wherever eminent groups of economists and impartial observers gather, financial experts, their analysis of our situation was the same, and their remedies were the same. We are in an economic state where governments have to be very careful. If I might just quote to you a certain statement—and it is hard to make a sensible speech when members of the opposition opposite in the NDP are guffawing, giggling, and hee-hawing. That shows how seriously they treat their resolution. Look at them grinning like apes over there. If the farmers of Canada could see them now, that little knot of frustrated frenetics, they would know what to do with this resolution.

I quote from the statement by Mr. J. Delarosière, the chairman of the executive board and managing director of the International Monetary Fund, who spoke in Yugoslavia on October 2. What did that gentleman say? What was his message to the assembled finance ministers of the world, the 140 or 150 of them who were there? He said that the biggest problem the world economy has to escape from now and the greatest fight is the fight against inflation.

At page 3 he pointed out:

Inflation is socially unjust because it attacks those with the least means to defend themselves against destruction of their savings.

That is why we wage the battle against inflation, Mr. Speaker. It is to save those and to defend those who are having their savings destroyed; those who are so essential to society that we need to save, and see that their savings don't go down the drain because governments are unwilling to fight inflation. He pointed that out, and he pointed out at page 4 of his release—he was dealing with the failure to bring about any abatement of inflationary expectations:

The main source of difficulty in this regard has been unduly high rates of monetary expansion, often caused by excessive budgetary deficits.

That is what has been the cause in this country, Mr. Speaker—unduly high budgetary deficits and high rates of monetary expansion. Listen to this, Mr. Speaker:

Monetary policy has allowed interest rates to remain generally too low for too long periods in relation to rates of inflation. Greater decisiveness and firmness will need to be exercised in the conduct of monetary policy, and this change will have to be supported by fiscal policy.

We cannot leave it all to the Bank of Canada, to the central bankers or to monetary policy. Fiscal policy has to support it. He goes on to say:

The fundamental aim must be to achieve credibility of fiscal and monetary policies so as to roll back inflationary expectations and restore confidence. Such a change in the stance of general demand policies is called for not only in industrial countries, but also in most other countries.

I could go on and on and on with the advice he gave there, Mr. Speaker, and the perils he pointed out.

That is what high interest rates are all about, because the world, the western industrialized world, has not conducted its economic and monetary system properly, so that we are in a period of high inflation. That high inflation has to be dealt with, and that is our main enemy if we are to have any kind of progressive society in the future here in Canada. That is why interest rates are high.

Why are interest rates high? They are high because we have an inflation rate at the present moment not of 6.5 per cent, as the hon. member for Saint-Maurice (Mr. Chrétien) forecast last November, but an inflation rate of 9.6 per cent, year over year, at the end of September, and an inflation rate annualized during September of 14 per cent, and because the United States of America has an inflation rate in excess of 13 per cent. That is our main customer to whom we sell 70 per cent of all our exports. It is the United States from which we import 70 per cent of all our imports. Seventy per cent of everything we import comes from the United States, and the United States has an inflation rate of 13.5 per cent. We are importing their inflation, Mr. Speaker.

Because our dollar has fallen in value to 83 cents or 84 cents, those imports are costing us more and adding to our inflation. Therefore, we have to try to protect the Canadian dollar, to protect it from falling much further because of the effect that will have on the inflation we are importing from the United States.

We do not have high interest rates because this government wants high interest rates. That is not our policy. As politicians we do not want high interest rates. The people do not want high interest rates. Nobody wants high interest rates, so it is

not a policy of the government to have high interest rates, it is a condition that the government cannot do anything about at the moment. It is not through choice.

In addition to everything else, costs to the government are formidable. Look at the additional cost to the Government of Canada itself because of the higher interest rates of the last year or two; the cost of our debt. This year we are going to have our debt increased by something like $10 billion because of the budgetary situation we were left in by the last administration. We have to borrow that money, and we are unable to borrow it at 6 per cent, we are unable to borrow it at 8 per cent, we are unable to borrow the money at 10 per cent, we are unable to borrow the money at 10.5 per cent, we are unable to borrow it at 11 per cent because of the interest rate situation in Canada. From our own point of view, from the government's own point of view and the tremendous cost to the government, we are against these high interest rates and want to get them down as soon as we can.

The hon. gentlemen in the NDP are members of the neurotic, demagogic and paranoid party. They are the party of professional whiners, they are the professional groaners, they are the professional moaners, they are the down-at-the-mouthers. They are down at the mouth. They are moaning, groaning, whining and complaining in this House, day after day, without anything to offer, not offering any solutions, but just making the welkin ring with their complaining.

The people of Canada know that this is a temporary condition. The people of Canada know that we are attempting to do something of a long-range nature for them. The farmers of Canada know the same thing. They are not interested in having a small group of moaners, groaners and whiners in the House of Commons trying to batten on their problems to make political gains. The farmers of Canada know that the welkin is only ringing here today because those hon. gentlemen are "sminging" and "slinging" around in Prince Albert constituency trying to get another member elected. The only way they can get them elected is in byelections. When there is any fear that they might be able to form a government, they cannot get them elected.

Some hon. Members: Oh, oh!

Mr. Crosbie: I heard somebody say something about a socialist sickle; they are socialist sickies, not a sickle.

Now, who gains, and who loses from inflation, Mr. Speaker? Let us look at who the gainers are and who the losers are. Hon. members opposite have never thought of who gains and who loses. They are waiting now in anticipation. I will give you the message. Here is what inflation does, Mr. Speaker, and I quote from the Economic Council of Canada:

> It redistributes wealth in ways that may reflect group power rather than effort or productivity.

That probably has some attraction for the gropers opposite. It states:

> Individual gainers in the process are those who can best protect themselves, shift income sources, transfer assets, and adjust expenditures. The losers tend to be those who have little or no access to alternative sources, who have relatively fixed incomes or nominally fixed savings, such as pension,—

The hon. gentlemen are not worried about the pensioners of this country when they oppose our battle against inflation, when they oppose the high interest rates that are necessary to try to deal with it. They are not worried about the pensioners of the country then. They are not worried about the savers. Those wailers, the groaners and moaners, they are not worried about those who have rising expdenditure expectations and obligations. That is who is suffering, and that is who the gainers and the losers are in the inflation game.

On page 3 the Economic Council of Canada concluded that the federal government was the principal benefactor from inflation over the period that they had studied. These are the people who gain. Those who lose are the unprotected, and they are the people we are determined to protect.

● (2140)

Before moving on to our Canadian farmers, I want to deal with our Canadian hypocrites, the princes of hypocrisy, the height of hypocrisy that we have had to listen to from the hon. benches opposite since this House opened. I would like to quote a couple of short selections to illustrate how those hon. gentlemen have dumped, crumped, crumpled and stepped on the hon. member for Saint-Maurice (Mr. Chrétien), who is not here tonight because he does not want to hear about interest rates any more. He is fed up with having himself stepped on by his colleagues opposite. Here is what the hon. member for Saint-Maurice had to say in the finance committee meeting of February 8, 1979, as it is reported at page 39:28:

> I think if we were to see a major fall of the Canadian dollar, at this moment, it would put more pressure on inflation. There is no doubt about that and that is why I agree with the Governor when he says that the reduction in interest rates like you are advocating at this moment will put pressure downward on the Canadian dollar and create more problems on the inflation side. I agree with him on that.

Those are the words of the Minister of Finance. Since the hon. gentlemen opposite have come into this House with their new finance critic and the lugubrious approach that he brings to his job, they have been attacking the opinions and statements of the former minister of finance. He went on to say:

> I think the balance of payments of Canada has been a problem in Canada for years and years because we are, in a sense, a developing nation, and we have always compensated that by the flow of capital development. We have to create the proper climate in Canada to do that. It is not only through the trade side, but the compensation is being done by the flow of capital for development in Canada.

I do not mind the hon. gentlemen from the NDP opposing the high interest rate condition, but they know there is no reasonable alternative at the moment and that they are not able to give an alternative. They have never had the responsibility of power and they will not have the responsibility of power. They will always be a tiny little knot of malcontents and mope-mouths sitting over in the corner trying to raise discontent and trouble throughout the country, without ever making a constructive suggestion. They may get over to this side of the House when there are only four of five of them, like the party which we have with us now.

Going back to the high priests of hypocrisy, on November 6, 1978, in the House of Commons, the hon. member for Saint-Maurice was speaking on all the implications of the interest rate increase. He said the following on that day, as it is reported in *Hansard* at page 809:

Of course, with the balance of payments deficit in Canada, we have no choice but to make sure that the bank prime rate in Canada is higher than that in the United States.

That was the Liberal policy, that the bank prime rate in Canada always had to be higher than that of the United States. That is not our situation now. When the motley crew opposite moved that resolution the bank prime rate had to be higher, but today the prime rate in Canada is 15 per cent and the bank prime rate in the United States of America is 15.5 per cent. If the Liberals were in power now, our prime rate would be at least 16 per cent, based on the policy enunciated in this House on November 8, 1978, by the hon. member for Saint-Maurice, who has been forgotten and scorned by his colleagues in the opposition. He is never consulted by the finance critic of that party, so I would refer the critic to *Hansard* of November 6, 1978.

Our policy is to keep the bank prime rate in Canada down as far as we can keep it within reason, so that we do not wreck our economic system. Our policy is not to always ensure that our bank prime rate is higher than the rate in the United States. I can refer the hon. members opposite to other quotations by the former minister of finance in bygone days. He goes on to say, as it is reported in *Hansard* on that same page:

—of course we are aware that the increase in interest rates is causing some problems in the economy. We had to act because we had no choice, having a balance of payments in a deficit position in Canada.

That was in 1978 when the deficit was a measly $5 billion, whereas this year we are facing a deficit in the balance of payments and current accounts, left to us by the hon. gentleman opposite, in excess of $7 billion. But the Minister of Finance of the day said that he had to act because he had no choice with the balance of payments in a deficit position in Canada. Yet, hon. members opposite have the gall and audacity to get up and get on in this House as though we were doing something that they would never have done, never would have thought of, or heard of. It is the most shameful example of absolute, irresponsible, hypocritical drivel that I have come across in my whole experience, and I have a lot of experience in that line.

I wonder if the hon. members opposite have had enough punishment, or shall I go on with a bit more? They have all fled, there are none of them there. The former minister of agriculture is still here. He is mired in his seat. He is a strong man. Let me see. The former minister of finance mentioned that 70 per cent of our trade is with the United States. He recognized that in the short term there are disadvantages to increasing the bank rate and that the whole thing is due to other factors, namely, the present stability of the Canadian dollar, which was very much affected last week by the United States decision to increase its interest rate.

Mr. Whelan: Read what you said in 1978, John.

Mr. Crosbie: I could go on and on, but I do not want to flay the hon. gentlemen opposite any further. That is what we are facing. That is the kind of opposition this government faces, but the people of Canada—the farmers, workers and businessmen—know that they have a government today that is trying to get Canada out of the mire in which it has been left and is shooting for the long term, and that we are not afraid of the hon. gentlemen opposite.

Let us look at the resolution. In reading the resolution one would think that the farmers of Canada have never been in worse stead. One would think that the poor farmers of Canada were crushed and depressed under a fantastic load. I am informed that gross farm cash receipts this year in Canada are expected to break last year's record high.

Mr. Whelan: Thank God for my policies.

Mr. Crosbie: Statistics Canada reports that from January to September, 1979, farm cash receipts were $10 billion, compared to $8.5 billion last year for the same period. We know that farmers have problems and that their costs are rising, and we know that everyone has problems because of our present economic state. We also know that we are doing what we can to ensure that this does not recur in one years' time or two years' time. We are going for the long haul so that farmers, the workers and everybody else in Canada will not go through this situation again. We are going to ensure that there is no Liberal government that will permit this to go on as they have for the last ten years.

One would think that the government never gave help to farmers. With prairie grains and other storable crops as collateral, interest-free loans are available from the government.

Mr. Whelan: Don't tell me you are going to claim credit for that, John?

Mr. Crosbie: The NDP are not out in Prince Albert advertising that fact. They are out in Prince Albert yakking, complaining, moaning and groaning about the interest rate, instead of saying to the farmers of Prince Albert, "Gentlemen, take advantage of the free loans available from the Government of Canada".

Mr. Whelan: Come on now, that's not your program.

Mr. Crosbie: Am I right?

Mr. Whelan: That's not your program.

Mr. Crosbie: The hon. member's government was in power for 16 years and surely they had to come up with some programs that were half decent.

Let me now look at what a few impartial, highly respected economists have had to say. Here is a quote from Mr. Carl Beigie from the C. D. Howe Research Institute—C. D. Howe, get the connection? He is quoted as saying on November 8, 1979:

Interest rates should fall substantially over the next year if the federal debt does not get further out of control.

Can the people of Canada imagine where the federal debt would be if the hon. gentlemen down in the corner were in power? If they were in power, the federal budgetary debt this year would not be under any kind of control. It would be stupendous. It would not be $10 billion; it would be $20 billion, because they would have promised everybody in Canada everything under the sun. The result of that would be that interest rates would not fall.

If the official opposition were in power we know that the interest rate would be higher because of what they have said in past statements, and if the hon. gentlemen in the corner were in power, we know what they would do to the deficit because they love deficit spending. The love what they call stimulative deficit spending. If that party were in power, interest rates would never fall next year. So Mr. Beigie has said:

● (2150)

Interest rates should fall substantially over the next year if the federal debt does not get further out of control,—

The federal debt is not going to get further out of control, Mr. Speaker, because the President of the Treasury Board (Mr. Stevens) and I are going to wrestle it into shape. We are going to see that it doesn't get out of control.

Mr. Beigie also said that he thinks interest rates will tumble. Well, the hon. gentleman opposite will be pretty sad looking when the interest rates start to tumble. They have been pretty happy looking as the interest rates have been going up. They will be pretty glum, they will be pretty numb, we won't hear much from them when the interest rates start to go down. No, we are only going to hear from them when they are on the way up.

Now, Mr. Speaker—I won't get into this, I suppose. Mr. Shiff, chairman of Bramalea Ltd., the big developer, said the Clark government's initiative to provide tax credit for mortgage interest and property taxes deserves a chance. The newspaper article quotes him as saying:

Already we are seeing a reawakened interest in home ownership among Canadian families, which had resigned themselves to living in rented accommodation—

We will come to that later. The hon. gentlemen had better support our bill or they will be very, very sorry about that.

Mr. Deputy Speaker: Order, please. I have to interrupt the hon. minister because his time has expired. He could only continue with unanimous consent.

Mr. Crosbie: If I get unanimous consent to continue—

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Crosbie: They can't take it.

Mr. Deputy Speaker: Order, please. There does not seem to be unanimous consent.

Mr. Crosbie: I sympathize with that, Mr. Speaker. They can't stand it.

[Mr. Crosbie.]

Some hon. Members: Hear, hear!

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I am tempted to use my opportunity as coming last, to respond to the hon. Minister of Finance (Mr. Crosbie). But I think I will leave it to the judgment of the House to perceive what we have just heard as the partisan buffoonery that it is, and try to get down to some of the serious agricultural issues that we ought to be considering under the auspices of such a motion.

First of all, Mr. Speaker, I should like to thank the hon. member for York Centre (Mr. Kaplan) who, I understand, deferred his intention to speak in order that I might have this opportunity.

Some hon. Members: Hear, hear!

Mr. Kaplan: That is the only nice thing you will say about the Liberals.

Mr. Blaikie: The kind of legislation that I wish to talk about tonight, and which we in this party oppose, is legislation intended by the former government, and intended by this government, to encourage commercial plant breeding through giving the developer of a new plant variety, control over its sale and reproduction for seed. This proposal to grant patents and royalties on seed hybrids raises some very critical issues and I will try to show this evening, briefly, what some of these issues are, and what perspective is appropriate to discussing them.

The first critical issue that it raises is the increasing tendency of government in this country, first under the Liberals who started us in this direction, and now under a Conservative government, to shift responsibility for important tasks from the public sector to the private sector. This is the hidden agenda of this bill both from the point of view of this government and of the last one—the desire to step up private activity in seed development so that eventually, even though it be denied at present, the government can get out of the business of research and development of seeds.

This is the wrong way to go, Mr. Speaker. Important areas of our economy must not be abandoned to the profit motive. We already have a proud record of public endeavour in seed development. We in this party would like to see this country work toward a proud record of public endeavour in energy development through Petro-Canada. In both cases the government is leading us in the opposite direction.

Seeds are, Mr. Speaker, self-evidently at the source of life itself and are the most important link in our whole food system. To suggest that this should be left, or, in this case, eventually turned over to institutions whose first priority is profit maximization, is a terrible mistake.

A second critical issue in this regard is the power that would eventually reside in the hands of those who would have the wealth to buy up the rights to whatever new seeds are developed that would greatly benefit the farmer and the consumer through greater yields and/or decreased costs. Those who have this power to control new and important hybrids could hold up our whole country, indeed, the world, to ransom, in the same

way as those who own various energy resources have threatened to do from time to time recently.

Earlier in this Parliament I spoke in the debate on the Address in Reply to the Speech from the Throne about the question of power. This issue illustrates what I was talking about. Power over such an essential thing as seed must remain accountable to the public, to the general well-being of the human condition, through the instrument of democratic government.

A third critical issue at stake here, Mr. Speaker, is also one of power, that is, the danger of arriving at a situation where one company or, for that matter, a handful of companies, are in control of our total food system, from the ground to the kitchen table. A not unlikely scenario unfolds in my mind of the day when the seed companies own the seeds, the grain, the pesticides, the fertilizers, the flour mills, and the food processing industries. The idea of seeds bred by a multinational corporation in order to need the pesticides or fertilizers made by the same multinational corporation, is a nightmare that cannot be written off as just a bad dream, when we look at the way in which similar things have happened over the years in other areas of concern.

A fourth critical issue raised by the proposed plant breeders' legislation is a combination of genetic and technological concerns. By genetic, I mean the concern that through increasing global monopoly control of seed development, the variety needed for a healthy and reliable food plant world will be compromised in the interests of profit or, less cynically and more certain, in the interests of fitting plant life to the demands of the machine technology increasingly employed by growing multinational corporations which are now extending their already worrisome control over human life through aggressive expansion in the Third World, where many strong varieties of seeds are found but which, nonetheless, do not fit well into the global profit strategies of the multinationals.

Much attention has been paid of late in Canadian politics, and indeed in the politics of the world, to the problem of who should own such vital commodities as oil and gas. The Seven Sisters, the multinational energy corporations, have received much attention for their power and for their wanton disregard of the public interest. In the meantime the longstanding and growing power of the multinational corporations dominant in the grain and related agricultural enterprises, has gone almost unnoticed.

If a multinational grain company like Cargill had received as much attention over the last ten years as Imperial Oil, then perhaps what I have had to say about the dangerous trends in the food industry would not be as unfamiliar as it is likely to be to many members of the public and, indeed, to members of this House. We must be as concerned about concentrations of power in this critical area of concern as the public has come to be with regard to energy in the last little while.

As a final remark, Mr. Speaker, I wish to call the attention of the House to a particular situation in which the direction I have warned against tonight, is being taken already. In Manitoba we have had a publicly-owned seed company since 1962 when the late Mr. MacKenzie of Brandon willed his business, MacKenzie Seeds, to the province of Manitoba. This small, local seed company, is up for sale, on the auction block of Premier Sterling Lyon. There are many other criticisms that could be made of this sale if time permitted, but I will stick to the criticism which fits into the context of my remarks this evening.

There is no doubt that if returned to the private sector, MacKenzie Seeds will either immediately, or eventually, become the property of a large multinational seed company in the business of taking over smaller companies all over the world. This would contribute to the concentration of power that I have warned against this evening, and which could be used inappropriately. I hope that this trend will be perceived as the dangerous trend it is, and that it will be stopped before it is too late and we have surrendered control not just of our energy supplies but of our food supplies as well.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: It being ten o'clock it is my duty to inform the House that, pursuant to section 11 of Standing Order 58, proceedings on the motion have expired.

PROCEEDINGS ON ADJOURNMENT DEBATE

[*Translation*]

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

INQUIRY OF THE MINISTRY—INQUIRY WHETHER PRIME MINISTER MET PÉQUISTE CANDIDATE

Hon. André Ouellet (Papineau): Mr. Speaker, last November 5 I asked the right hon. Prime Minister (Mr. Clark) why he had agreed to meet in Montreal Mr. Jacques Desmarais, the PQ candidate in the byelection for the Montreal-Maisonneuve riding. The Prime Minister did not deny that indeed he had met Mr. Desmarais, but he tried to show with his reply that ever since his election to his present position he had tried with his openmindedness and concrete actions to demonstrate to the Quebec population that there is a new administration in Ottawa which is more willing than the former government to meet the legitimate aspirations of the Quebec people.

Mr. Speaker, I suggest that the Prime Minister must be extremely embarrassed to know that the same Mr. Desmarais he met in Montreal lost his election yesterday in a decisive way. There is no doubt that this meeting with the Prime Minister of Canada has not contributed to the good fortune of this PQ candidate; on the contrary, it was probably detrimental to him. On the other hand, the Prime Minister said that he

wanted to demonstrate through concrete actions the good faith of his government. Well, the only concrete gestures toward Quebec which the Clark government has made since the election were in areas which only pleased PQ supporters and the Quebec government, and not the federalists and those of them who live in the province of Quebec.

● (2200)

First the Clark government abolished Loto Canada. Second, it got rid of the Tellier working group within the secretariat in charge of federal-provincial relations, the only group which would have been capable of preparing a document seriously and decisively refuting the PQ white paper which advocates Quebec separation. We know now that the Prime Minister does not want to draft a federalist white paper for the Government of Canada which would refute the PQ white paper. Third, the Prime Minister's government has decided not to table the bill providing for a federal referendum, and the Clark government has also instructed federal Crown corporations such as CN and Air Canada not to finance pro-federalist groups in the Quebec referendum campaign.

These are five concrete steps taken by the new Clark government, five concrete steps which in fact have but one aim, namely, to please the Quebec separatists. Mr. Speaker, I am asking myself the following question: just what does this Progressive Conservative leader want? When he supposedly takes these concrete steps to please Quebec, he actually does nothing to please the federalists in the province of Quebec, he only pleases the separatists. I am wondering, Mr. Speaker, if this Progressive Conservative leader would not prefer the Parti Québécois to win the referendum and Quebec to secede from the rest of Canada.

Everything the Prime Minister does and says in the House leads us to that conclusion over any other. Would not this Progressive Conservative leader like to be rid of those 70-odd Liberals from Quebec who sit in the House of Commons, so he could head a majority Progressive Conservative government elected mostly in western Canada, to change the whole political map of Canada? I feel this Progressive Conservative leader is not assuming his responsibilities. He should be looking after the problems of all Canadians, particularly those who live in the province of Quebec, who wish to remain within Canada and who do not approve at all those good will and appeasement gestures the Clark government is making towards the Lévesque government in Quebec.

Mr. Richard Janelle (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I shall try to enlighten the hon. member for Papineau (Mr. Ouellet) who wanted to change somewhat his question tonight, because he was asking for information about the last August 20 meeting around which there was no mystery and even less secrecy.

The Prime Minister (Mr. Clark) did go to Montreal to meet with businessmen, newspapermen, a well-known Quebec politician and, finally, a group of workers. More precisely, the Prime Minister met, first, with a group of about ten prominent businessmen of the province of Quebec. The meeting was held in the Queen Elizabeth Hotel, and it is a fact there the economy was discussed.

Secondly, at the same place the Prime Minister met with reporters of the daily newspaper *La Presse* and if the hon. member wonders about the subjects raised in that interview, all he has to do is read the press reports of the next day. Early in the evening the Prime Minister was the guest of Quebec Premier Lévesque for dinner at the Meridien Hotel. The event was in no way secret or mysterious since it had been announced in advance and since it was following the premiers' conference of this summer at La Malbaie. In any case, several reporters interviewed the Prime Minister after his talks with Mr. Lévesque.

Finally, before coming back to Ottawa, the Prime Minister met with a group of workers from the port of Montreal who wanted to voice their concerns to him. The meeting took place in a lounge at the Meridien Hotel and Mr. Jacques Desmarais did attend part of that meeting to which he had been invited by the workers. But again, there was nothing secret or mysterious about that meeting since the press was there.

That is what actually happened in Montreal on August 20, 1979, Mr. Speaker, and I hope the hon. member for Papineau will find my answer satisfying.

[*English*]

INTERNATIONAL TRADE—AUTOMOTIVE INDUSTRY—FAIR SHARE FOR CANADA OF CAPITAL INVESTMENT

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, the preliminary automotive trade figures between Canada and the United States for the first nine months of this year are startling. The over-all Canada-United States trade deficit for this period is $2.2 billion, derived from a favourable balance of $700 million on automotive assembly and a deficit of $2.9 billion on parts. This total deficit exceeds the deficit for the whole of the worst previous year, 1975.

The federal government's sector profile discussion paper of last year indicates that this is part of a developing pattern. I quote:

> Over the next several years Canadian automotive demand growth will exceed North American demand growth. There will therefore be a trend of long-term deterioration in the automotive trade balance with the United States. A deficit of $2.4 billion (1976 dollars) is projected for 1985 if Canadian production continues to grow at the North American average rate.

Unfortunately, the rate of deterioration in the trade balance has exceeded even this prediction. Already this year it will be beyond the deficit projected for 1985, and the new projection for 1985 by the Automotive Parts Manufacturers' Association is $5 billion. Without new policies by the federal government, this prediction, too, will be dwarfed by reality.

I congratulate the Progressive Conservative government on continuing and expanding the Liberal policy of duty remissions

for foreign companies which will induce additional sourcing of parts in Canada by Volkswagen, Fiat, Nissan, BMW and Mercedes. This will help create more manufacturing jobs in Canada, but it will not help with respect to the parts deficit vis-à-vis the United States, since the companies affected are not American ones. Much more is needed.

The Automotive Parts Manufacturers' Association has recently urged the government to encourage investment in the Canadian parts industry, redirect parts sourcing decisions by the automotive companies, stimulate the economy generally, and meet foreign competition. I endorse those proposals.

● (2210)

Investment in the Canadian parts industry could be increased by a repayable loans fund at, say, 1 per cent to 2 per cent over the prime rate—and therefore at a rate competitive with that usually prevailing in the United States—for purposes of investment, tooling, and research in Canada. The Minister of Industry, Trade and Commerce (Mr. de Cotret) has spoken unfavourably of this proposal by the APMA, but I urge him to reconsider his apparent unwillingness to act on it.

Equally important, in my view, is a policy of inducing the Big Three to source automotive parts in Canada. The fact that the unfavourable exchange rate on Canadian funds is currently causing such a sizeable net loss to the Canadian automotive companies results from undue importation of parts from the United States. Recall if you will, Mr. Speaker, the years 1970, 1971 and 1972, when Canada had a modest over-all automotive trade balance with the United States of $446 million for the three years together. The U.S. government, through then Treasury Secretary Connally, talked tough with the Big Three in the United States—as well as with the Canadian government, incidentally—and succeeded in quickly reversing the incipient trend in our favour.

The United States also introduced the DISC program, a tax incentive plan to promote exports by requiring capital development to be made in the United States to be eligible for the tax advantages.

It is worth noting in passing that the United States government, which has always resisted the Canadian "fair share" interpretation of the auto pact by emphasizing the absolute priority of the free market, hesitated not a moment in interfering with the free market when it appeared that it might advantage Canada rather than themselves.

We need to talk, if not "tough", at least "insistently", with the Big Three with respect to sourcing parts in Canada, and in particular with respect to their own decisions on capital investment for in-house production of parts, as well, of course, as with respect to capital investment for assembly of cars and trucks.

General Motors' new $2 billion investment is most welcome in Canada, particularly in Windsor, but it must not be allowed to represent our total Canadian share of $38 billion of prospective investment.

At the present time in Canada we need an incentive program both for the parts industry and for the economy generally, and in my view and that of my colleagues on this side, no great economic stimulus can be expected while the government keeps interest rates at the highest point in our history and generally follows a tight money policy.

I would also stress the importance of participating more fully in automotive research, development, and engineering. If I am right in my guess about Chrysler Canada's proposal to the Canadian government, we are being offered an unequalled opportunity of doing just that, by assisting Chrysler Canada in expanding in that respect. We must take advantage of this opportunity.

I hope these considerations I have advanced on the automotive industry are not taken as partisan ones. These matters are too important, especially in my city of Windsor, where we have at the present time probably the highest rate of unemployment in industrial Canada, to be the prey of mere partisanship.

I genuinely hope the government will solve our problems in the automotive industry. I am prepared to support any reasonable initiatives, whether those I have proposed or others. All I insist is that there should be government initiatives, and soon.

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): Mr. Speaker, I am very pleased to be here tonight to hear the representation of the hon. member for Windsor-Walkerville (Mr. MacGuigan). I realize that this whole subject matter and this industry are very close to him, and he is doing his job here tonight in representing that constituency.

However, may I remind the hon. member that many of the problems with which we are faced today are the result of short-term, ad hoc planning, election to election planning in the auto pact and in that industry? I have been told in meetings with the president of the Ford Motor Company, and in meetings with the committee of the Canadian Auto Parts Association that much of our trouble is that we were delivered into the assembly of the high horsepower large automobile, two-thirds of which were shipped to the United States. The energy crunch came in the United States, and that export market dried up on the Canadian assembly plants.

At the same time when the energy crunch hit North America, the United States industry, decisions of which are made in Detroit, had already put in place the energy efficient vehicles for American production so that now two-thirds of the Canadian demand is for American vehicles. That is in large part the problem and the reason for the growth of the deficit in the auto pact that we are dealing with today, and it is a very serious problem for us. We do not take this lightly. I have met with pretty well all sectors of the industry.

I am glad that the phraseology tonight is a little better than the question of the hon. member in the question period as reported in *Hansard* at page 1082 because I am quite frankly very pleased with the fact that General Motors, without government insistence and without coming to the government

for money, was able to deliver $2 billion of capital development in that industry in Canada.

● (2215)

The same thing that I was speaking of in terms of the Auto Pact and the assembly of automobiles in Canada is now going on in the tire industry. We have a tire industry established in Canada exporting tires for the high energy using cars, and yet new technology in tires is now going into the United States, so we are aggravating the problem. We are aware of these problems.

Dealing with the Auto Pact, Mr. Reisman said that the factors which were wrong in the Auto Pact needed renegotiation but the time was not right. I appreciate that. Only last week I met with the Auto Parts Association and I asked them to come back to me with an agenda of the basic structural flaws that are causing us the problem of the imbalance in the Auto Pact. They have promised to do that.

I do not have to speak on the duty remission program that is in place. It is having an effect and the auto parts industry in Canada is grateful for the benefits that are starting to accrue for them.

One of the problems we have to address and one of the problems we are facing as a nation—again to take the partisanship out of it—is the bidding game that is going on between the United States and Canada for industries, between the states within the United States and the provinces within Canada, as well as between the provinces and the states. This matter will have to be addressed because the bidding game is emptying the public wallet and is interfering with the redistribution and the delivery of resources for the creation of wealth. These are all problems of which we are well aware and I appreciate the concern of the hon. member for Windsor-Walkerville. We will look for his assistance in resolving some of these problems.

[*Translation*]

UNEMPLOYMENT INSURANCE—SEASONAL WORKERS—REQUEST FOR REVISION OF BENEFITS SYSTEM

Mr. Charles Lapointe (Charlevoix): Mr. Speaker, following the question I put to the Minister of Employment and Immigration (Mr. Atkey) last October 15 concerning the boundaries of economic zones for unemployment insurance purposes in the Charlevoix area, and following the answer I got then, I thought I would ask the House of Commons for a little more time to listen to the representations I had to make on behalf of the citizens of Charlevoix who are treated unfairly and unduly denied unemployment insurance benefits to which, I think, they are entitled.

Mr. Speaker, last August 24, I sent a letter to the Minister of Employment and Immigration informing him that a group had been established in his department to study the feasibility of changing the boundaries of the Charlevoix economic zone. Right now, Mr. Speaker, to explain the problem more clearly, the western part of my riding, from Baie Sainte-Catherine to Saint-Féréol-des-Neiges, is included in the metropolitan area of Quebec City which artificially reduces the unemployment rate for that area, while the eastern part of my riding, and I am glad of it, Mr. Speaker, and so are the local residents, the eastern part of Tadoussac County up to Hauterive is included in the larger economic area of the north shore where you can get unemployment insurance benefits after ten weeks of work.

Last August 24, as I exchanged correspondence with the Minister of Employment and Immigration, I told him that a task force had been established in his department to work on new boundaries for the economic zone to do justice to the residents of Baie Sainte-Catherine, Saint-Siméon, Saint-Fidèle, La Malbaie, Pointe-au-Pic, Cap-à-l'Aigle, Clairmont, Notre-Dame-des-Monts and all the other villages in the western part of the constituency, and I wanted to ask him in all sincerity and even urge him to speed up the work of this task force to change the boundaries of economic regions.

Mr. Speaker, my area, Charlevoix West, is essentially dependent on the tourist industry, and as we all know this industry is active only from roughly the second week in June until Labour Day, that is the first week of September, which means that people in the tourist industry work from 11 to 13 weeks a year. Furthermore, in the western part of the Charlevoix constituency, 60 per cent of the labour force is employed in the tourist industry and try as best they can to find a job which will last no more than ten, 11 or 12 weeks. The situation is impossible for these workers who only want a job and not unemployment insurance benefits. Because of the new boundaries of economic regions and since Charlevoix West is included with the Quebec City area, the people who work ten, 11, 12 or 13 weeks in the tourist industry, whether for the Manoir Richelieu in Pointe-au-Pic, which employs nearly 300 people, or in the other summer hotels which employ a number of people throughout the constituency, for the first time this year, these people find themselves with no income and must turn to welfare against their own will.

Mr. Speaker, those people are humiliated because they worked during the only period when employment was available to them. Those people have worked and want to work twelve months a year, Mr. Speaker, but unfortunately, because of the economic weakness in the area, because of the national economic difficulties, there are no jobs available for 12 months and those people must turn to the tourist industry and work ten, 11 or 12 weeks. So, since this fall, hundreds of people in the riding of Charlevoix have been refused unemployment insurance benefits. I believe that a serious injustice is being caused to people in an underprivileged economic area, and I hope, as the minister already invited me to do in his answer, to suggest to him ways to help those people. He invited me to give my opinion on the situation and also to say what the specific problems in my riding were. I would like tonight on behalf of the people of Charlevoix West to beg him to speed up the work

of that study committee within his department that is supposed to change the economic zones in Charlevoix or the economic zone of Charlevoix, and to come up with something in the coming days, Mr. Speaker, because there are people being refused unemployment insurance benefits every day.

I want to beg him to change the economic zone definition which unfairly excludes the people of Charlevoix West because in the months of December, January, February and March, in the riding of Charlevoix, the rate of unemployment easily reaches 35 per cent. Nobody in this House—and I am convinced the minister himself is extremely concerned by that situation as I am myself—can be happy with that. I think that notwithstanding Progressive Conservative, Liberal, NDP or Social Credit political considerations, we must try to do justice to those people who only ask to work.

● (2220)

[*English*]

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I thank the hon. member for his very sincere representation on behalf of his constituency. The question raised by the hon. member for Charlevoix (Mr. Lapointe), which has been raised from time to time by other members, is whether we have the most appropriate and reliable measures for calculating unemployment rates for the unemployment insurance program. This question relates to two issues: first, the drawing of the boundaries of the economic regions for determining initial entitlement for unemployment insurance and for calculating regional extended benefits; second, the method for estimating the unemployment rates.

By way of explanation it should be emphasized that the Unemployment Insurance Act requires that the boundaries of the regions used by Statistics Canada in its labour force survey be followed. The act requires that regional unemployment rates be those produced by Statistics Canada; Unemployment Insurance Act section 58 (t) and (u). Thus, any change in either respect would require a legislative amendment.

● (2225)

As the minister stated when the matter was raised by the hon. member, a task force representing Statistics Canada and the department has been established to review current arrangements. I confirm that, as soon as the report is received, it will be made available.

Without prejudging the findings of the task force it should be pointed out that there are some obvious difficulties in making changes in the existing arrangements. For example, if boundaries were redrawn to achieve a higher unemployment rate for one region, the adjacent region would experience a corresponding reduction. It may readily be imagined what difficulties this would create.

There are also difficulties in changing the method of calculating unemployment rates, and particularly with the proposal to use unemployment insurance beneficiaries as an indicator of the number of unemployed. Beneficiaries were used in the allocation of Canada Works because labour force survey data are not available on a constituency basis. Moreover, serious questions could be raised about any program which uses its own statistics for the determination of its own entrance requirements and benefit provisions.

An additional consideration is the substantial cost that could be involved in any attempt to enhance the reliability of labour force survey data.

These and other difficulties are being examined by the task force whose report, as indicated, is expected toward the end of November.

Mr. Deputy Speaker: A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow morning at eleven o'clock.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Friday, November 16, 1979

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

ADMINISTRATION OF JUSTICE

MINISTERIAL APPROVAL OF ILLEGAL ACTS BY RCMP—MOTION UNDER S.O. 43

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, given the refusal of the Conservative members yesterday to allow the Prime Minister (Mr. Clark) to be questioned in committee on his proposals for illegal police activity, and in order to allow opposition members the full opportunity of questioning the Prime Minister on the subject, I move, seconded by the hon. member for York Centre (Mr. Kaplan):

That this House request the Prime Minister to make a statement on motions outlining his proposals for allowing ministerial approval for illegal acts by the RCMP.

Mr. Speaker: Such a motion can be introduced at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

REQUEST FOR STUDY ON PROCESSING OF ALUMINUM IN SAGUENAY REGION—MOTION UNDER S.O. 43

Mr. Marcel Dionne (Chicoutimi): Mr. Speaker, I rise under the provisions of Standing Order 43 and ask for the unanimous consent of the House to discuss a motion relating to a matter of urgent and pressing necessity.

Given the fact that the most modern aluminum casting plant in the world is under construction in the Saguenay district, and that our region has a very high unemployment rate in spite of the presence of highly skilled workers, I move, seconded by the hon. member for Manicouagan (Mr. Maltais):

That the House urge the Minister of Regional Economic Expansion to pursue the study already under way on the feasibility of processing the metal here in Canada so as to create additional jobs and put the finished product directly on to world markets.

Mr. Speaker: Pursuant to the provisions of Standing Order 43, presentation of this motion for debate requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FEDERAL-PROVINCIAL RELATIONS

REQUEST FOR REPORTS OF TASK FORCES ON QUEBEC-OTTAWA RELATIONS—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

In view of the fact that the Minister of State for Federal-Provincial Relations refuses to make public ten studies on Ottawa-Quebec relations from 1967 to 1977, and that freedom of information is of utmost importance, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That the House urge the Minister of State for Federal-Provincial Relations to make public the ten studies on Ottawa-Quebec relations from 1967 to 1977.

Mr. Speaker: Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

APPLICATION OF RULE OF LAW TO POLICE ACTIVITIES—MOTION UNDER S.O. 43

Mr. Rod Blaker (Lachine): Mr. Speaker, in view of the government's rejection of the motion just put forward by the hon. member for Windsor-Walkerville (Mr. MacGuigan), I too rise under the provisions of Standing Order 43 to propose a motion of urgent and pressing necessity.

Considering the confusion created in this country and in the House by the contradictory statements made by the Prime Minister (Mr. Clark) on interrelated subjects of police power in Canada, the ministerial responsibilities of the Solicitor

General (Mr. Lawrence) and the rule of law, I move, seconded by the hon. member for Vaudreuil (Mr. Herbert):

That this House express to the government its strong concern that any legislation relating to police powers in Canada meet the constitutional requirements of the rule of law in our society.

Mr. Speaker: This matter can be debated at this time and in this way only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

PROPOSAL THAT ROYAL COMMISSION TAKE INVENTORY OF RESERVES AND NEEDS—MOTION UNDER S.O. 43

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a motion under Standing Order 43. One of the most serious challenges of the 1980s is that we are not self-sufficient in crude oil which is becoming a fast depleting asset in spite of accelerated exploration and development. Therefore, Canada will and must become more dependent on other sources of energy, namely, natural gas, coal, electricity, nuclear energy, etc. Therefore, I move:

That in view of the fact that the National Energy Board is more of a regulatory body and has not the staff for assessing the inventory of reserves of Canada's energy, a royal commission be set up for the purpose of taking an inventory in Canada of all the potential and proven reserves of all types of energy, and at the same time estimate Canada's energy needs for the foreseeable future, as the costs of such a process would be small in relation to the revenue derived by governments and the savings to the consumer on prohibitively priced energy.

Mr. Speaker: This motion can be debated at this time, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

VETERANS AFFAIRS

MEASURES TO IMPROVE SERVICES IN VETERANS HOSPITALS—MOTION UNDER S.O. 43

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I rise, under Standing Order 43, on a matter of urgent and pressing necessity. In view of the failure of the Minister of National Defence and Minister of Veterans Affairs (Mr. McKinnon) to assure this House yesterday that he would stop budget cuts which are resulting in deteriorating service to our hospitalized war veterans, I move, seconded by the hon. member for Lachine (Mr. Blaker):

That the Minister of Veterans Affairs be requested to report to this House without delay the measures he intends to take to stem any further deterioration in hospital service to our war veterans; to assure all employees in hospitals under the administration of his department that none of them will suffer salary cuts when the bilingualism bonus is terminated; and that no war veterans in hospital will be deprived of care and treatment in his or her own official language.

Mr. Speaker: Under the requirements of Standing Order 43, unanimous consent must be given before such a motion can be introduced for debate. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE MINISTRY

CALL FOR MINISTER TO RESIGN FROM SENATE AND RUN IN BYELECTION FOR HOUSE OF COMMONS—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, in view of the persistent lack of access of members of this House to the Minister of Industry, Trade and Commerce, both in his role in that department and in his role as minister responsible for the northern pipeline, and in view of the continued affront to democratic principles, clarity of government policy and ministerial accountability which his appointment presents to this House, I move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That this House calls upon the Minister of Industry, Trade and Commerce to resign his cabinet post and senatorial appointment immediately and present himself as a candidate for election to this House at the earliest opportunity, and calls upon the Prime Minister to appoint the minister of industry, trade and commerce and the minister responsible for the northern pipeline from the ranks of the membership of the House of Commons.

Some hon. Members: Hear, hear!

Mr. Speaker: This motion can be presented and debated at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATURAL RESOURCES

DEVELOPMENT OF POTASH INDUSTRY IN SASKATCHEWAN—MOTION UNDER S.O. 43

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I rise to put a motion under Standing Order 43 on a matter of urgent and pressing necessity. This is brought about by the failure of the potash industry to meet world demand for potash at a period when we have huge deposits, world demand requires the development of one new mine a year, and a trade deficit

approximating $7 billion, resulting in high interest rates. I move, seconded by the hon. member for Swift Current-Maple Creek (Mr. Hamilton):

That the House immediately debate the effect of the Saskatchewan government takeover of the potash industry which has resulted in inefficiencies in market predictions and the obvious inability or unwillingness to raise the venture capital necessary to get new mines into production, as a direct consequence of that take-over.

Mr. Speaker: The motion can be introduced at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

POST OFFICE

REQUEST FOR RESTORATION OF POLICY TO IMPROVE SERVICE—MOTION UNDER S.O. 43

Mr. Alain Tardif (Richmond): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of urgent and pressing necessity.

Considering that the drastic cuts decreed by the Progressive Conservative government have led to job losses and, therefore, lost services at the Post Office Department; considering that the removal of those services has seriously affected the Canadian people who are entitled to efficient postal services; and considering that alterations in postal services are made arbitrarily and without consultation, I move, seconded by the hon. member for Langelier (Mr. Lamontagne):

That the Postmaster General (Mr. Fraser) immediately restore the policy of the previous Liberal government which, on one hand, was meant to improve rather than worsen services and, on the other hand, compelled the departmental officials to consult before ordering reduction and even removal of services.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Pursuant to Standing Order 43, such a motion can be presented for debate only with the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

ENERGY

PRICE OF OIL—INCREASE SOUGHT BY PREMIER LOUGHEED

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, my question arises out of the meeting which was held between the Prime Minister and Premier Lougheed in Saskatoon on Monday, I understand. Could the Prime Minister inform us if it is true that Premier Lougheed was pressing for a $5 a year increase in the price of a barrel of oil in 1981 and 1982, and could the Prime Minister tell us that those prices are absolutely unacceptable to him, to the House and to the country?

● (1115)

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the former prime minister will understand that it would not be helpful to negotiations to discuss the content of private discussions, but I can assure him— although I do not think he needs assurance—that he should not believe everything he reads in the newspapers.

Mr. Trudeau: I do not, Mr. Speaker, but I thought one could believe what the Prime Minister said at the opening meeting of the first ministers in Ottawa. There he indicated to the premiers that the initial preference of the federal government was an annual increase of $6 a barrel. I do not know if that also appeared in the newspapers, Mr. Speaker, but it seems to me that $6 is even worse than the $5 that Premier Lougheed is reputed to be asking for.

Could the Prime Minister tell us that these figures are unacceptable and he would be looking for some increase of the type that our government brought in with the agreement of producing provinces—a couple of dollars a year? This was sufficient then for Alberta and it was sufficient for Saskatchewan, and the cost of living has not increased in speed since then. Why is this kind of agreement not reached now, Mr. Speaker?

Mr. Clark: Mr. Speaker, I can confirm, as I said at the first ministers' conference, that we have scaled-down our original proposal from increases of $3 every six months after 1980 as a result of representations made by other provinces, particularly the province of Ontario. That remains the position.

Mr. Trudeau: The Prime Minister is telling us he scaled it down from $6 a year. Why was it at $6 a year in the first place? We know that Syncrude, for instance, has told us that to produce a barrel of synthetic oil will cost in the range of between $15 and $20 a barrel. Why would it have to go up $6 a year? Why is it not sufficient to have a price which will permit—as the Prime Minister told me on Tuesday—him to follow his policy of permitting Canada to be self-sufficient? If the producing companies in Syncrude can get a barrel of oil out at $15, why would the price have to go up to $20, $25 or $30?

Mr. Clark: Mr. Speaker, our goal is to seek an agreement if possible, and to act without agreement if necessary, on a price that will move Canada toward self-sufficiency. The former prime minister will remember from his negotiations that the goal that was struck at that time had to do, not with the rate of increase in terms of dollars but with the rate of increase in relation to the world price.

He will know now that as a result of changes intervening since the agreement which he signed, the price has fallen to something like 62 per cent of the Chicago price, when his goal at the time he was negotiating matters was to bring the Canadian price much closer to the Chicago price.

Mr. Trudeau: Our policy was never to go up to world prices, regardless of what they would be. Our policy was to have a replacement price, and that is stated in Mr. Gillespie's paper of 1976. Why has the Prime Minister departed from that policy? On Tuesday, again, he was saying it is sufficient that we have a price which will bring on production. If the Middle East decides that the price is $100 a barrel, why do we need that price in Canada to bring on production in Canada?

Mr. Clark: Mr. Speaker, as I indicated to the Leader of the Opposition the other day in the House, our goal is not the world price, it is not the Chicago price, but it is a price that allows Canada to achieve conservation, to achieve substitution and to achieve the bringing on of new supplies. I can quite understand the difficulties faced by the Leader of the Opposition, because his position seems to be diametrically opposite to what is stated by the energy spokesman for the official opposition.

* * *

● (1120)

THE CANADIAN ECONOMY

INCREASES IN OIL PRICES—HIGH INTEREST RATES—DETRIMENTAL EFFECT ON ECONOMY

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Finance. He has been quoted as saying that the $2 a barrel annual increase formula is giving oil companies more than they need for exploration and development.

I want to ask him, therefore, if the government will not now withdraw its plans to increase oil prices rapidly to record world levels and, instead, produce a budget that will deal with the need to help our industries to be more effective, productive and efficient and to help lower-income Canadians to deal with the double shock to our economy due to the Conservative government's policies of high interest rates and record increases in energy prices.

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, it is too bad the hon. gentleman was not here last night, because he would now understand that there is no high interest rate policy. There is a high interest rate condition left by the hon. gentleman's government.

[Mr. Trudeau.]

Mr. Whelan: If you had been here you would have heard a lot of nonsense.

Mr. Crosbie: My statement was that it is the calculation of our experts that if a price increase was put into effect, not just a $2 a year increase but in excess of that—another $2 or $2.50 a year—those additional revenues would not be needed by the oil and gas industry for energy investment in Canada; they would have sufficient cash flow to make all necessary energy investments. Therefore, we suggested an energy self-sufficiency levy or tax so that the Government of Canada would have some revenue to do the things necessary for the people of Canada, particularly in the energy field.

We also proposed that all the proceeds of that tax be spent on energy-related matters. If by chance it turned out that there was not a sufficient cash flow for the industry, then adjustments would be made, particularly with reference to independent, Canadian-owned firms in the oil and gas industry which we intend to support and favour.

Mr. Gray: Mr. Speaker, there is cold comfort in the minister's words for Canadian consumers and small businesses. Speaking of experts, the minister was telling us the other day that other experts now say that our trade figures are $500 million better than he thought. That being the case, does he not realize that this undermines his argument and that of his government that new information about the balance of payments deficit prevented his government from implementing its election pledge to bring interest rates down? Surely the minister must recognize that that pledge must be implemented since that argument has been undermined?

Mr. Crosbie: Mr. Speaker, that was really not a question. Despite the fact that an oil company did not report as it apparently should have to Statistics Canada, Customs or whomsoever, that it sold about $500 million this year outside of Canada, which boosts their export earnings by that much—which is welcome news in the sense that it improves our current account deficit for this year—our estimate of what the deficit will be, as a result of the economic conditions left to us by the hon. gentlemen opposite, is that it will still be at least $7 billion. Therefore, this $500 million error has no connection in the world with interest rates—none whatsoever. Why the hon. gentleman keeps harping on this matter is beyond me.

* * *

SOCIAL SECURITY

MEASURES TO IMPROVE THE LOT OF OLD AGE PENSIONERS AND PERSONS ON FIXED INCOMES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a question for the Prime Minister. In view of the fact that figures recorded in *Hansard* on November 7, in response to order paper questions of mine, show that more than 54 per

cent of all Canadians 65 years of age and over have so little other income that they qualify for the guaranteed income supplement—which means that they are at the poverty line—and in view of the fact that the cost of living increase, which now stands at 9.3 per cent over a year ago, hits very hard at old age pensioners and at others on fixed incomes, will the Prime Minister tell the House what we can do to get the government to take immediate action to assist these people in their struggle with the rising cost of living?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, there are a number of things that members of this House can do to be helpful. I want this House to know that the whole question of the field of pensions is under review. We would welcome suggestions from all members of the House on changes in pension arrangements that would allow us to be more helpful to Canadians in need.

● (1125)

Second, the House could help the government and help the people of the country by understanding that if we are to get the economy in a position where we are able to bring down costs and inflation, we will have to endure, for at least a period of time, a condition relating to high interest rates and relating to costs that none of us welcomes.

Mr. Knowles: Mr. Speaker, in view of the fact that many of the people on whose behalf I am speaking will not endure long enough to gain from any improvements the government may make down the line—which means that what we are concerned about is immediate action—will the Prime Minister reconsider the negative answers he has given to our requests for a milk subsidy, a bread subsidy, a fair prices commission with power to roll back unjustified cost increases, a cost of living tax credit or doing something about high interest rates?

Will he take action, now, on one or more of these issues so that the people he is asking to endure will have a chance to live while they are still on this earth?

Mr. Clark: Mr. Speaker, with regard to the specific proposals put forward by the hon. member and his party for some time, I have indicated before that we are not prepared to move on those specific proposals. That remains the case. In some cases we think they would be simply bureaucratic and not effective, while in other cases they are measures which we simply think the country cannot afford at this time.

In relation to inflation, which is the critical and basic problem, it is our view that the only way we can get a handle on inflation and begin to move it down generally, consequently bringing the most relief to the people who are most victimized by it, is to endure, now, some of the high interest rates and other economic problems that have to be faced in the short-term if we are to have long-term solutions.

Mr. Knowles: Mr. Speaker, I am doing my best to keep my cool as the Prime Minister keeps asking the people I am talking about to endure these conditions. Mr. Speaker, in view of the fact that the Prime Minister has said "No" to all of our suggestions and has made some others that are futuristic, may I ask what one thing this government has done in the 5½ months it has been in office to help pensioners and those on fixed incomes to cope with the rising cost of living? Just one.

Mr. Clark: Yes, Mr. Speaker, I can refer, of course, to the action we have taken with the help of the hon. member in relation to the spouse's allowance, which was the first bill this government introduced. I can indicate that this government has taken the clear decision that, instead of ducking a difficult problem, we are going to face head-on the problems of inflation and high interest rates with an eye to bringing some relief there.

I can repeat to the hon. member the very firm undertaking I have given that when there is an increase in energy prices we will be looking at and introducing measures that will help those Canadians, including the elderly and those on low incomes who are most hard hit by energy increases, to deal with the special problems any increase will cause them.

Mr. Knowles: Ten o'clock.

* * *

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

REQUEST FOR PUBLICATION OF STUDY ON FEDERALISM

Mr. Fabien Roy (Beauce): Mr. Speaker, my question is for the Prime Minister. Early in 1977 the former government ordered a study on federalism which apparently has gone on for about 16 months. According to our information, 112 departments or government agencies took part in this assessment; also, based on our information, there were 485 occurrences of federal intervention into Quebec's jurisdiction. In light of the publication of an interim report which amounted to a harsh criticism of Ottawa's attitude toward Quebec, I should like to ask the Prime Minister whether he could assure the House that he will table the ten known studies as soon as possible?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, there were not ten studies. There were, I believe, ten chapters of the same study. I think the minister answered the request of a reporter for the publication of a summary of that study and did not indicate the officials or departments involved. I am informed that the study touched upon the question of the nature of relations between federal civil servants and those of the province of Quebec. I am informed also that there was a commitment by the former government not to publish this study which contained evidence given by specific officials. We believe we must honour the commitment given by the former government.

● (1130)

Mr. Roy (Beauce): Mr. Speaker, I would like to put a supplementary question. Whether ten chapters or ten studies, it does not change anything in the basic question. Since the information we have shows this study is an indictment against the ten years of the former government from 1967 to 1977 when in fact there have been three different administrations in Quebec—the Union Nationale government, a Liberal government that had two mandates, and a Parti Québécois government, I would like to ask the right hon. gentleman how he can reconcile the answer he just gave me with what his government intends to do with the freedom of information bill?

Mr. Clark: Mr. Speaker, unless I am mistaken, a commitment has been made to the effect that the details of the evidence given by federal civil servants for that study would not be released. This is a commitment we must honour.

* * *

[*English*]

ENERGY

PRICE OF OIL—GOVERNMENT PREFERENCE

Hon. Marc Lalonde (Outremont): Mr. Speaker, the more the Prime Minister speaks about energy policy, the more confused the Canadian public becomes.

An hon. Member: You are more confused.

Some hon. Members: Oh, oh!

An hon. Member: Why don't you go dancing?

Mr. Lalonde: He said this morning that the policy was to go toward self-sufficiency. I would like to ask the Prime Minister whether the government's policy is still to achieve self-sufficiency by 1990. Secondly, he said that his target was not the Chicago price or the international price.

Will he confirm at least that the price is going to be what he said in his opening statement at the conference, that his preference has been brought down from a $6 annual increase in the price of a barrel of oil to bring us quickly to 90 per cent or 95 per cent of the Chicago price which, as the Prime Minister knows, may very well be higher and is actually higher than the international price?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I can reaffirm that it is the intention of this government to move Canada to energy self-sufficiency by 1990. We believe that can be accomplished by moving toward, but not to, the Chicago or the international price. The proposal we put forward, which the hon. member has accurately read, is 90 per cent or 95 per cent of the Chicago price. There has not been a final decision taken as to whether it would be 90 per cent or 95 per cent. The hon. member will understand that among the factors to be taken into account in relation to that figure would be the implication of the Syncrude levy.

[Mr. Clark.]

Mr. Lalonde: Mr. Speaker, I regret that the Prime Minister is still not clarifying whether it is going to be 90 per cent or 95 per cent of the Chicago price or the international price. In his answer he said that it would be either the Chicago price or the international price.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): He didn't.

Mr. Lalonde: There is a difference between the two. As a supplementary, the Prime Minister, in the statement he tabled in the House and the statement he made at the federal-provincial conference, talked about the self-sufficiency tax. He said at the conference that the government intended to collect 50 per cent of the revenues in excess of $2 a barrel a year. In the House that evening he said that he was thinking of 50 per cent of the profits. Ever since then he has talked one day of the tax on profits and on another day of a tax on revenue.

Can he tell the House whether he has made up his mind as to what he has in mind? Is it a tax on profits, or a tax on gross revenues? He knows very well that a tax on gross revenues is objected to strenuously by the Premier of Alberta, and on the other hand a tax on profits is likely to bring little or no revenue to the federal government. At least he should know which is which.

An hon. Member: Does he know the difference?

Mr. Clark: Mr. Speaker, both options are open. The hon. member, who is becoming more informed daily on energy matters—although he continues to be in disagreement with his leader as to the practice of the government of which they were both members—will know that it is important, in relation to whatever tax we bring in, that it be as acceptable as possible to the producing provinces, because if it is not acceptable they have the opportunity to move within their own field of jurisdiction in a way which would create great uncertainty and confusion in the industry, to the detriment of Canadian supply and to the detriment of revenues received by both levels of government.

* * *

CONSUMER AFFAIRS

MEASURES TO REDUCE IMPACT OF HIGH INTEREST RATES ON CONSUMERS

Miss Aideen Nicholson (Trinity): Mr. Speaker, today's Statistics Canada report that beef prices were up 1.1 per cent last month, and 24.7 per cent over the year, is only the tip of the iceberg in so far as the impact on retail beef prices that consumers will suffer from over the coming months as a result of increased interest rates. I would, therefore, like to address a question to the Minister of Consumer and Corporate Affairs.

Whenever beef prices go up and consumers try to protect themselves by buying other meats, they find the increased demand drives their second and third choices up through the

ceiling also. Can consumers really stand to be major losers as a result of the government's high interest policy? Will the minister say what measures he is prepared to recommend to his inner cabinet colleagues to reduce the impact of the high interest rate policy on consumers, particularly on low income consumers?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, as the Prime Minister indicated as recently as a few moments ago, there will be certain measures presented to the House very shortly.

CABINET DISCUSSIONS RESPECTING FLUOROCARBONS

Miss Aideen Nicholson (Trinity): Mr. Speaker, the minister's responses at committee this morning to questions about fluorocarbons made it clear that he has not been talking to the Minister of the Environment recently. Could I ask the minister to assure the House, since he is not in the inner cabinet and may not be privy to decisions on high interest rates, that he is discussing the matter with the Minister of Finance?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, certainly this is a matter of common discussion right through the government, certainly at cabinet committees as well as, I understand, at inner cabinet.

* * *

NATIONAL REVENUE

IMPROVEMENTS TO REPORTING PROCEDURES FOLLOWED BY DEPARTMENT

Mr. John Evans (Ottawa Centre): Mr. Speaker, my question is to the Minister of National Revenue. In light of the importance of trade figures in determining the government's economic policy and in determining the level of revenues that rightfully should be forthcoming to the treasury of Canada, could the minister please tell me what steps are being taken to improve the reporting procedures so as to avoid a recurrence of the Irving situation that we heard about yesterday?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, the department has been aware of difficulties in this area for some time. In September of this year we entered into discussions with Statistics Canada and other agencies within the government to improve this process.

With respect to the specific matter which the hon. gentleman raises, there is an investigation ongoing within the department; I want to assure him of that. When that investigation is completed, I will be reporting to the hon. member and to the House.

AUDIT OF OIL COMPANIES

Mr. John Evans (Ottawa Centre): Mr. Speaker, I would like to ask the Minister of National Revenue whether he intends to conduct an audit, or whether he is in fact in the process of conducting an audit of the oil companies in this country, having regard to the type of reporting practices used for exports, as well as the reporting practices in connection with their profit levels?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, the Minister of National Revenue is always in a position in this House where he cannot indicate what specific steps are being taken with respect to any taxpayer in Canada. However, I can assure the hon. member, as Minister of National Revenue, that the department is doing its duty to the people of Canada with respect to the matters he raised.

* * *

TRANSPORT

CROWSNEST PASS RATES—POLICY OF GOVERNMENT

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister. Yesterday in the House the Minister of Transport indicated that the government has broken yet another of its election promises, this time to the farmers of western Canada. I would like to get the matter clarified because it is of great importance.

● (1140)

The minister said, with reference to the Crow rate, "The benefits of the statutory freight rates will remain for western producers". He was saying that, and that alone, was the policy of the Conservative party. During the election campaign, in a publication put out by the national headquarters of the Conservative party on April 19, there was no such qualification. It says, "The Crowsnest Pass freight rate be maintained"—not the benefits; not qualified, period!

I would like to ask the Prime Minister, what is the policy of the government? Do that they stand by their election promise that was made in April, and repeated in *The Western Producer* a few days later, or are they now accepting the position taken by the Minister of Transport?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I welcome the interest of the hon. member for Oshawa in the Crow rates question. It is naturally one that has been a preoccupation of the Minister of Transport and myself—coming from where we do—for a long time. There is no contradiction—

Some hon. Members: Shame.

Mr. Clark: There are cries of "Shame" that we come from western Canada. We feel no shame.

Some hon. Members: Hear, hear!

Mr. Clark: There is no contradiction between the position as read into the record by the Leader of the New Democratic Party and the position stated by the Minister of Transport.

Mr. Broadbent: Mr. Speaker, I would like to say the Prime Minister does not usually stoop to such low politics as he just did.

Some hon. Members: Oh, oh!

Mr. Broadbent: He suggested there were cries of "Shame" coming from this side of the House because he said he was a western Canadian. He knows that is not the case, and I hope he makes it clear. The suggestion of shame that came from this side of the House was because of the implication that the Prime Minister alone knew something about agricultural policy.

Some hon. Members: Question.

Mr. Broadbent: I would like to ask him because he did not clarify the record, and his party committed itself to maintaining the Crow rate, with no qualification at all, and the minister in the House yesterday denied that—

Mr. Mazankowski: I did not.

Mr. Broadbent: I ask the Prime Minister, will he say unequivocally that the Conservative Government of Canada plans to maintain, without qualification, the Crow rate for western Canadians?

Mr. Clark: Mr. Speaker, I am not sure why members of the opposition cry "Shame" as often as they do. If I misinterpreted their motive, naturally I will withdraw that misinterpretation.

An hon. Member: Apologize.

Mr. Clark: I will apologize if, in fact, I misinterpreted their motive. The position of the Progressive Conservative government as stated before the election campaign and as stated yesterday in the House of Commons is to ensure that the farmers and producers in western Canada will continue to enjoy the benefits of the Crow rate.

Some hon. Members: Hear, hear!

* * *

ENVIRONMENTAL AFFAIRS

INQUIRY INTO FLOODING OF LAKE NIPISSING

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I wish to direct a question to the Minister of the Environment. Will he inform the House whether the inquiry has been set up to look into the serious flooding of Lake Nipissing? Is this inquiry under way and now starting its work?

[Mr. Clark.]

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, I can answer yes to both those questions. I can assure the hon. member there will be full public hearings and full public input.

* * *

[*Translation*]

ENERGY

NEED FOR CREATION OF FEDERAL ENERGY BANK

Mr. Bernard Loiselle (Verchères): Mr. Speaker, my question is directed to the right hon. Prime Minister.

Can he tell us what is the rationale of his proposal to set up a powerful government institution, namely the federal energy bank, while at the same time he is making every effort to dismantle PetroCan? What are his reasons for making such a change?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the question put by the hon. member is in two parts: the first has to do with PetroCan and the government proposal to transform it into a company owned by Canadians rather than state-controlled.

The second refers to the setting up of an energy bank. We feel it is essential for us to have an agency able to provide Canadian investors with the necessary front-end financing to promote the development of energy projects before the private sector is ready to consider such investment.

REASON PRIME MINISTER REJECTS PRINCIPLE OF PETRO-CANADA

Mr. Bernard Loiselle (Verchères): Mr. Speaker, on a supplementary. I wonder, Mr. Speaker, who the Prime Minister represents if not the citizens of Canada, and why he is trying to invent a new mechanism to be put at the disposal of private enterprise which already has the advantage of tax privileges. If the Prime Minister feels uncomfortable as the sole shareholder of Petro-Canada, perhaps he could invite the provinces to participate in a minority capacity, but why is he averse to the idea of Petro-Canada, and does he wish to create a new bank that will give added advantages to the private sector?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I am not seeking the participation of the provinces, but that of Canadians, because I feel Canada can be a far stronger nation if every Canadian has a greater sense of participation in the building of its future.

[*English*]

THE ENVIRONMENT

NEGOTIATIONS WITH U.S. ON ACID RAIN POLLUTION—FLUOROCARBONS

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, my question is addressed to the Minister of the Environment. In view of the urgent necessity of accelerating negotiations with the United States government regarding acid precipitation, and in view of the minister's recent meetings in Geneva with his U.S. counterpart, can he inform the House whether the deadline or timetable has been accelerated and when an agreement between the U.S. and Canada on acid precipitation can be signed?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, I am unable to give the hon. member and the House the exact date. I can report to the House that as a result of my meetings with the hon. Douglas Costle, chief of the U.S. environmental protection agency, in Geneva a few days ago our American friends have agreed to meet with me in December to consider how the program of negotiation can be accelerated. That is a matter of some importance to all members of this House.

Mr. Caccia: Mr. Speaker, can the minister inform the House whether he intends to proceed on December 1 of this year with enforcement of the regulations proclaimed by the previous government on the control of fluorocarbons, now that objections have been withdrawn? Also, when does he intend to proceed with enforcement of regulations on PCBs now that objections on that matter have been withdrawn?

Mr. Fraser: Mr. Speaker, I thank the hon. member for his questions. They are both important matters. With respect to fluorocarbons, we have had informal word that the objection will be withdrawn. It has not yet been formally withdrawn, but we anticipate that. If that happens, we think we can have the regulations by February, which is a delay of only a month or so.

With respect to PCBs, both objections have been withdrawn. The board will sit on December 10. If there are any submissions to be made by any interested parties, they will be heard. It is not anticipated that there will be a long hearing. I imagine the regulations could follow very shortly thereafter.

* * *

[*Translation*]

MANPOWER

CANADA WORKS PROGRAM—REQUEST FOR DETAILS OF NEW PROCEDURE ON SELECTING PROJECTS

Hon. Pierre De Bané (Matapédia-Matane): Mr. Speaker, I should like to put a question to the Minister of Employment and Immigration.

Can the minister confirm a change to this House which, if it is a fact and in force, I feel should be a great source of concern to us over the choice of Canada Works programs? Is it true that, contrary to what has been done in the past where projects were chosen by the representative of the riding in conjunction with the minister's officials, now, for the first time, their recommendations are ignored and the advice is sought, instead, of Progressive Conservative candidates who lost their election?

● (1150)

[*English*]

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, I am pleased to advise the hon. member that the criteria for selection remain the same in phase four of Canada Works as in previous phases of Canada Works, and therefore are the same criteria of selection of the previous government.

I should say that I have had good co-operation from all hon. members who are entitled, in their constituencies, to Canada Works allocations. I have had good co-operation from local officials working for CEIC, and I hope that the announcements which have yet to come will reflect the co-operative input made by all persons.

Mr. De Bané: Mr. Speaker, I am very happy if the minister says it is exactly as it was in the past, where it took the concurrence of hon. members and the civil servants of the minister's department. In the case of my riding a joint recommendation was made to the minister over one month ago, and yet no decision has been taken. In the case of Bonaventure-Îles-de-la-Madeleine the joint recommendation of the member of Parliament and the civil servants has been quashed by the recommendations of the defeated candidate of the Conservative party.

Some hon. Members: Shame.

Mr. Atkey: Mr. Speaker, as was the practice of the previous government, the decision is made by the minister, and that is the program requirement. Recommendations are taken from many persons, including hon. members opposite, including persons in the community and including project officers of the CEIC. The recommendations are made, and they are made on that basis.

I should tell the hon. member that some $4.5 million worth of projects has already been approved in the province of Quebec alone, and I give the hon. member my assurance that the process of approval will proceed expeditiously, quickly and, I hope, to his liking.

[*Translation*]

AIR TRANSPORT

REQUEST FOR IMPROVEMENT IN RECRUITING PRACTICES FOR AIR CONTROLLERS

Mr. Serge Joyal (Hochelaga-Maisonneuve): Mr. Speaker, my question is for the Minister of Transport. Considering that last August the government stated its acceptance of the recommendations of the Heald, Sinclair and Chouinard commission, and considering that on November 7 last the Association des Gens de l'air du Québec sent him a letter pointing out that only four air controllers had been recruited in 1979 in Quebec; that recruiting practices and evaluation mechanisms were lacking, and that equipment is inadequate to train a sufficient number of controllers to carry out within a reasonable period the recommendations of the Heald, Sinclair and Chouinard commission, could the minister tell us if he can give immediate instructions to representatives of his department in Montreal in order that the recruiting practices be improved, the training and control mechanisms be more efficient and the delays in which the department has become entangled be shortened?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as I am sure the hon. member knows, an implementation team was established immediately upon receipt of the final report of the inquiry. The implementation team is headed by Mr. Maurice Pitre. I am advised that officials of the implementation team and my department met with les Gens de l'air in Quebec City on October 25. They advised them of the progress which was being made and about the potential with respect to the implementation.

My understanding is that I will be receiving a report from the implementation committee by November 25 or November 26, at which time action will follow. I am sure the hon. member appreciates the fact that there has to be close consultation with regard to the implementation plans with all the aviation associations, and that is what we are doing.

* * *

FISHERIES

REGULATION OF GILL NET FISHERMEN—REQUEST FOR DELAY IN IMPLEMENTATION

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, in the absence of the Minister of Fisheries and Oceans, I will direct my question to the Parliamentary Secretary to the Minister of Fisheries and Oceans. For the second consecutive year, gill net fishermen in British Columbia feel threatened by the proposal which would limit them to one net per vessel.

In view of the fact that the Minister of Fisheries and Oceans has acknowledged that this proposal would mean the loss of up to 800 jobs, will the Parliamentary Secretary to the Minister of Fisheries and Oceans assure the House and the west coast fishing industry that the proposed regulation will not be implemented in 1980?

Hon. John A. Fraser (Acting Minister of Fisheries and Oceans): Mr. Speaker, as acting minister, I will take the hon. member's question as notice and discuss it with the minister. I am sure a response can be given on Monday.

* * *

[*Translation*]

EMPLOYMENT

CANADA WORKS PROGRAM—REQUEST FOR FUNDS FOR EASTERN CANADA

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, my question is for the Minister of Employment and Immigration and relates to the Canada Works program. The minister is no doubt aware of the fact the Department of Fisheries and Oceans has stopped repairing most small fishing docks in eastern Canada. He certainly knows, also, that several Canada Works projects are aimed at completing work left unfinished by the Department of Fisheries and Oceans, which supplies materials for Canada Works projects. My information is that the Minister of Fisheries and Oceans has not allocated any funds for the supply of these materials. Can the minister tell us if he has met with his colleague in this regard, and if he was able to get funds to complete this work?

[*English*]

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, I have had a meeting with my colleague, the Minister of Fisheries and Oceans. We have discussed this very subject. I can tell the hon. member that in so far as the Canada Works program is concerned, I have instructed my officials to give priority to those projects which appear to be in the area of the small craft harbours-type applications. They are important projects. We have had great success with that type of project in the past, and I am sure we will in the future.

In the meantime, I am advised that in so far as the Minister of Fisheries and Oceans is concerned with the provision of materials, that particular proposition is under review within the government and there should be an announcement fairly shortly.

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[*Translation*]

ENERGY

INCREASE IN OIL PRICES—LOW INCOME CANADIANS FINANCING EXPLORATION AND RESEARCH

Mr. Jean-Claude Malépart (Sainte-Marie): Mr. Speaker, my question is for the right hon. Prime Minister. As the government is about to increase the price of oil, does the Prime Minister not think it is unfair to use the poorest of Canadians,

namely, those on welfare, pensioners and low income workers to finance oil-related research done by multinationals?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, if that were the objective of our policies, it would indeed be unfair. But what would really be unfair to Canadians, and especially to Quebeckers and people in the Atlantic provinces, would be to continue the present policy which leaves Quebec and the maritimes in a situation where political changes in a foreign country can disrupt oil supplies. That is something we are committed to change.

SUGGESTION THAT PROFITS OF MULTINATIONAL OIL COMPANIES BE DISTRIBUTED AMONG LOW INCOME CANADIANS

Mr. Jean-Claude Malépart (Sainte-Marie): Mr. Speaker, I have a supplementary question. In order not to penalize the category of citizens who are not responsible for wasted energy and whose income varies from $60 to $125 a week, would the government agree to take the surplus profits of the multinationals, in keeping with the Prime Minister's decision, and distribute them to these citizens in the form of heating subsidies, and would it also authorize low wage earners to deduct from income tax their transportation costs to work?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, as I have said often in the House, we intend to help the poor, those who cannot absorb the oil price increases, and we now have some plans under review to that effect. If the hon. member has any specific propositions to submit to the Minister of Finance, I am sure it will be of great help.

* * *

[*English*]

EXTERNAL AFFAIRS

STRINGENT INTERNATIONAL SAFEGUARDS FOR NUCLEAR PLANTS

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Recognizing Canada's substantial international role in the distribution of both nuclear technology and nuclear fuel, and in view of the pessimistic report of the International Fuel Cycle Evaluation Conference regarding the potential proliferation through expanding numbers of nuclear power plants throughout the world, is it the minister's intention to take any initiatives among supplier nations moving toward more effective and stringent international safeguards, including control over the fuel cycle in the purchasing state, international atomic energy regional disposal centres, or the return of spent fuel to supplier nations?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, the hon. member has referred to the INFCE study. That will not be made public and has not been made public to us as yet. My understanding is that it will be released in February by the countries which are studying it, and I would certainly want to take a very hard look. There have been preliminary reports that the substance of the report is somewhat discouraging, but I cannot comment on that because we have not been provided with the report as yet.

● (1200)

So far as taking any steps with regard to the export of nuclear technology is concerned, or with regard to bringing back to this country nuclear wastes which might be generated by reactors, this is one of the subjects which is the matter of reference to the special committee which is being set up to study nuclear development in this country and nuclear sales abroad. I would hope that all members will make a very serious contribution to the study and work of that committee as we determine what Canada's role will be in this regard in the future.

* * *

ENERGY

ENERGY SELF-SUFFICIENCY TAX

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Prime Minister and it relates to the energy self-sufficiency tax. On Monday morning he said to the premiers that the tax would be on incremental revenues; on Monday night in this House he said it would be on the excess profits; out west, he reversed himself twice; and earlier this morning he said that both options are open.

Would the Prime Minister not agree that if the option to tax the profits of the oil companies is used, that would mean a loss of several hundred million dollars in revenue to the federal government, because the oil companies can reduce their profit picture by investing in non-related energy areas? In other words, when will the Prime Minister stand up for the people of Canada and stop kowtowing to the multinational oil companies?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I will stand up for the people of Canada right now, as I have done right throughout this debate, and recognize that what is in the long-term interest of the people of Canada is security of Canadian supply, rather than to pursue the policy advocated by the hon. member and, I gather, the official opposition which would continue the dependence of eastern Canada upon unstable foreign sources.

To come to the specific matter that the hon. member raises, we are looking at both options. There is no question that it would be easier for us to introduce a tax on revenues. There is also no question that an action of that kind would invite potential reaction from some provinces which would add uncertainty and confusion to the energy situation in the country and might jeopardize the stimulation of future supply. It is also within the ingenuity of this government to find ways in which taxes based upon profit will achieve a satisfactory yield.

Mr. Symes: In other words, what the Prime Minister is saying is that he has capitulated to Mr. Lougheed, the Premier of Alberta, and to the multinational oil companies. Will he answer the first part of my question, whether he would not admit that the option of a tax on profits means a loss of several hundred million dollars of potential revenue which he needs to promote energy self-sufficiency?

Mr. Clark: Mr. Speaker, I have capitulated neither to Mr. Lougheed nor to Mr. Blakeney, nor to the hon. member, nor—since there is someone speaking from their party over there—to the multinationals. What we are seeking is an effective energy package based upon as broad an agreement as possible, because that is the best guarantee of moving the country as quickly as possible toward energy self-sufficiency.

There is no question, as I said in response to the hon. member's initial question, that it would be easier for the Government of Canada if the tax could be levied upon revenues. There are some complications there. I do not expect the hon. member to give much credit for complexity, but there are some complications there. We are trying to work our way through them, and we expect to realize an agreement or a policy which will move the country toward self-sufficiency by 1990.

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PRIVILEGE

MR. RITCHIE (YORK EAST)—CLARIFICATION OF FORMER CONNECTIONS WITH IMPERIAL OIL LIMITED

Mr. Ron Ritchie (Parliamentary Secretary to Minister of Finance): Mr. Speaker, yesterday the hon. member for Saint-Maurice (Mr. Chrétien), in the course of proposing a motion under Standing Order 43, used some language which was open to the interpretation that I as a member of the governing party might also be a member of a team of Imperial Oil persons promoting the interests of that company in government policy. This was the most recent of a number of statements and comments emanating from the other side that could be open to a somewhat similar interpretation.

Mr. MacDonald (Egmont): Smear tactics.

Mr. Ritchie (York East): In light of those innuendoes, past, present and possibly future, I should like to put on the record certain relevant facts. The first is that for nearly twenty-six and a half years prior to January 14, 1974, I was an employee of Imperial Oil Limited. During the last 11 years of that period I was a member of its board of directors, and for several years a senior vice-president. On January 14, 1974, that relationship was terminated by my resignation to enter another field of what I consider to be the public service.

Mr. Speaker: Order, please. I respect the hon. member's desire to clarify the record with respect to his own position. In fact, yesterday the occasion to which he refers in his question of privilege was in the preamble to the motion by the hon. member for Saint-Maurice (Mr. Chrétien) which reads in part:

[Mr. Clark.]

Given the fact that the Parliamentary Secretary to the Minister of Finance (Mr. Ritchie) is a former vice-president of Imperial Oil;—

That was the only reference that was made to the hon. member and in no way is it unparliamentary.

Some hon. Members: Oh, oh!

An hon. Member: Not yet.

Mr. Speaker: I presume it is factual, and while the hon. member may wish to take objection to any innuendoes that may be cast in that, I have to keep these interventions in line with the procedures and rules of the House, and I find that, in fact, nothing unparliamentary or unsavoury has been said about the hon. member. I would have to be very limited in any discretion I would exercise with him in his attempt to give some background for his reasons for entering into politics in relation to any denunciation. The only reference that was made was that he was formerly a vice-president of Imperial Oil.

An hon. Member: What's wrong with that?

An hon. Member: Come on, sit down.

Mr. Ritchie (York East): Mr. Speaker, may I respectfully suggest that the effect of the total motion and of the comments made was to suggest that I was a member of a team in which the president of Imperial Oil should be included to advise this government. That is what I consider to be a question of privilege, and my purpose, which may not have been clear in what I said up to this moment, was to make it clear that I have absolutely no ties with Imperial Oil, and I was going to put forward the concrete facts that made that clear.

Mr. Speaker: Order, please. I am sure that the House accepts the hon. member's word that, as he has just said, he has no ties with Imperial Oil and he does not form part of a team in that respect. However, I do not think that, in the circumstances, I can permit the hon. member to go any further than that. The intervention of the hon. member for Saint-Maurice yesterday was to seek the unanimous consent of the House for a debate on his motion preceded by a preamble. Obviously, unanimous consent was not forthcoming, which is an expression by the House that it would not entertain such a motion—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Nevertheless, I do have to refer to what was said. The statement was a very brief reference to the hon. member. He has now indicated that he has no connection with Imperial Oil, that he has severed that connection completely. I am sure the House accepts the statement of the hon. member entirely and it more than counterbalances any reference that was made about him yesterday. Further than that, I would have difficulty in letting the hon. member

go to any great lengths in establishing that. He has made his statement and I am sure the House accepts it fully.

MR. MILLER—ABSENCE OF ANSWER DURING QUESTION PERIOD

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, I have a question of privilege which arose during the question period at which time I directed a question to the Parliamentary Secretary to the Minister of Fisheries and Oceans (Mr. Siddon) in the absence of the minister. In response to that question, the Postmaster General and Minister of the Environment (Mr. Fraser) intervened and took the question as notice. Previously, I had telephoned the minister's office to assure myself that someone would be able to answer my question. I was informed that the parliamentary secretary would be in the House today to answer for the minister. The question I asked was important. It was important to west coast fishermen and I had a supplementary to that question.

● (1210)

My question of privilege is that I would have liked to hear what the parliamentary secretary was prepared to answer, as I know he was aware of the question discussed in committee the other day.

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I do not think that is a question of privilege. As I recall what happened in the course of events, the Postmaster General and Minister of the Environment (Mr. Fraser), acting for the Minister of Fisheries and Oceans (Mr. McGrath), took the hon. member's question as notice. Certainly he will receive the answer from the Minister of Fisheries and Oceans.

Mr. Speaker: Order, please. The hon. member will realize that perhaps his question, in his own terms, is directed to the parliamentary secretary of a particular minister, but in fact questions are directed to the ministry in general. It is not the obligation of anyone in the ministry to respond to any question. It is the option entirely of one of them or all of them whether to respond, who shall, in what manner and in what quality. I notice that both the parliamentary secretary and the acting minister rose to take the question, obviously without consultation between them. I am sure that whatever took place was entirely accidental in nature, but even if it were intentional, it could not be constituted as a question of privilege.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 280, 398 and 524.

I ask that the remaining questions be allowed to stand.

[*Text*]

FREEDOM OF INFORMATION

Question No. 280—**Mr. Herbert:**

1. Has the government studied the allegations that the United States Freedom of Information Act is being exploited by criminals and foreign agents, that it undermines national security and that many of the requests are frivolous?

2. Will the government ensure that no private parties or corporations will have the right to file lawsuits blocking the release of information they provide to the government?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue):

1. Yes.

2. The Freedom of Information bill recently introduced by the government contains no provisions for or prohibitions against lawsuits by private parties or corporations blocking the release of information they provide to the government.

FORT WELLINGTON

Question No. 398—**Mr. Cossitt:**

1. (a) How many persons have visited Fort Wellington in Prescott, Ontario, in each of the past four years (b) what is an estimate of how many were (i) Canadians (ii) Americans?

2. What was the total (a) revenue of the Fort in each of the past four years (b) cost of operation?

3. Will the government take additional steps to promote the Fort as a tourist attraction to encourage more visitors to the area which could be beneficial to the economy of the town of Prescott?

Hon. John A. Fraser (Postmaster General and Minister of the Environment):

1. (a) 1975-76: 50,655
1976-77: 42,090
1977-78: 49, 578
1978-79: 53,090
April 1, 1979—Sept. 30, 1979: 56,224

	Total Attendance	Estimated Canadians*	Estimated Americans*
(b) 1979 (Apr. 1 to Sept. 30)	56,224	39,075	15,236
1978-79	53,090	36,897	14,387
1977-78	49,578	34,456	13,435
1976-77	42,090	29,252	11,406
1975-76	50,655	35,205	13,727

*Information based on specific survey conducted in 1977.

2. (a) Total revenue—Nil;

(b) Cost of operation:

1976-77	$ 93,300
1977-78	106,500
1978-79	180,100
1979-80	171,100

3. Yes

Order Paper Questions

COMMISSIONER TO REVIEW SALARIES OF MEMBERS OF PARLIAMENT AND SENATORS

Question No. 524—**Mr. Mitges:**

1. What were the terms of reference given to the recently appointed commissioner to review members of Parliament and senators salaries and allowances?

2. Is there a time limit for the commissioner to make his report and, if so, what is the time limit?

3. What is the amount of money, salary or remuneration that will be paid to the commissioner?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue):

1. Order in council of 9 August, 1979, P.C. 1979-2167 (pursuant to subsection 34(7) of the Senate and House of Commons Act), states as schedule B:

"Terms of Reference:

The commissioner to Review Salaries of members of Parliament and senators shall:

(a) report to the governor in council his recommendations on the adequacy of the annual variations of sessional allowances payable to the members of the Senate and House of Commons and other allowances payable to them, within six months of his appointment; and

(b) subject to the approval of the Treasury Board, hire on contract those individuals necessary to advise and assist him on technical matters related to his inquiry."

2. See 1. (a) above.

3. Order in council of 9 August, 1979, P.C. 1979-2167, states as schedule A:

"The remuneration of Alfred Hales, Commissioner to review salaries of members of Parliament and senators, shall be $250 per diem plus reasonable travel and living expenses, effective August 9, 1979."

[*Translation*]

Mr. Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

[*English*]

Mr. John Evans (Ottawa Centre): Mr. Speaker, I should like to raise a point of order on my question numbered 384 on the order paper. It is a straightforward, relatively simple question which should not take a great deal of time to answer. I put that question on the order paper on October 15. It is directed to the minister responsible for CIDA who happens to be in the other place. After one month without having an answer to this question—

Mr. Baker (Nepean-Carleton): You should have been here last session.

Mr. Kempling: It would take six months, a year or two years.

[Mr. Fraser.]

Mr. Evans: The hon. minister indicates that I should have been here last session. The fact is that I am here now, they are the government, and I should like an answer to that question.

Mr. Baker (Nepean-Carleton): You will get one.

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

Mr. Speaker: Orders of the day. Pursuant to Standing Order 54, I do now leave the chair for the House to go into Committee of the Whole.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

APPROPRIATION ACT NO. 1—1979-80

The House resumed, from Wednesday, November 14, consideration in committee of Bill C-23, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1980—Mr. Stevens— Mr. Lambert (Edmonton West) in the chair.

The Acting Chairman (Mr. Lambert, Edmonton West): When the committee rose on Wednesday, November 14, 1979, schedule D of the bill was under consideration.

Mr. Lefebvre: Mr. Chairman, the Minister of Energy, Mines and Resources should now be able to answer the question I asked him Tuesday evening during the consideration of his department's estimates. So if we could take three or four minutes of the committee's time, I think the minister is now ready to reply to the question I put to him Tuesday evening.

[*English*]

Mr. Hnatyshyn: Mr. Chairman, in fact I said that if it were possible and I received the consent of the House, I would be prepared to answer the question put to me by the hon. member for Pontiac-Gatineau-Labelle when I appeared in committee proceedings last Tuesday afternoon. If I have that consent, I am prepared to answer the question in committee, I hope to the satisfaction of the hon. member.

Mr. Lefebvre: Agreed.

Mr. Hnatyshyn: The hon. member for Pontiac-Gatineau-Labelle enquired whether the government has a plan to ensure equality between new users of natural gas, who would benefit from the proposed incentive gas pricing scheme, and people outside of gas service areas who would have to continue using

oil or other fuels. I believe the hon. member had in mind particularly the situation of private consumers in rural areas.

First, let me explain it is the government's hope and intention, as a result of the incentive gas pricing scheme, that there will be a widespread expansion of gas service in Canada, not just in areas east of Montreal where the TransCanada Pipelines system now ends, but in areas where there is a transmission system but where gas distribution has not yet been made economic.

Second, I want to point out that gas incentive pricing is intended to provide the means to expand distribution systems and encourage conversion to gas, not to provide a price windfall to gas users. Gas consumers will continue to pay a price related to that crude oil. While they will enjoy some advantage over oil consumers, it will not be a large one. I would not want the hon. member to think that there will be a major problem of interpersonal or interregional equity in this case.

Finally, it is the government's hope that it will have the means to provide assistance to those who must continue to burn oil. What we have in mind here is at least one program to which I referred earlier, a program to modify oil furnaces by retrofitting furnaces with nozzle devices which in fact would cut consumption quite substantially, thereby increasing the conservation side of things, the cost of running an oil-generated furnace.

I hope my comments will provide some assurance to the hon. member that the government's energy planning does not overlook the situation of private consumers who, by force of circumstances, must continue to burn oil.

Mr. Lefebvre: I thank the hon. minister for making that reply and putting it on the record of this committee. I will await further developments with anxiety.

Mr. Orlikow: Mr. Chairman, I notice that the Minister of Employment and Immigration is in the chamber but not in his seat. I should like to direct a few comments to him.

An hon. Member: He does not have to be in his seat.

Mr. Orlikow: I know that. I am just alerting the minister, as he is sitting there talking, I am sure, about important matters with the President of the Treasury Board.

Mr. Fox: Mr. Chairman, if we are to get into the examination of estimates, it is my understanding that the official opposition would be leading off with the examination of estimates and questions addressed to the hon. Minister of Employment and Immigration.

The Deputy Chairman: The hon. member for Winnipeg North.

An hon. Member: Both members rose at the same time.

Mr. Orlikow: Mr. Chairman, I want to raise several matters with the minister. The first matter I want to raise with him is the matter of—

• (1220)

Mr. Fox: On a point of order, Mr. Chairman. Since the Chairman has not made a ruling on the matter, I rose in my seat at the same time and it is my understanding that according to the custom and procedure of the House it would be normal for the lead-off questioner to be a member of Her Majesty's Loyal Opposition. I would like to have the Chairman rule on that subject.

The Deputy Chairman: My interpretation is that the hon. member for Pontiac-Gatineau-Labelle had interceded in the debate and, therefore, one would be at liberty to recognize the hon. member for Winnipeg North.

Some hon. Members: No, no!

An hon. Member: There was an agreement.

Mr. Lefebvre: Mr. Chairman, I think there is some misunderstanding, and as one of those involved in the misunderstanding I believe I should say that you missed the fact at the beginning that there was a House agreement that the Minister of Energy, Mines and Resources would have a few minutes to reply to a question I had put to him when he was being examined on his estimates on Tuesday, and after his reply we would immediately return to the estimates of the Minister of Employment and Immigration. The answer to the question by the Minister of Energy, Mines and Resources would in no way change the procedures that are usually followed in recognizing a spokesman for the official opposition on the estimates of the minister that we have before us today. Thank you.

The Deputy Chairman: Order. Does the hon. Minister of Energy, Mines and Resources wish to respond? I have been advised that there has been a House agreement. If that is the case, it should be observed. The hon. member for Pontiac-Gatineau-Labelle has suggested there was such an agreement.

Mr. Hnatyshyn: Mr. Chairman, by way of explanation, I am doing House duty here today but my intervention was based on what I understood to be an understanding that had been arrived at, that I would at the outset of the proceedings merely beg the indulgence of the House to answer a specific question put to me during the time I was before the committee on Tuesday last. The idea was, as I understood it, that after my response we would proceed with the planned and arranged business of the day with my colleague, the Minister of Employment and Immigration. I think if you will look at the record, sir, I asked for unanimous consent of the House to intervene with respect to these proceedings. I try as fairly as I can to bring you the basis upon which I did speak, even though there was an arrangement for my colleague, the Minister of Employment and Immigration, to participate this afternoon.

Mr. Lefebvre: That is correct.

Mr. Rae: On a point of order, Mr. Chairman. With great respect, I think that you recognized the hon. member for Winnipeg North. You just overturned the ruling, respectfully,

sir. I think we are perfectly entitled to make the point that you are able to recognize whomsoever you choose. In previous days here members from all sides of the House have been recognized regardless of party, and it seems to me that once you have made your decision you should not be bullied into changing it because of some alleged practice that has been brought forward by members of the Liberal party.

The Deputy Chairman: If the Chair has recognized somebody prior to his knowledge of there being an agreement of the parties within the House—

Mr. Rae: There was no agreement.

The Deputy Chairman: Then I believe the Chair has respectfully and properly abided by the agreement which may have been made by House leaders. It is my understanding, without denial to this point, that an agreement had been made and, therefore, the Chair is obligated to observe that agreement.

Mr. Symes: On a point of order, Mr. Chairman.

An hon. Member: Are you appealing the decision?

Mr. Symes: Mr. Chairman, the only agreement was to hear the Minister of Energy, Mines and Resources. There was no agreement as to who the Chairman should recognize first, I submit that the Chair recognized the hon. member for Winnipeg North first and Liberal members should have the courtesy to let him proceed.

The Deputy Chairman: The hon. member for Blainville-Deux-Montagnes.

Mr. Fox: Thank you, Mr. Chairman. I have a few questions I would like to address this afternoon to the minister responsible for employment and immigration, particularly on the employment side of his department. Later this afternoon some of my colleagues will pursue a line of questioning on matters pertaining to immigration.

I would first of all like to welcome the minister back to the House. We would very much like to have had the opportunity of having him with us on Tuesday when the unemployment statistics came out. However, I understand very well that the minister was in a period of consultation with his provincial counterparts discussing an employment strategy which we hope to see very soon. We, of course, would like to have had him in the House on Tuesday because Tuesday was the first time in 14 months, as I understand it, that the rate of unemployment went up in this country. That is, of course, a source of concern to us, and I am sure it is a source of concern to the minister.

While we are pleased to see the minister consulting with his provincial colleagues, and while we wish him success in these consultations, we would also hope that these consultations be brought to a close as quickly as possible. As the hon. minister knows, we are already up to November 16, the winter period is upon us, and all indications are there that there is going to be a rather rapid rise in the rate of unemployment over the next few months.

While telling him that we are in agreement with his consultations, and while wishing him success and also requesting that he make haste, we would like to register some concern. While the minister has been in office for five months with the rest of his colleagues, we have seen very little action on the part of the minister or of his colleagues in bringing forward any concrete programs or proposals. We, of course, like the minister, have read the Speech from the Throne, but we still have yet to see any concrete measures taken as a result of that Speech from the Throne, and we are, indeed, anxious to see some of them taken.

Since the minister has taken office the government of his leader has benefited from a low rate of unemployment, a decreasing rate, as I indicated before, over the past 14 months. But since the minister has taken office there have been a number of developments which should encourage the minister to encourage his department to get into the job-creation field as quickly as possible. We have had the recession in the United States and the first effects of that recession on our economy. It is quite clear that the American economy is not going to be picking up very much over the next few months and, of course, that is going to have some very serious effects on our own economy.

We have had these successive increases in the rates of interest, and once again I can only presume that the minister would agree that these increases in the rate of interest are going to have some dampening effect on the Canadian economy, on many sectors of the Canadian economy. Some of these effects have started to manifest themselves through a number of lay-offs which the minister is aware of and which have been brought to his attention and the attention of the government during the course of the question period over the past few weeks.

Our real concern is that in spite of these trends, in spite of these indications of a worsening economic situation, and in spite of the fact that we have had a lot of rhetoric in the Speech from the Throne, the only concrete action we have seen from the minister to date has actually been a reduction in his department's job-creation programs. I understand the minister has wished to transfer some of those funds to other programs within his department, programs with which we are in full agreement. However, we are not in full agreement with the method of financing these programs. We would have preferred to see programs within the immigration side of his department financed by the general revenues of the country, perhaps by moneys that would have come to the minister from the President of the Treasury Board, but we really cannot approve the minister's decision to reduce the job-creation side of his department and to transfer these funds to the immigration side.

Once again, there is no argument whatsoever with the purposes that have been pursued by the minister on the immigration side. We are in full agreement, and in that connection I think the minister has interpreted quite well the

desire of the Canadian people to come to the help of people who are coming to this country in rather dire circumstances.

● (1230)

I would like to hone in on some of these decreases on the job-creation side which have taken place in spite of the international situation of rising oil prices and recession in the United States and increasing lay-offs and interest rates in this country due to the policies which this government has pursued relentlessly in the hope of strengthening the dollar. That, of course, is a valid objective, but once again we do not agree with the decreases that have come about on the job-creation side.

Since the minister took office, the only announcement he has made is that the funding level for the Canada Works program would be decreased to $100 million this year. In doing so the minister has completely eliminated certain provinces from the application of the job-creation program which was initiated by his predecessor. For instance, the province of Ontario received $22 million to fight unemployment within that province last year, but in spite of the fact that the economy of Ontario in general is more buoyant than that of other provinces—with the possible exception of Alberta—there are a number of pockets of unemployment in the province which once benefited from these programs, but they have now been completely eliminated. The minister has actually taken $22 million away from the province of Ontario since he took office.

Moving further west, and if I recall the figures correctly, the province of Manitoba had an unemployment budget of approximately $9 million last year, but this has disappeared from the communities and the areas of high unemployment in that province. In spite of this fact, the minister has decided to take $22 million away from those communities in Ontario, $9 million away from communities in Manitoba and something like $8 million away from communities and unemployed people in the province of Saskatchewan. The story goes on. Last year the contribution to British Columbia was $16 million. This year it is down to almost a pittance in that province. I also understand that the amounts have been decreased for the Yukon.

I remember reading recently a press release issued, to my surprise, by the Minister of Supply and Services. I did not know that the Minister of Supply and Services had the administrative responsibility for the application of the Canada Works program in the province of Quebec.

[*Translation*]

I was very surprised to see the Minister of Supply and Services is now making announcements on behalf of this government about programs coming under the minister of employment. The Minister of Energy, Mines and Resources is very interested—and I am very happy to see that he is interested—because I am convinced he will want to put an end to this kind of attitude being displayed by the Minister of Supply and Services who was not satisfied with announcing the program in the province of Quebec but felt he had to show off—

An hon. Member: That's it.

Mr. Fox: Let me quote him: "Mr. La Salle was pleased with the announcement by Mr. Atkey." He was also pleased that this year in the province of Quebec $48 million will be spent on job creation under the Canada Works program. Was he also pleased with the number of ridings that have been completely eliminated from the program? No. Was he pleased that, last year in that same province of Quebec, in the same equivalent period, the Liberal government of the day through the present minister's predecessor announced a program totalling $62 million. Of course not. So I have great difficulty understanding why the Minister of Supply and Services should so rejoice in showing off. He wanted to show that the greater part of the funds was going to Quebec and the maritimes.

He was right in saying that the major part of the funds is going to Quebec and the maritimes but what he did not say is that the amount has been reduced substantially from $62 million to $48 million, without taking inflation into account. So to try and have us believe, as he seemed to be doing in his press release, that the province of Quebec has benefited more from the largesse of the Progressive Conservative government of which he is the great headmaster, not to say the great paymaster, is a way of not telling the whole truth about things because in the province of Quebec this year the program was reduced from $62 million to $48 million, and a whole series of ridings were eliminated.

I would like to hear the minister's comments on that. In other provinces, there was a marginal increase. I know the minister is going to give us an answer on that.

[*English*]

The minister will tell us that the reason he reduced the amount given under the Canada Works program is in order to redistribute these moneys to areas of higher unemployment. I challenge the minister to give us this morning the exact amounts by which he has increased the allocations over last year to the provinces of Newfoundland, P.E.I., Nova Scotia and New Brunswick. I also challenge the minister to deduct from these amounts the amount by which the rate of inflation has gone up.

As I understand it, there has been approximately a $2 million increase in the province of Newfoundland. I am very pleased for the people in that province. But if we take away 10 per cent of the value of the program in the preceding year, we are almost at the same level as they were last year. If we go through the Atlantic provinces in the same way, we would probably find that in real terms we would come out almost with a decrease in the funds available to those provinces for this year. If the minister has a response on this matter, I would be pleased to hear it.

In reading from the documents prepared by his department last year when his precedessor was in office and comparing the

figures published by his department last year to the figures for this year, the end result is that the minister has simply decreased the job-creation program in his department by substantial amounts and he has not done very much in terms of redistribution. Since I am leaving for Winnipeg tonight, I would like to be able to tell the people in that area exactly how the minister responsible for employment has come to the decision of eliminating the province of Manitoba from the application of this job-creation program. Is the minister saying that there are no communities in that province that have benefited in the past from these funds? Is the minister saying that there are no unemployed who would be better off working in Canada Works projects doing things which are of benefit to their communities, rather than sitting on the dole all winter, which seems to be his proposal?

Once again, the minister has not yet come forward with one single concrete proposal, aside from the reduction in the job-creation program, to help people who are unemployed to get back into the ranks of the employed. I know that the minister will say the same thing that his leader told me on Tuesday, that they will be announcing a whole series of things in the budget. I would like to remind the minister that his predecessor announced his employment strategy in September of last year. We are almost knocking on the month of December and the minister has still not come forth with a concrete action program. I have put a sufficient number of questions to the minister, and I would appreciate receiving a few answers.

Mr. Atkey: Mr. Chairman, I was very interested to hear the remarks of the hon. member which, in many respects, constituted a repeat performance of his comments in committee. I am delighted to have the hon. member back again. I think that his performance is a slight improvement over what we heard in committee on estimates.

Mr. Fox: Forget the arrogance and answer the questions.

Mr. Atkey: He has used the same facts, the same allegations and the same arguments. It took him a little longer and it took a little more drama to deliver this time than it did in committee, but nevertheless it is good to have the hon. member back.

The hon. member has conveniently forgotten a very important program. Since he has so diligently read documents of the previous government, I wonder if the hon. member has heard of LEAP which stands for the Local Employment Assistance Program. I wonder if the hon. member would call up some of the Metis and non-status Indian leaders in Manitoba while he is there and ask them whether they have heard of LEAP. I can assure the hon. member that they have heard of LEAP and that there are millions of dollars under this government's program in LEAP funds, not Canada Works funds, going into Manitoba to help those who want jobs.

These people do not want the short-term, make-work, government job-creation projects of the previous administration. They want permanent, meaningful jobs that will produce real goods and services in the economy, real life jobs that the previous government was unable to produce. I would suggest that the LEAP allocation, which is a mere $18 million for this fiscal year and a mere $12 million for the next fiscal year—all of which the hon. member conveniently forgot to mention—will provide long-term jobs in three-year projects to a great many disadvantaged people throughout the country. These are the very people who need work, who have not been able to get it under the previous government and who will get it under this government.

• (1240)

Mr. Fox: How many jobs?

Mr. Atkey: I will give the hon. member his due. The previous government created the program but they did not push it hard enough. They were so preoccupied with the politics of constituency allocations in Canada that they ignored the forest for the trees. I suggest that while the Canada Works program has led to some useful projects, it is one of the most expensive projects for job creation in the history of this country. The taxpayer has not had value for his dollar. If we look at the cost of each Canada Works job under phase 3 of the previous administration, we will find that the costs came close to $11,000 per job.

Where do those jobs go? With minimum allocation in every constituency, do they go to the hon. member's friends? Were they allocated on a political basis or did they get real jobs for people who were in real need?

I have suggested that some of those projects were good. Some in this phase, coming from the constituencies of hon. members opposite, will be good. Nevertheless, that program had inherent deficiencies and I believe the hon. member knows that. While it may have had some utility in the early and mid-seventies as the successor to LIP, its days are over. We must look now toward long-term job creation where people can guarantee that they have a job, and that the jobs in many cases will not come from direct government job creation but from the private sector, which the previous government never realized was the real producer of goods and services in a society.

Mr. Fox: Why did you cut the LEDA program? That was the private sector. You cut that.

Mr. Atkey: The hon. member was interested in Canada Works. We are proceeding this year on a reduced basis. That is no secret. The moneys allocated total $100 million, which is still a substantial sum of money. I can tell him that this government cares about the areas of Canada, first and foremost, in terms of job creation, where the most number of people are unemployed. Surely the hon. member opposite is not going to quarrel with the high allocation of some $19.6 million, or almost 20 per cent of the funds, to the province of Newfoundland.

Mr. Fox: Compare that with last year.

Mr. Atkey: He knows that as a portion of the total budget of Canada Works, Newfoundland has done far better.

Mr. Fox: Answer the question: compare it with last year.

Mr. Atkey: Let us refer to the province of Quebec. My hon. friend ridicules the Minister of Supply and Services when he says that at a time of economic restraint we are able to provide 48.7 per cent of Canada Works funds, almost half of the Canada Works funds, to the province of Quebec. I defend that because I think it is an honourable course to put half the funds into the province of Quebec, for two reasons.

Mr. Fox: How much less than last year? Half of nothing.

Mr. Atkey: One reason is that the constituencies that will receive this money genuinely have high unemployment. The hon. member knows that and I know that.

The second reason is one that I am sure the hon. member will also support. It is important in any job-creation endeavour of the previous government or this government to establish a federal presence in regions of our country, not the least of which is Quebec. Surely the hon. member is not going to argue against that federal presence which must be established.

Let me also repeat that the province of Nova Scotia is getting 11.1 per cent or $11.05 million in Canada Works funds.

Mr. Fox: Compare it to last year. What did they get last year?

Mr. Atkey: New Brunswick is getting $15.1 million, representing 15 per cent of the national distribution, and finally, tiny Prince Edward Island, which has severe pockets of unemployment, is getting $3.7 million or 3.7 per cent of the national distribution of $100 million.

Mr. Fox: They got 3.1 per cent last year.

Mr. Atkey: This government has looked at the moneys available, looked at the size of the budgetary deficit, looked at the problems of unemployment and its regional distribution across Canada, and made the fairest and most equitable assessment and distribution possible. There was no pork barrelling of minimum amounts to constituencies right across the country. The hon. member knows that.

I should also indicate that the hon. member has given a great many causes for the likelihood of increased unemployment. I want to share the concern of the hon. member opposite that the recession of the United States may lead to higher unemployment and that rising interest rates in Canada and the United States may lead to a period of higher unemployment.

Mr. Fox: It will. You saw the impact study of the Department of Finance.

Mr. Atkey: There are some concerns that the number of industrial lay-offs in this country are contributing to high unemployment. We see that the single gravest contributor, aside—

The Deputy Chairman: Order, please. I regret to advise the hon. minister that his time has expired on this particular subject. If the minister chooses to speak in addition to the present question, it will be on his own time.

Mr. Orlikow: Mr. Chairman, I want to continue the discussion which was begun with regard to the unemployment programs of the government. I know the minister will say that part of what I say will be a repetition of some of the discussions that he and I have had, partly through correspondence and partly in committee. This is the first opportunity, however, to get the discussion on the record in Parliament so that people can see what is actually happening.

Since the minister agreed a moment or two ago that it is likely we will have more unemployment in this country in the coming months than we have had, as shown by the increase in the numbers and rates we got just a few days ago, that increase in unemployment will come inevitably because the United States is already in a recession. The effects of that recession must increase the number of unemployed in this country. Therefore, Mr. Chairman, I say to the minister that the decision made by this government to reduce funding for employment programs from $175 million to $100 million this year was a mistake of major proportions.

I want to examine what has happened, Mr. Chairman. The government made a decision that the Canada Works program in Ontario, Manitoba, Saskatchewan, Alberta and British Columbia should be eliminated completely, the reason being that the rate of unemployment in those provinces was relatively low. That is true for the provinces as a whole, Mr. Chairman, but in each of those provinces members, regardless of party, and the minister should know that there are important pockets of unemployment, particularly among young people and native people. The minister knows, or should know, that the very large number of unemployed native people, those who live on reserves, are not even counted in the figures which Statistics Canada prepare on unemployment. In all these provinces, therefore, the rate of unemployment is much higher than the figure shown. That was ignored when the minister made his decision.

Since the member for Blainville-Deux-Montagnes referred to Manitoba, let me spend a few moments dealing with what actually happened there. The minister made a great deal of how the increase in LEAP funds has satisfied and pleased the leaders of the native communities, the status and non-status Indians. I want to tell the minister that his information is wrong and to put the figures that we have on the record. I know the minister will say that I am using a different set of figures; I am using the fiscal year while he used the calendar year. The minister cannot deny, however, that there has been a substantial reduction in the amount of money available in the province of Manitoba for employment programs. We got our figures from his department. They show that for the year 1978-79, $9.5 million, in round figures, was allocated to the province of Manitoba for Canada Works programs. There was $2,300,000 for LEAP programs. That is a total of $11,779,000. Of that $11 million plus, under Canada Works for native

programs there was $6.5 million, and through LEAP for native employment programs there was $1,300,000. So we had $11.75 million in total for employment programs in Manitoba and $7,800,000 in round figures for native programs. This year we will have no Canada Works money, and we will have only $5.5 million for LEAP programs. According to my calculations, that is a reduction of over $6 million and a reduction in native programs of $4.5 million.

● (1250)

The minister has an explanation. It is not quite as bad as I have indicated, and I hope he will put it on the record, but the fact is that the $5.5 million which is available is substantially less than was available last year. How does this work? The minister talks about constituency allocations as though they were pork barrel allocations. I do not know how it has worked in other provinces, but I know how it works in our province.

The constituency of Churchill, which was represented by a Conservative member of Parliament last year so I am sure there was no pork barrelling then, has a very large number of native people. Churchill's total allocation last year was $3,900,000, of which $3,300,000 went for native programs. With a total of $5.5 million available for the whole province for all employment programs, native and non-native, with areas in which the native people have unemployment rates at certain times of the year running as high as 90 per cent, how can the minister say they are satisfied?

Let us take the city of Winnipeg as an example. Winnipeg has a large number of native people living there. Probably more native people live in Winnipeg than in any other area in the country. Last week we had a report that stated that in the core area of Winnipeg there are 6,000 native children attending school; we are talking about a population of 20,000 people.

Last year the constituency represented by my colleague the hon. member for Winnipeg North Centre and my own constituency received total allocations of about $2.25 million, of which about $1.25 million was for native programs. I can tell the minister that I spoke to his office about 20 minutes ago. The information given to me last week was confirmed by his office, that the total number of native programs approved and funded in Winnipeg was four. I know that the rate of unemployment in Winnipeg is low, but I want to tell the minister that the rate of unemployment among native people in Winnipeg is very high. These people have the poorest level of education. Now is not the time to give all the figures, but I can tell him that these people have the poorest housing and the poorest health standards. So when the government cuts back the way it did, it is attacking the people who are already the poorest in this country.

Some hon. Members: Shame.

Mr. Orlikow: I say to the minister that what the government did is inexcusable. What we needed was not less money but more money.

Since I have a plane to catch this afternoon, I will take a few more minutes to raise two other questions which I hope the minister can deal with when I am not here, but I will certainly come back to him in committee.

[Mr. Orlikow.]

We are spending hundreds of millions of dollars through the department on manpower training. I have a figure here of expenditures for last year of $738 million, which we arrived at by totalling the amount of money spent for the purchase of training seats in the community colleges, income support for trainees, industrial training, on the job programs and the allowance to those on unemployment insurance benefits. The minister may argue about that figure, but it is certainly in the hundreds of millions of dollars.

I want to read one paragraph to the minister from a study commissioned by the minister of labour in the last government. It was given to this minister of labour a few weeks ago. This was a study headed by Dr. Adams; I believe he is from McMaster University. At page 117 of this report, which is entitled "Education and Working Canadians—Report of the Commission of Inquiry on Educational Leave and Productivity", the board reports as follows:

> Despite free and generally available access, there are an estimated one million Canadians who cannot read or write. Another four million are said to be functionally illiterate—that is, they cannot read, write and do mathematics at a level necessary to function adequately in society.

I know education under our constitution is the responsibility of the provinces. But manpower training, which is so essential if people are going to get jobs—people who are unemployed and not qualified to get adequate jobs—is the responsibility of the federal government and the minister's department. I quoted from this report, but the board did not come up with figures we did not know about before. Despite this record—one cannot blame him because he was not the minister then, but I bring it to his attention and hope that if he cannot give me an answer today, he will give some thought to it—his department each year has been cutting back on the funds made available for basic education upgrading. Those programs are most needed by our native people, who have been undereducated, and by our immigrants, so many of whom in recent years have come from countries where their language is not English. They are also needed by wives of immigrants who cannot function very well in our society because of lack of ability to speak either of our official languages.

So I want to put it to the minister today that his department needs to rethink its whole approach to the training of people who are unskilled and who desperately need training. These are the people who are being short-changed more each year than they were in previous years with the inadequate funding that we had then.

I believe I have about five more minutes. I would like to call it one o'clock, Mr. Chairman, and take my five minutes when we come back from the lunch period.

The Deputy Chairman: Order. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

● (1400)

AFTER RECESS

The committee resumed at 2 p.m.

Mr. Orlikow: Mr. Chairman, I want to go back for a minute or two to the question of Canada Works. If the minister checks with the officials in his department, he will be told that the advisory committee appointed by my colleague, the hon. member for Winnipeg North Centre, and myself to go over the applications in past years for our two constituencies consisted of people active in various community groups. They will also tell him that on not one occasion did we ask the officials in his department or the members of the advisory committee to favour one application over another. We took the view that they were competent and would judge on the basis of the best applications.

I want to put on record part of a newsletter which came to me from the King Edward community school. That school is located in the working class part of my constituency. There are a large number of native people and a large number of new Canadians in the area. One page in the newsletter is entitled "No more Canada Works jobs". I will read a couple of paragraphs:

—Canada Works no longer exists!!! One of the first things the new federal government did after the May election was cut all Canada Works grants in Manitoba. There will be no new Canada Works projects in Manitoba this year.

At King Edward over the last two years we have employed 11 people (most of them from our own neighbourhood) on Canada Works grants—

They then list some of the projects included in their program, such as classroom teacher aides, lunch and after school program, senior citizen worker, adult education programs, aides to work on the monthly newsletter, community resource booklet, aides to assist the community group and its committees, etc. So that is what the minister and his government have accomplished with their cut-off of Canada Works programs, and that example could be duplicated in nearly every constituency in the country.

● (1410)

I want to raise one more matter with the minister, and that is that despite the fact that we have had very large efforts and spent hundreds of millions of dollars on manpower training, it is now obvious that we do not have in this country the skilled workers who are needed. For example, when General Motors announced that it was going to build a new plant, it had to get permission from the government and it got permission from the government to go overseas to Europe to recruit skilled workers. I find it very strange after all these years and these very large expenditures that we do not have the skilled workers who are needed.

I have here a document entitled "Manpower Requirements and Hiring Plans of Ontario Employers in Manufacturing Industries" prepared by the Ontario Manpower commission. Because I have very little time I want to read just one paragraph. This document says, and I quote:

Out of the many hundreds of specific comments made by employers on the causes of their recruitment difficulty—

And there were 250 occupations they could not find people for.

—there emerges a virtual consensus—a general lack of proper training in the industrial trades . . . Many employers think that the education system has failed to produce the industrial skills and problem-solving ability that they need; too much emphasis is being given to university training, and only the less-intelligent and ambitious students are being encouraged to enter trade courses.

I know that education until the end of high school is a provincial responsibility, but manpower training is the responsibility of the federal government, and I say there is something fundamentally wrong with our system and with our department if after all these years and the expenditure of literally billions of dollars we are still not able to produce the kind of skilled manpower which is required.

I know that apprenticeship courses come under the jurisdiction of the provinces, but I suggest to the minister that it is time he and his department got together with provincial ministers and decided co-operatively and jointly to establish apprenticeship programs in co-operation with employers and unions so that we do not, after all these years, have to import skilled workers as we are doing at the present time. It seems to me that that period should have long since expired. We have the ability now, if we use our means properly, to reduce the number of skilled workers who are needed now and who will be needed even more if we get the economy working at full capacity, as it should be.

Mr. Atkey: Mr. Chairman, I just want to put on record some what I think are cogent facts concerning the province of Manitoba. Manitoba is an important province which I had the great honour to visit as recently as yesterday morning and to meet with the minister of labour and manpower of that province in order to co-ordinate better our respective employment programs in anticipation of the events of 1980.

I was delighted to hear the hon. member speak on the subject of training. The estimates of this government for the current fiscal year show that in institutional training we have increased the budget from the previous year from a sum last year of $23.3 million under the previous government to the sum of $24.4 million. Industrial training receives a rather more substantial increase proportionately, from $2.9 million to the sum of $5 million. That is a recognition of the importance of training throughout Canada and in particular in the province of Manitoba.

Finally, I want to say in relation to the hon. member's comments concerning—

The Deputy Chairman: Order. I regret to advise the minister that the time of the hon. member for Winnipeg North has expired. Any further time he uses will be charged to the minister.

Mr. Atkey: Thank you, Mr. Chairman. If I may, I choose just to take a minute to get on record the completion of my statement. Respecting Canada Works, in dealing with the native population in Manitoba, which is a large and important

population, I should indicate to the hon. member that the number of dollars available this fiscal year is almost as high as in the previous fiscal year. As I have indicated in another place to the hon. member, this fiscal year we are applying a total of $7.1 million to the native population through a combination of both the special allocation and the regular allocation of LEAP, plus the carryover of some $2.6 million in Canada Works from a previous phase. That is to be compared with 1978-79, the sum of $7.8 million. So I suggest that there has been no withdrawal of our commitment to deal with the most serious area of unemployment in the province of Manitoba. I mention specifically the constituency of Churchill, which is an area requiring federal government assistance and to which this government has been and will be committed in a substantial way.

[*Translation*]

Mr. Bujold: On a point of order, Mr. Chairman. I think that the name of my distinguished colleague appeared before mine on the list and that he was supposed to be recognized before I was. He was here in the House this morning.

[*English*]

Mr. Kaplan: Mr. Chairman, 20 minutes is not very much time for all the questions to which I had been hoping to get answers from this minister, and with his co-operation I would like to use the 20 minutes to ask pointed questions and hopefully to receive answers from him.

The first area I want to explore is an interpretation which I have taken from the annual report to Parliament on immigration levels for 1980 in which I detect from hon. members opposite, particularly the Minister of State for Fitness and Amateur Sport and Multiculturalism, an air of aggrieved misrepresentation; so I want to ask the minister a few questions about it to make sure that I do properly understand it as representing a change in direction, with respect to family class and assisted relatives, from that taken in the past.

Let me direct the minister's attention to page 33 of his report, which he tells us he wrote himself. Although there are many words of comfort in it designed to comfort, if not to mislead, members of the various communities of Canada who may be interested in having their family members join them in Canada, I want simply and pointedly to ask the minister a question. When the minister says in that statement that he will be increasing the proportion of immigrants who are selected against economic criteria—that is, the independent immigrants—knowing that the refugee class is not to be decreased, if the proportion of immigrants selected against economic criteria is to be increased, which classes of immigrants are to be decreased proportionately?

Mr. Atkey: Mr. Chairman, the hon. member makes a rather spurious assumption that, because you have a reorientation of balance, necessarily one group must be decreased in numbers. The report is very clear that the principle of family reunification will continue to govern the admission of close family members, and I want to assure the hon. member and other hon. members of my commitment to the principle of family reunification and to maintaining the family class in terms of the number of admissions.

That is to suggest that the other classes—assisted relatives, which the hon. member well knows involves economic criteria, and the independent class of immigrants—may well, in order to right the balance, if you will, have to be increased as a result in 1981, 1982 and the years in the future in order to meet the labour market demand which is ever present in our society and, I suggest, will be even more present in 1981, 1982 and 1983 as we develop mega projects, particularly in the Canadian west. I suggest in response to the hon. member that we have a need for a greater number of immigrants selected against economic criteria in order to meet legitimate labour market demands in this country.

Mr. Kaplan: As I understand the format, the minister and I can continue for 20 minutes.

We now have from the minister an indication that you can have a base quantity in which all components can increase in proportion. I want to suggest to the minister that that is just absurd, that if one proportion of a group of components is increased, it necessarily follows that the other proportions have to decrease. So I want to ask him again which proportion is decreasing to provide room for the increase in the proportion of people who are selected on the basis of the economic criteria.

• (1420)

Mr. Atkey: Mr. Chairman, I will be very brief because I believe that the member's question was answered previously. I am prepared to continue the current level of family reunification, family class cases, in terms of their numbers. At the same time, we can have a reorientation of the balance to reflect current economic needs in this country. What could be clearer than that?

Mr. Kaplan: I would just ask the minister the following question. It does not make sense to me that you can maintain the component of refugees—which is not at issue—or even increase it—

Mr. Atkey: Don't ask about refugees.

Mr. Kaplan: I am putting that aside. But that the minister can maintain the proportion of the family class and yet increase the proportion of immigrants brought in under economic criteria does not make any sense to me. If one component in the total is being increased proportionately, something has to be decreased proportionately, and I put to him that if it is not the family class, it is the assisted relatives class that he is proposing to decrease. I want to ask him if that is not the only possible way of interpreting the orientation about which he is talking.

Mr. Atkey: Given the suggested reorientation—and I want to make it clear we are talking about future years—and given the operation of immigrant processes, the likelihood of using

labour market criteria to increase the balance on the other side of the ledger will and could result in an increase in the number of both assisted relatives and independent immigrants, depending on the circumstances and depending on where the applications for admission to Canada come from, what persons apply, with what skills and education, and other qualifications. The hon. member is fully aware of the immigration processes and the use of economic criteria to equate demand for entry into Canada with economic need from within Canada. It is a fairly simple proposition and I fail to see his confusion.

Mr. Kaplan: I am not confused. I understand very well what the problem is. The problem is that if you have a given total which will be determined every year on November 1 for the year ahead, and you want to increase the proportion of those who are chosen by economic criteria, you will inevitably be decreasing the proportion of those who are not, and those are in the family class and assisted relatives class. I do not see how the country can draw any other interpretation from it.

I should like to ask one final question on that subject before moving on to some of the manpower problems in the manpower department, not national manpower problems but staff problems. However, before I move on to that subject, I have one final observation to make about this issue, and that is to ask whether this new government is following the practice of having the minister of multiculturalism participate in the making of the decision to increase the proportion of economically chosen immigrants. I ask that question as well because the minister of multiculturalism, in his answer to a question that I asked, indicated that he had read the document on the 1980 immigration levels. I was delighted to hear that he had read it but I was disappointed to draw from that the conclusion that he had not had an important hand in the drafting and setting of those ceilings in an area which should be of great concern to him and to his portfolio.

Mr. Atkey: Mr. Chairman, the minister of state for multiculturalism and I consult on a regular basis. As part of the government we are fully in accord with decisions that each of us takes. I have no hesitation in giving the hon. member the assurance that the level of family class immigration under the Liberal government in 1978, which amounts to 46,218, will be maintained by the present government. I would also have no hesitation in giving him the assurance that the level of assisted relatives, numbering 18,019 in 1978, is generally a level which will be maintained. He has those assurances and I can do no better than to give him the specific numbers from the most recent record of the government which he supported prior to May 22. The assurances are there and there is no reason for going about the country suggesting there will somehow be a decrease or lessening of commitment to the principle of family reunification. The record is clear.

Mr. Kaplan: I think that now we are coming closer to the point. I have the statistics to which the minister referred. I did not suggest that the number of family class people or the number of assisted relatives might be reduced, and I am glad to hear it will not be. What I asked was whether the proportion would be reduced. In 1978 they numbered 86,000-odd admissions to Canada. The target for 1979 was higher and the result was higher. The target for 1980 is higher. If the minister intends to keep the family and assisted relatives class, if I can put it that way, at the low level at which they were in 1978 in relation to others, then he will indeed be reducing the proportion of that class. If he regards 46,232 or the other number that he used, which was slightly different, for family and assisted relatives class as the total which will be permitted in the 1980 quota or level, then he is indeed reducing the proportion although he maintains the absolute numbers—the proportion will be going down.

This would be consistent with other evidence which he gave before the committee which I have here. I can refer to proceedings of the meetings of the Standing Committee on Labour, Manpower and Immigration at page 140 in the report in which he expressed concern that the family class had been growing as a proportion, and I took from his report some indication that he was going to do something about it. I conclude from the answer he has just given that indeed he has and he wants to see, whatever the absolute numbers are, a reduction in the proportion of the family and assisted relatives class. This is quite different from the policies of the former government, and I think he ought to say so.

Mr. Atkey: Mr. Chairman, I am surprised to see the hon. member draw a comparison between 1978 and 1979-80, suggest that the figures are higher for 1979-80 and that somehow the numbers of family class people to which I made a commitment will therefore be proportionately smaller. He knows the reason that the numbers for 1979-80 are higher. The reason is the special refugee program from southeast Asia. Is the hon. member coming to this House at this late stage saying that he is suddenly opposed to the program of bringing refugees from southeast Asia? I thought I heard the hon. member suggesting last summer that we should have done better than accepting only 50,000 refugees over two years, and that personally he would have preferred to see the number go up to 100,000. I heard the hon. member say that in public on a number of occasions. Quite naturally, if you bring in a large number of refugees, which happens to be the single largest refugee movement in Canadian history, the proportion of other classes will go down. That is nothing new and I am not ashamed to say that. What really counts is the number of human beings who can come to this country and join their families, their husband, their wife, their children. We will maintain the numbers.

Mr. Kaplan: I look forward to seeing that happen, but I will believe it when I see it. I have no change to make in my own ideas about refugees. I am delighted with the results of our policy on refugees and, as the minister noted, I have said so on many occasions.

I want to turn now in the very few minutes I have left to some of the staffing problems that have come to our attention in his department. I know that he has undertaken, under a directive of the President of the Treasury Board, to try to find $117 million in his immigration portfolio to pay for the

refugee program. Part of this has come from outside that envelope and he explained that before the committee. But I am very concerned that part of it also is coming from a reduction in the level of staffing within the immigration department. He gave figures to us which have taken some time to understand but, as I understand them, there is a reduction in the staff at the Toronto international airport and there are some reductions elsewhere.

● (1430)

I want to ask him, again pointedly, if he can give us some idea as to where he will find the rest of that $117 million. For example, in some of our immigration offices in India, in a family reunification case of a husband or wife here bringing a spouse over to Canada as a landed immigrant, one must wait three or four months to receive an answer to a letter and well over a year before any reunification results. I have had a lot of such experiences in my own constituency; perhaps the minister has as well. I would assert that this shocking delay is caused by lack of adequate staffing in our missions.

The minister received the mandate from his colleague to cut and cut until he comes up with $117 million. How will he do it? Does the minister not agree, instead of asking for reductions in staffing with his responsibilities in immigration in his department, that in fact he should be asking for increased staff, not only so that processing can be done more expeditiously, but so that there can be better policing?

One thing which discredits immigration is the presence of many illegal immigrants in the country. Part of the answer to that is more adequate staffing in immigration, so that more attention can be paid to immigration flow. However well meaning they are, I do not think his staff are in a position to do their jobs as efficiently as they could because of simple overwork in many, many locations in Canada and around the world.

What resolution has been made of the problem recently brought to my attention by the union local of Vancouver international airport immigration officials concerning a problem which was public knowledge toward the end of the last Parliament? Members of the union at the Vancouver international airport were complaining that they were underpaid relative to immigration officials working in other immigration centres across the country. Also they were understaffed relative to their workload in comparison to others. I remember the former minister saying that this problem would be looked into, and that some attention would be paid to it in part by the Treasury Board. What has the minister done in an attempt to resolve some of this feeling of ill-will developing within the ministry because of these pressures?

Mr. Atkey: Mr. Chairman, I will attempt to be brief in giving the hon. member some of the information he requires. First I should like to say in support of the immigration staff, particularly at the major ports of entry into Canada, and at some of the busier missions abroad such as New Delhi, that they are first class staff. They work hard, they work long hours, and they serve well Canada and the new people coming to this country. They are devoted public servants. I will defend each and every one of them.

At Toronto international airport there are 45 immigration employees in terminal one and 51 employees in terminal two. There is one staff vacancy in terminal one and two staff vacancies in terminal two. There are seven officers assigned to the New York office. In addition, there are three immigration program officers who are engaged locally in support of the work of our foreign service officers. I admit that there are some problems in New Delhi into which I will be looking in greater depth. There were seven Canadian-based officers and two locally-based officers in 1977. This complement is being maintained through 1978-1979, despite cuts in other areas where business has slackened off somewhat.

I should like to address myself to the problem, apparently, in Vancouver to which the hon. member made reference. I may say in all candour that, in my lengthy discussions with the former minister during the transitional period, he did not think it was sufficiently important to raise it with me. Officials have not brought that problem to my attention since, nor have the Vancouver staff made direct representations to me as a result. Nevertheless, if there is a problem of staff being underpaid or having a too onerous workload, I will undertake to the hon. member and that staff to look into the situation and do my very level best to improve working conditions for them. Probably they are the second, if not the third, busiest port of entry into Canada, and they deserve every support I can give.

The Deputy Chairman: I regret to advise the hon. member for York Centre that his time has expired.

[*Translation*]

Mrs. Hervieux-Payette: Mr. Chairman, I should like to put some questions especially about job-creation programs for young people. We know that the throne speech stated that the government intended to organize special programs for them and to set up offices. Now this is my first question: I should like to ask the minister if this new job-creation program for young people will take off something from existing programs which were part of the employment strategy already in effect or if the funds will merely be cut off from the present program and earmarked for those new programs? And then, Mr. Chairman, I would also like to know if estimates for the integration program of young university graduates will be available under that program, since the private business sector advises me that there are no such funds in the Montreal area? That is my first question.

[*English*]

Mr. Atkey: Mr. Chairman, currently there is a program for young people which is a structured program established under the previous government. Some aspects of that program are still continuing and will continue through until the end of this fiscal year, that is up until the end of March, 1980. Some aspects of that program have been more successful than others. In particular, I would mention the employment tax credit program which, while slow to start, has become very popular

and very successful, perhaps in the province of Quebec more than in any other province. It is a happy example of private sector employers working together with Canada employment officers and young people seeking work to get more young people into the work force in permanent jobs which are private sector based. That is a good thing, and we may well draw some lessons from the experience of that particular program.

However, I may say that the program of the government, the details of which will be indicated in the budget and the budget debate, in fact will be a new one. There are many aspects to it. It is premature for me to indicate the details of that program in advance of the budget announcement. However, I can indicate to the hon. member that there will be greater emphasis on long-term job creation for young people. We will attempt to receive greater value for the dollars spent to get more young people into the work force. There will be a new emphasis on young people which perhaps transcends that of the previous government. Finally, it will be a program which will have the support of the provincial governments across Canada. It will be co-ordinated with their youth programs in a way that perhaps programs of the previous government were not.

In so far as the job integration program is concerned, I will have to take that question under advisement and get back to the hon. member with greater details. I do not have the information required by the hon. member immediately at my disposal.

[*Translation*]

Mr. Bujold: Mr. Chairman, I would like to discuss with the minister a very important subject, and more particularly the Canada Works program. The minister certainly has an extremely complicated department, and I can understand that immigration, manpower and unemployment are areas in which people are extremely interested. I believe that the results we have been able to see so far indicate that the minister has tried to make a rather equitable distribution across Canada. And yet in July this year, if you remember, the minister announced the fourth phase of the Canada Works program which included substantial cuts in certain ridings and extremely heavy ones in others.

If I look, for example, at the formula the minister used to make those cuts in the Canada Works program, more particularly in the riding of Bonaventure-Îles-de-la-Madeleine, using the minister's figures, I see the rate of surplus manpower in that riding was 32.4 per cent. Using that figure, the riding of Bonaventure-Îles-de-la-Madeleine should have received for this year $5,333,000 under the Canada Works program. If one looks at the way the Canada Works program has evolved over the last four years, one sees that in the first phase we should have got $1,433,000, during the second, $3,855,000, and during the third, $3,132,000. The minister may think that $3 million is a lot for a riding, and I can understand that in certain ridings it can mean a lot, but in the Gaspé area, more particularly in the riding of Bonaventure-Îles-de-la-Madeleine, that is not enough, particularly when based on the department's figures: $5,333,000 was being recommended and following the policy set by the department, that was cut to $3 million.

I would also like to point out to the minister that all those Canada Works projects that were carried out in past years were extremely important to us. Take, for example, construction, development, recreation, research services. Also, we were able to complete works in the riding that could not be carried out with the normal budgets of federal departments in our area and even more in the case of certain municipalities under certain provincial government programs. That is to say that those amounts of money from the Canada Works program provided the people in our area with services, developments that could not be paid for by any other means.

Another major concern in my constituency is the fact that we have three Canada manpower centres. There is the Causapscal sector, the New Richmond sector, the Chandler sector and the Magdalen Islands sector, and the sums allocated to these three ridings have been distributed according to the population and the number of unemployed. When the minister makes a decision to allocate funds to the various constituencies, I would like him to note and to consider two major points, namely that the sums allocated to each part of the Bonaventure-Îles-de-la-Madeleine constituency are actually allocated according to the unemployment rate and the population.

I should like to come back to what I said earlier about Canada Works this year. Hon. members will recall that in July the minister sent them a communiqué informing them of the new formula and the new philosophy of Canada Works projects, and that he underlined, perhaps rightly, that this year he had decided to abolish the advisory committees so that, as we understand it, hon. members would have more opportunity to make recommendations concerning the applications received. I should like to quote from the letter sent to us by the minister on July 17 in which he said:

—I have decided not to set up new advisory committees—

He then went on to say:

Commission officials will be responsible for evaluating the proposals. They will consult the local resource people, provincial authorities, as well as the federal departments or agencies concerned.

Third, he said that hon. members would nevertheless be able to make comments and give their opinion on all projects.

I should therefore like to ask the minister whether, in view of what he said in July, following a recommendation from the manpower centre and the hon. member concerned for all Canada Works projects, any other people or other groups can make representations to the minister to change the recommendations of his officials, whom I believe are highly qualified and knowledgeable people as concerns all the problems of the area in which they work. In this same letter, he directed his officials to consult all the groups concerned. I should therefore like the

minister to tell us whether other sources can sometimes influence the decisions made by the minister.

In this regard, Mr. Chairman, I also ask the minister to express his views on the matters I have raised.

● (1440)

[*English*]

Mr. Crosbie: Mr. Chairman, I rise on a point of order. If hon. gentlemen would excuse me, I would like to announce the date of the budget to hon. members of the committee so they will set their minds at ease on all these problems.

The Chairman: Order, please—

Mr. Crosbie: The date of the budget, Mr. Chairman, if you will permit me, will be Tuesday, December 11. I am sorry if I have interrupted the committee, but the first budget will be brought down on Tuesday, December 11.

The Chairman: Order, please. I know this is only technical, but as far as informing the House is concerned, the hon. member is only informing members of the committee and I am not here to judge the reaction of the House. I would suggest that maybe at a later time, at five o'clock when we finish the work of the committee, the minister might seek the floor again so we could allow him more time.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I rise on a point of order.

The Chairman: The hon. member for Papineau on a point of order.

Mr. Ouellet: I would like to know, from the minister who just made that statement in violation of our rules, whether he will make another statement at the end of the proceedings. Did I understand correctly your intervention, Mr. Chairman, that you were to recognize the minister again at the end of this afternoon's proceedings? I would like to know whether the minister intends to speak again this afternoon.

[*English*]

Mr. Crosbie: Mr. Chairman, I have to go to a meeting later, but the House leader will be here in the House and certainly prepared to make the same statement at four o'clock.

[*Translation*]

Mr. Ouellet: Mr. Chairman, I would like—

The Chairman: The hon. member for Papineau on the same point of order.

Mr. Ouellet: I would like to remind the Minister of Finance that the way he is treating this Parliament, the way he is throwing off the cuff the budget date is rather rude and in complete contradiction with his party leader, who said that he would allow members of the House greater freedom of action. This is indeed against the rules—

[Mr. Bujold.]

The Chairman: Order, please. I would certainly not allow—Order, please. What the Chair indeed had to point out to the minister was not that he had no right to inform the committee of certain news or decisions, but simply to bring to his attention that if he did announce something in committee, this automatically could be construed in a different way and could be less favourably received by the House. So I would suggest that this be done at the end of today's proceedings. The problem today is that it has been ordered that there would be no private members' hour. The business of the House is therefore to continue until five o'clock, and this may be the reason why he has announced this in committee. I am not in a position to judge.

[*English*]

I feel that this aspect of the problem has been aired completely. The hon. member for Papineau has made his point. The minister has satisfied himself, but it will be for the House to decide. I am only presiding over the committee at this time. I am not ready to allow debate on the announcement that has been made.

● (1450)

Mr. McRae: Are we not continuing with the minister?

[*Translation*]

Mr. Bujold: I rise on a point of order, Mr. Speaker. I put a few questions to the minister and I would appreciate getting some answers.

The Chairman: Order. The hon. member is asking the minister to answer the questions he put to him.

[*English*]

Mr. Atkey: Mr. Chairman, I will deal with the two questions that the member has raised, in reverse order. Fisrt of all dealing with the approval authority as a general proposition, let me say to him that I take all the advice that I can get from every source. I talk to approval authorities, my project officers in the regions where the projects come from—

Mr. Nystrom: In Jerusalem.

Mr. Atkey: That was unnecessary, my friend. I talk to hon. members opposite as well. I have had very good submissions in a very non-partisan way from persons who have gone into these communities and tried to assist the government in determining which projects, at a time of scarce resources, are the best projects to serve the community. I had my own project officers, many of whom have had experience now through four phases of Canada Works programs, as well as having experience in some cases with the local initiatives program. Of course, I have my own officials here in Ottawa as well as hon. members on all sides of the House. It is a process which ultimately ends up on my desk, and I take full responsibility.

As was pointed out by the hon. member for Winnipeg North Centre earlier, there was in previous phases an intermediate mechanism in the circuit called the minister's advisory board.

It used to be called a constituency advisory group. I felt that, given the time available and the excellent rapport and communications channels which I have from so many sources, perhaps it was an unnecessary and overly bureaucratic process which did not necessarily assist the community, let alone assist the minister and the government in the decisions which had to be taken. I do want to give a list of the persons who in a formal way are consulted, including members of Parliament, local resource persons, the provincial governments, relevant federal departments and agencies.

The hon. member will recall this morning that reference was made to the Minister of Fisheries and Oceans and his department where in some areas of the Atlantic provinces and Quebec applications of the type affecting small craft harbours are seriously considered in that particular context. The employment development branch officials within CEIC, other officials within my department and the local employment assistance program officials are often consulted, particularly if there is any aspect of native involvement in a Canada Works project.

I think it is a good process, and I am hopeful that the projects that have been approved and that will be approved, with the scarce dollars available for this year, will be of service to the country in the primary function of getting unemployed people into the work force.

To answer the first question, which is a good one, regarding the $3 million going to the hon. member's constituency where there is a very high labour surplus rate, I appreciate that the labour surplus rate is 32.4 per cent, which is one of the highest in Canada. While this is not a good situation, I am sure the hon. member will realize that, given a total program budget of $100 million and an allocation to his province of almost half that amount, there had to be some reasonable ceiling on a per constituency basis to make sure that all the funds were not drained into one constituency or region.

The previous government was prepared to consider a variety of options—before the events of May 22 intervened—one of them being the option which I selected. There were other options but I can assure the hon. member that the $3 million ceiling was not intended to deprive his region of moneys that are rightfully theirs. I am merely trying to share the money in a way that best fits the unemployment needs of these regions in Canada where unemployment is high, and the province of Quebec is no exception in that regard.

[*Translation*]

Mr. Bujold: Mr. Chairman, I should like to come back to the matter of the minister's decision with regard to the choice of projects under the Canada Works program. The minister mentioned in his reply, and rightly so, I believe, that his officials and the various other government groups were making suggestions to him. But let us come back to the Gaspé Peninsula and the Lower St. Lawrence area where the minister has civil servants there on the spot on duty with the various manpower centres, and to Rimouski where his representatives are required to go out and meet with the groups and organizations concerned who may have representations to make.

The hon. member, the manpower centre, the regional employment centre have all made the same recommendation to the minister and, according to my information, the latter seems to have ignored those recommendations. It also seems he changed the amounts or the projects involved. Can the minister tell the House where he got the other information because, as he mentioned and as I pointed out a while ago, I feel his officials are, so to speak, in a better position and more knowledgeable to make an assessment of those projects. If such recommendations differ from those submitted by the hon. member and the manpower centre, perhaps the minister could justify the reasons which motivated him into making that change, and tell us where he got that other information?

[*English*]

Mr. Atkey: Mr. Chairman, as I have indicated, I attempt to get all the information I possibly can about projects that are coming forward in the form of application. As the hon. member knows, there are far more projects than there are moneys available. The decisions which must be taken are very difficult. If I were to sit down and provide reasons and justification for every project that was either rejected or reduced in amount, I would be working 24 hours a day, seven days a week on Canada Works projects alone. If I had the time, certainly that might be a justifiable exercise, but it is a very difficult process to meet all the demands of hon. members and project officers of local communities. I do the best job I can under the circumstances.

There is also a time element to consider. We are very anxious to get as many approvals through this year as possible, rather than have the moneys go over to the next fiscal year. The more money we can get out in the form of people taking jobs, the less agony there will be in the hon. member's constituency and other constituencies. So I take all the input available and make the best judgments I can. The hon. member and I can argue as to the merits and demerits of each individual project. But the nature of the system is such that the ultimate decision is mine, and I accept that responsibility. I give my best assurance to the hon. member, and to all members of the House, that I do the best I can with the resources I have available, but it is a very difficult job. I sincerely believe, based on past performance, that we can allocate those moneys fairly and that we can get people into the work force, which is the primary objective.

Mr. Blaker: Mr. Chairman, I rise on a point of order. I wonder if I might make a suggestion which will be of some service to hon. members on this side, as well as to members on all sides perhaps, including you, Mr. Chairman. There are a number of people who wish to speak, and some of us have just had a consultation. With all due respect, I may be able to perform a service to the committee by naming those members who wish to speak and the order of recognition to which we have agreed among ourselves. I will refer in a moment to the hon. member for Nickel Belt who apparently is prepared to

grant time to some members who have travel arrangements. In our party this would be the members for Manicouagan, Saint-Marie, Papineau, Thunder Bay-Atikokan, and myself. We have consented amongst ourselves that the hon. member for York Centre, who has already had a moment but who has a plane to catch, may make his brief intervention.

● (1500)

If I may, I would indicate that the hon. member for Nickel Belt has agreed to the hon. member for York Centre going first, so I think then the hon. member for Nickel Belt would be the next to follow.

The Chairman: Order, please. I have no objection. This agreement seems to have been made on my left, but this should not preclude any members on my right side who would be standing to get their turn in due time. The hon. member for Esquimalt-Saanich on the same point of order.

Mr. Munro (Esquimalt-Saanich): Thank you for that reservation, Mr. Chairman. I hope there will be an opportunity to ask a question from time to time.

[*Translation*]

The Chairman: The time allotted the hon. member for Bonaventure-Îles-de-la-Madeleine has now expired.

[*English*]

Mr. Kaplan: Mr. Chairman, I should like to return briefly and to thank the hon. member for Nickel Belt for this consideration, and then resume the line of questioning I was on before.

I was very pleased to hear the minister's hearty endorsement of his officials. He is taking a very different attitude toward them now that he knows them, than the attitude he took when he first assumed his responsibilities. He did not indicate to me or to the House where he would find the $117 million that his colleague, the President of the Treasury Board, has asked him to cut from his department. I wonder, first, if he would be prepared to assure this House that those cuts will not come in the form of reduced staffing and, indeed, that the reduction of staffing that I referred to will be reversed and at least the complement restored to what it was at the beginning of 1979.

I want to inquire about two other matters very briefly, as I do not want to encroach unduly on the time of other members. It has been disclosed in newspaper columns, particularly in *The Globe and Mail* of October 9, that 20 per cent of landed immigrants in Canada at the time the article was written, received their landed immigrant status through special order. I know that this is the result of a practice of the government. I am not suggesting that the granting of a minister's permit in any particular case was improper. I have often sought them myself, upon representations from my riding. I think in every individual case, let us say, it is proper that a minister's permit be issued.

The system is a bad one, however, when such a heavy reliance on intervention at the political level is required. I want to ask the minister whether consideration is being given to changing the system to some method where there would be less intervention and more of the system working to produce the kind of results which we see for legal immigration and for landed immigrant statuts, and about which I am not making any complaint at this time.

Finally, I think the country may be interested to know how the Canadian Foundation for Refugees is doing and how much public support it has managed to attract to date in the form of contributions.

Mr. Atkey: Dealing with the last question first, Mr. Chairman, I will be meeting tomorrow with the co-chairman, Mr. Mitchener, of the Canadian Foundation for Refugees. I hope to have more information at that time to provide the hon. member with the information he requires.

I can indicate to him, however, that with my encouragement the directors of that fund have been very cautious so as to not appear to be, or in fact to be, competing with other valid and genuine fund-raising efforts in the voluntary sector. They have been co-ordinating their activities so that they are meshing their existing and planned activities with some very successful operations in the private sector. I think that is a very responsible way of proceeding.

Dealing with the question of minister's permits, the figures to which the hon. member refers relate to the experience of the previous government and my predecessor. While he may be sanguine that this is a good system and is not worried about 20 per cent, I must tell him that I am. As the one who is holding this discretionary power, I worry from time to time that, when dealing with human beings, in leaving that sort of power vested in one person and with the amount of delegation that entails, there may be a serious problem of unfettered discretion in our law which requires examination.

I hope this is one area in which the Standing Committee on Labour, Manpower and Immigration may be of assistance to me and to the government in finding ways to contain the granting of minister's permits. I do not mean to reduce in any way the compassion or discretion in genuine cases of need, but to provide an element of consistency and fairness so that people will know and live by the rules. We must make sure that it is not immigration perceived as "who you know", but perceived more as what the fair rules, open for all people, are.

Finally, to deal with the question of staff cuts and the cost of the refugee program, the hon. member well knows that that $117 million is now estimated to be more in the order of $110 million. At least half of those funds will be required in fiscal year 1980-81. Of course that is not before us today as the estimates for 1980-81 have not been prepared. This is a program carrying on through to the end of 1980, as the hon. member well knows. I will indicate the areas of progress in that respect.

Dealing with the reallocation within this fiscal year, this subject was discussed before the standing committee. There was some $17.7 million in job creation funds in programs of the previous government, which had not been expended, not-

withstanding that the programs had terminated. It seems to me that if there are funds which have been allocated to programs which have terminated and, by definition, were therefore not necessary or their full extent was not necessary, then the financially prudent thing to do was not to go out and borrow money by increasing the deficit, but to take those unused funds and reallocate them for what I think the hon. member would agree is a very useful purpose.

Just to repeat, Mr. Chairman, some $7.5 million in the job experience training program was not taken up when the program expired, by the edict of the former government, on May 31, 1979. Do we just let that money lapse or do we use it wisely? I suggest the latter.

Some $4.7 million set aside in the portable wage subsidy program was not taken up. The intent of that program was to assist the re-employment of workers laid off as a result of any trade or tariff changes. As a result of those changes, those funds were not required. Surely the hon. member is not suggesting it was imprudent to reallocate those funds to what he says is a worth-while program.

Finally, some $6 million was allocated for training allowances but was not spent because of another program, that is, the use of UI funds for developmental training made the expenditure unnecessary. Surely it was financially prudent to allocate those funds to the refugee program.

As far as staff cuts are concerned, Mr. Chairman, I do not like them if they cause problems. Nevertheless, I reiterate my support for an excellent staff in the Department of Employment and Immigration. Surely, if the job is being done by existing staff, which is efficient, skilled, and has expertise, then one does not blindly charge on and suggest staff increases? That is not the financially prudent thing to do either.

If we can maintain our present level of service which, I suggest, is one of the highest in the world, then the present staff levels may well be adequate.

The Chairman: The hon. member for Nickel Belt.

[*Translation*]

Mr. Ouellet: Mr. Chairman, I rise on a point of order.

The Chairman: The hon. member for Papineau on a point of order.

Mr. Ouellet: Mr. Chairman, when the hon. member for Lachine rose, a moment ago, on a point of order, and said that he would let the hon. member for York-Centre speak in his stead because he had to catch a flight, we agreed to let him have the floor. But, you will recall, it was the hon. member for Bonaventure-Îles-de-la-Madeleine who had the floor at that point. Normally he is allowed 20 minutes to ask questions of the minister. Since his time had not expired, I think we should let the hon. member for Bonaventure-Îles-de-la-Madeleine continue.

The Chairman: Order, please. I think there are a few too many people trying to chair this committee right now. I want to remind members that we are keeping track of the time. The time allotted to the hon. member for Bonaventure-Îles-de-la-Madeleine expired at 2.59, because his time includes the answer given him by the minister.

• (1510)

[*English*]

Mr. Rodriguez: Mr. Chairman, I would ask the minister a question regarding the Unemployment Insurance Commission. A problem has been brought to my attention which concerns a Mrs. Linda Huard, social insurance number 465 320 950. This lady was called for jury duty. She was on unemployment insurance and was reporting to the unemployment insurance office. She told the officials that she had been called for jury duty and had been selected. They told her to go ahead, but said that if it was for more than a day they would have to see what kind of ruling they could make. It so happened that the jury was empanelled for approximately five days. When she got home, she found a disentitlement notice saying that since she had been unavailable for work she was disentitled to benefits.

Would the minister clarify what seems to be a very foggy area with respect to individuals who set out, but do not know how long they will be empanelled on a particular case?

Mr. Atkey: Mr. Chairman, that raises a very interesting point. I would be glad to receive details of that particular case. I am not sure in the interests of that individual whether it is in her or in the member's interest to discuss it on the floor of the House of Commons except by way of general concept in principle. I may say that I am one, above all, who would support the jury system and the onus that puts on a citizen as a condition of citizenship. If in fact there is a conflict between the obligation to serve as a juror, which is a very high obligation, in my opinion, and the rules of the Unemployment Insurance Commission, obviously I will be concerned. I will want to reconcile that in the interests of that person being allowed to do their duty as a citizen. I will undertake in that spirit to investigate that case to see if in fact there is a difficulty. I would suggest that that may well be a case for an appeal to the board of referees in the jurisdiction concerned.

Mr. Rodriguez: With all due respect, I do not come here and name people's names unless I have their permission to do so in public. Let us get that on the record.

It is not good enough to tell Mrs. Huard or any other person in a like situation to go through the appeal process. That is not fair, Mr. Chairman. It is not fair at all. If the minister believes so much in the jury system and the responsibility of citizens to serve, then it is in his responsibility to send out a memo clarifying the whole area of those claimants on jury duty. That is your responsibility, Mr. Minister. Do not turn it around and tell citizens that they must go to the jungle of appeal processes. That is my first point.

I want a commitment from the minister that he will send a memo to his offices clarifying the whole question of jury duty and how it relates to those people who are receiving unemployment insurance.

Mr. Atkey: Mr. Chairman, we do not need to waste a lot of time on this very important principle. It is one that I am very concerned about.

Mr. Rodriguez: Send the memo.

Mr. Atkey: And I would be pleased to discuss it with the hon. member. I do want to tell the hon. member that before I send memos I usually try to ascertain facts, and I will ascertain the facts and act accordingly.

Mr. Rodriguez: Mr. Chairman, I want to get on to another question. I started this with the minister when we were in committee. It concerns overpayments. All we saw were headlines when the Auditor General came out with his report that $290 million was paid in overpayments. Immediately that banner headline in the newspapers was published, every citizen said that people on unemployment insurance were obviously ripping off the system.

As a matter of fact the Auditor General pointed out that $108 million of that overpayment was caused because employers incorrectly filled out the separation certificates. In such cases where this has created an overpayment, can the minister tell us this afternoon whether he intends to take any action with respect to getting those employers to pay the overpayment rather than going after the unemployed people to make restitution for something which was not their fault?

Mr. Atkey: Mr. Chairman, as the hon. member well knows, those overpayments, which are very serious indeed and cause me concern both on account of the activities of employees and employers, are projections. It is not a very pretty picture, but I do want to tell him that the named individuals, that is, those who received the overpayments, are those in whom there may have been complicity, that is to say with employers who erroneously filled out forms. Those numbers are projections. We do not have the names in many cases of employers who actually filled out the forms wrongly that led to the overpayment.

If we have a situation of overpayment and we have identified the individual or we have identified the employer who may have deliberately filled out the form wrongly and we can spot it, then obviously the investigative personnel of the commission will take steps to recover the payment. That is a logical proposition and I accept that.

I do not want to mislead the hon. member or mislead the general public that we have thousands of names of employers who have wrongly filled out forms and we are going to go after them for the overpayments, because that is not a possibility. Rather, we have a system of establishing a new record of employment which is more detailed. This will take a great deal more time. We are going to insist that the employers fill out that form accurately. We believe that with that new form, with proper promotion, and with the assistance of private sector groups—and I may say that I have had good co-operation from organizations such as the chamber of commerce and the Canadian Manufacturers' Association—we hope to reduce those instances of overpayment that are attributable to employer error. I think that is a legitimate goal, and I thank the hon. member again for drawing it to my attention.

Mr. Rodriguez: Mr. Chairman, common to the minister on this topic, before I move on, is that it seems his department in past audits certainly had no difficulty in unearthing names of those individuals who have been overpaid. I would trust that the minister would be as assiduous in unearthing the names of those employers who the Auditor General, in his survey, says there is a potential for $108 million of overpayment due to their incorrectly filling out the separation certificates.

The other question I want to raise is one that touches on Canada Works. I represent a riding in northern Ontario. The minister well knows, as the former lawyer for Inco, the unemployment situation in the Sudbury basin. He knows well the yo-yo economy in which we exist in the Nickel Belt as in so many other parts of northern Ontario. He knows well that we do not have a proliferation of employers who could take advantage of the Local Employment Assistance Program. LEAP would work well if you had lots of employers in an area. But when you do not have lots of employers in an area which cannot take advantage of the local assistance program, what does this minister do? No sooner is he in office, his seat is not even warm, but holus-bolus he just wipes out northern Ontario from any Canada Works money, which is direct funding from the federal government into the municipalities.

I wrote to the minister. After waiting about three weeks and after much cajoling I finally got an answer, which was nothing but a lot of fluff. In effect he said to me that he has now set a surplus rate of 9 per cent, and we are below the surplus rate. The fact is that even his own office of unemployment for extended benefits uses 9.5 per cent. Today, as I stand in this House, that is the regional rate of unemployment in the Sudbury basin. But the minister does not go by the regional rate of unemployment. He goes by some concocted figure where all sorts of things were used to get it. Nine per cent became the cut-off point. This meant that all of northern Ontario has been eliminated from Canada Works.

We on this side of the House have never seen Canada Works as a solution to the unemployment problem in this country. Canada Works is not the solution, but it did provide jobs. Last year it provided several hundred jobs. In the absence of those jobs, these people will either be on unemployment insurance or welfare. The minister said he consulted with all sorts of people. It is no good to consult if you have blinkers on and your attitude is, "Don't confuse me with the facts or the realities of the situation."

I have here a letter dated November 6 from the Northern District Welfare Administration Boards which reads as follows:

● (1520)

Dear Mr. Rodriguez:

Please find attached a resolution unanimously passed by the six District Welfare Boards of Northern Ontario. The resolution is self-explanatory, but I would like to emphasize the extreme importance we attach to this resolution. All the northern boards are very concerned that this program's termination will have drastic effect on welfare costs. More importantly, we are concerned that the individuals who used this program to find dignity and independence will once again be forced to rely on public assistance.

We urge you to use whatever influence you may have to push for the replacement or reinstatement of the Canada Works program in our area.

I wish to read the resolution as well. I quote:

Resolution re: Federal government termination of Canada Works program in Ontario.

Whereas the Canada Works program provided needed employment to persons in rural and northern areas,

Whereas there is often no alternative employment in many northern and rural areas to this program,

Whereas the jobs provided under this program assisted many persons on general welfare in returning to work,

Whereas the termination of this program will mean increased costs in welfare expenditures,

Therefore be it resolved that the federal government be asked to reconsider the termination of this program or to replace this program with some other federal programs to provide employment in the northern and rural areas of Ontario.

It is obvious the minister did not involve himself in that kind of consultation. He did not consult the members of Parliament who represent those areas. He did not consult with me. I would have been very willing to give him the benefit of my experience in Nickel Belt. The minister knows Nickel Belt because he has been the lawyer for Inco.

Some hon. Members: Oh, oh!

Mr. Rodriguez: The minister has been there many times to monitor hearings resulting from lay-offs in the nickel industry. He knows well the situation that exists in the Nickel Belt area of the Sudbury basin. However, what did he do? He eliminated the Canada Works program. He says we have LEAP, without examining the realities of putting LEAP in places where there is no proliferation of local employment opportunities.

An hon. Member: He should look before he leaps.

Mr. Rodriguez: That is what he should do. We know he speaks before he thinks. We have had experience with that. What the minister is doing in this situation is extremely serious, creating real hardship for many unable to get jobs through this program which, in the past, has been a good program.

The minister may be interested in knowing that the money for these programs often found its way into reforesting the area that his friends at Inco destroyed. Why would he bite the hand that fed him? That is beyond me. One would think he would not turn on his friends, but that is what he has done.

I want the minister to stand up now and say that he will reinstate the program in northern Ontario and in rural communities which do not have the opportunity to take advantage of the Local Employment Assistance Program. It is important for the minister to come clean to the committee and tell us that.

Mr. Atkey: Mr. Chairman, I am curious as to why the hon. member would downgrade a program like LEAP. If he were up to date on what is going on in his area, he would realize it will have considerable significance in northern Ontario. I wish to put on record some interesting statistics. Last year there was an allocation of $5.1 million for LEAP. Under this government there will be an allocation in Ontario, and I suggest most of it is going to northern Ontario, in the order of $10.2 million. The hon. member asks where the projects are in northern Ontario. I can tell him they are there. There are 21 projects approved and 56 projects planned.

I have had a number of meetings with people in the province of Ontario, in particular the minister, Mr. Bernier, who is very excited about LEAP as a vehicle to create long-term, not short-term jobs for the people of northern Ontario. Certainly there are problems getting three-year projects off the shelf, particularly when one is dealing with native communities. I appreciate that concern.

As a result of some initial start-up problems, we revised the regulation to create a transitional phase to permit those who had been operating within the Canada Works framework to develop their three-year projects, but to do that within a one-year period initially. That is in order not to preclude moneys that would be available for employment this winter.

I suggest the hon. member go back to the drawing board. He has been around here longer than I have. I had to go out and earn an honest living.

Mr. Knowles: Order!

Some hon. Members: Oh, oh!

Mr. Atkey: He stayed here and got somewhat out of touch as to what was going on in his community. In fact his community, like many others across the country, found that Canada Works was less than successful. As I indicated, it was expensive and it created short-term jobs. It would start up, it would end, and there would be nothing left. It is our objective to get people into the work force on a permanent basis.

I urge the hon. member to spend more time in Sudbury and Nickel Belt and talk to the people working with the LEAP program. He might find he likes it. That really is the answer to the problems of northern Ontario. I am delighted to say that as a result of consultations I have had, officials in the government of Ontario agree with me.

Mr. Rodriguez: Mr. Chairman, I am glad the minister spent the last four or five years making an honest living. I noticed when he was answering me he had his hands in his pockets. He is the first lawyer I have ever seen with his hands in his own pockets.

An hon. Member: Hear, hear!

Mr. Munro (Esquimalt-Saanich): Standard applause.

Mr. Rodriguez: It is late in the afternoon and no one seems to have any sense of humour. All the lawyers are on the other side of the chamber, anyway.

Obviously the minister is not in tune with those at the grassroots level. Mr. Bernier with whom he met was speaking as well from a ministerial position. I read a resolution that came from those at the grassroots level, the people who administer the welfare program in northern Ontario.

The minister stated that $10 million in LEAP money was coming into Ontario. In a letter to me, he stated that some $3 million would go to native operations. We have no quarrel with that. We are talking about the rate of unemployment outside of Indian reserves. That means $7 million of LEAP money is to be spread across rural areas of Ontario, including northern Ontario, as well as the urban areas of northern Ontario where, as I pointed out, unemployment is running at 9.5 per cent. The minister did not break down the figures to show exactly how much of the LEAP money will go to northern Ontario or specifically, the Sudbury basin. The argument I have had with the minister is that in effect we do not have the proliferation of employers in the Sudbury Basin who could take advantage of the Local Employment Assistance Program. That is the problem.

● (1530)

In the past the Canada Works program was funded. Municipalities could apply. Municipalities could put in place projects for which otherwise they would have had to raise the money from the local taxpayers, and the projects did employ some hundreds of people who were given some meaningful work and who received pay cheques instead of welfare cheques or unemployment cheques. I think that was good for them and good for the community as well. What the minister has done by this holus-bolus cancellation—

The Chairman: Order, please. I have to interrupt the hon. member because his time has now expired.

[*Translation*]

Mr. Maltais: Mr. Chairman, my remarks will be short. They concern a specific case, that of the Manicouagan riding. I would have many representations to make, considering the size of this riding, 600 miles by 1,250 miles, but for discussion purposes I shall limit myself to the case of Port Cartier about which I have a specific question for the minister. The Canada Works allocation amounted to $2,600,000. So we did not reach the maximum and the unemployment rate was established before the closing of the ITT plant in Port Cartier. Of course, due to that closing, we now have 1,300 more unemployed who were not accounted for and there is no special budget allocated to help them.

Today again I received a telegram from the people in Havre St. Pierre which is located 200 miles from Port Cartier and those people are rather disappointed to realize that many Canada Works projects have been approved for Port Cartier, but to their detriment because before the closing of the ITT plant unemployment was concentrated mostly in the middle and lower north shore.

So I ask the minister if he intends to increase the allocation for the riding of Manicouagan following the closing of the ITT plant. I have certain suggestions that might allow him to act rapidly concerning this issue. I shall not mention the hon. member for Joliette of course, but I wish to specify that we already have an agreement with the province of Quebec and the city of Port Cartier to undertake the construction of a wharf for a rail car ferry in Port Cartier. So we might get that project under way immediately. There is an agreement; we only need to make a decision and implement it. I think it is rather simple. In the Havre St. Pierre area, another agreement with Treasury Board provided for a $250,000 subsidy to create jobs in Havre St. Pierre for the winter period.

So what I am finally asking from the minister is the $400,000 that might be given to us out of the $3 million package. Two projects had been announced and I wonder whether the minister is actually prepared to provide the $400,000 for the Canada Works project in Port Cartier, or else immediately give the go ahead signal for the construction of a wharf, as well as for the airport in Havre St. Pierre, that is an amount of $250,000. I would like a precise answer to these three questions.

[*English*]

Mr. Atkey: Mr. Chairman, I think what is important at the outset is to indicate how the unemployment rate is determined for purposes of qualifying for Canada Works moneys. I think this is important not only for the hon. member but also for the previous speaker from the New Democratic Party. The criterion used is the same as that used by the previous government. It is called the labour surplus rate. It is not the unemployment insurance figure which is used in the monthly Statistics Canada bulletin.

What is done, because it is necessary to break it out by constituency—because that was the wish of hon. members and certainly the position of the previous government—is to determine the number of people on unemployment insurance by constituency. That can be determined simply through a determination of the postal code of the recipient of unemployment insurance. That number is taken as a percentage of the total labour force in a constituency as estimated by the Canada employment centres in the region. That gives us the labour surplus rate. If the figure is below 9 per cent, which this year is the trigger rate, then a constituency does not qualify. If it is above 9 per cent, then the amount of the allocation is proportionately increased depending on how high above 9 per cent the case may be.

In this case we have a situation where perhaps the labour surplus rate when determined was before a particular event took place, that is, the unfortunate lay-off of workers at IT and T Rayonier. That is the situation which, nevertheless, will have to be taken into account.

I can suggest that there are two ways to approach this problem. One is through my department, and already officials of the manpower consultative services have met with officials of IT and T Rayonier with a view to assisting the specific employees in that area whether through unemployment insurance benefits, some sort of possible work-sharing agreement or whatever program is available. Those consulting services of my department are available and will continue to be available to the workers and to the company with a view to alleviating the immediate burden of that project.

In so far as the other moneys to which the hon. member refers are concerned, those are, of course, moneys spent in the responsibility of another department. My colleague, the Minister of Supply and Services, has been involved in that particular program, and perhaps it might be a bit unorthodox, but the minister is here, and perhaps he could provide an explanation of the further allocation of that money. Alternatively I could, through him, obtain the information and try to deal with the particular problem of the hon. member, which I realize is very real.

Mr. Ouellet: Will there be a new budget? That is the only question.

Mr. Atkey: The answer to that is no. The allocation of $100 million has been made for the total program, and there are no plans at present for a total increase in the Canada Works fund.

I have just received a proposal from the region—I understand it is on the way to my office—to use a special response feature in this year's employment strategy in the Port Cartier area. This special response feature has a maximum of $250,000. I can give an assurance to the hon. member that when I receive that submission I will review it very carefully, and within the program limitations of that particular response feature I will do my very best to see that the moneys are allocated to the hon. member's area to alleviate the particular situation to which he has made reference. I should reiterate that the maximum is $250,000.

[*Translation*]

Mr. Maltais: Mr. Speaker, I would like the minister to indicate whether or not he agrees to giving the go-ahead signal to the wharf project, which would provide employment immediately, and in the case of Havre St. Pierre, whether or not he could approve construction of the airport, which involves spendings of $250,000.

I advise the minister now that these two decisions had been taken previously and I actually believe the funds are ready to be spent for these two projects which are exactly suited to the community.

[*English*]

Mr. Atkey: Mr. Chairman, quite obviously these are matters which are the responsibility of the Minister of Public Works. They are before the government right now, and there will be every attempt to co-operate with the government of Quebec to see that every opportunity can be explored, including construction being undertaken in that region. I am not in a position to give an answer today, quite obviously.

Mr. De Bané: Mr. Chairman, my first question refers to that very commendable policy of the new government of giving access to the people to any information which is not sensitive or relating to national security. In that spirit, would the minister agree that the district economist of his department who is based at the district office of the CMC in my region in Rimouski might send me on a regular basis the report he makes about his own forecast about the region, the rate of unemployment, etc.? I refer to all those studies he makes on a regular basis giving all the economic indicators of the region. Of course, if those reports sometimes do include any information given to him on a confidential basis, I am not interested in having that, but I would be interested, as the representative of the people of that region, in having all the other economic indicators. I would like to have access to that information.

● (1540)

Mr. Atkey: Mr. Chairman, that is an interesting request that I am going to look into. I take it very seriously. I am advised that the activities of the district economist do not involve making forecasts and that neither at the district level nor, in many cases, at the regional level, are we in the business of forecasting as such. So I do not want to mislead the hon. member as to what informatin may or may not be available. However, I will take his request seriously and see what information could be made available that might be of assistance to him to know and understand his region better. Obviously I would file a caveat that I, too, would like to see the information, having the responsibility for it, to make sure it is accurate and not misleading, which is a fundamental precondition before any public release.

Mr. De Bané: I am satisfied that when the minister looks into the matter he will realize they are forecasting and they sometimes include some information of a confidential nature which, I think, should be struck out before being given to the member of Parliament. But there is a lot of information which is most relevant to the exercise of the functions of a representative of the people.

My second question relates to the problem of the Canada Works. What I would like to tell you, Mr. Minister, about that program, puts into question the integrity of the program and, unfortunately, it could put into question the reputation of the minister. I would like to be very candid with you, Mr. Minister, and I would be very happy if you could put the record straight. That program was started when you and I were members of Parliament and so were most members who are here. You said this morning, in answer to my question, that you have not changed the selection procedure.

The way that procedure has worked since its inception—and I think all members of the House could confirm it, on whatever side they may be—is that the civil servants in your department look into those projects, consult many people in the riding, get in touch with the member of Parliament and, if

their opinions concur, they sign jointly a recommendation to the minister. I know of no project in Canada that was approved by the minister which did not have the concurrence of the member of Parliament and the civil servants. The minister may check this, and I would like to know what member could deny the fact that it takes the concurrence of the member of Parliament and the civil servants of the department for projects to be approved.

In my case, I met with the civil servants in the minister's department about one and a half months ago and within a few hours we had agreed on the project which they had selected. They took my recommendation into consideration and we signed a joint recommendation. Now it is six weeks later, and since I represent a region where the climate is colder than it is in central Canada and many of those projects are affected by the temperature, the projects must be started very early, but as yet they have not been. Why is that? I will tell you, Mr. Minister, what my information is, which, if it is correct, puts into question the integrity of the program. I can speak only for the province of Quebec because I have no knowledge of the situation in other provinces.

The information I have is that all projects emanating from the province of Quebec were sent for comments to the defeated candidates of the Progressive Conservative Party, and they were given until November 15 to provide their comments about which projects they would like to see adopted. I understand that they had an extension until the end of this weekend to send in their input. If their recommendations contradict the ones of the civil servants and the member of Parliament, whatever his political affiliations may be, in many instances until now their opinion has overruled that of the member of Parliament and the civil servants' joint recommendation. I would be very happy if the minister could tell us whether or not this information is correct.

Mr. Atkey: Mr. Chairman, that is a very serious allegation indeed. I would suggest it is not only false, and untrue, but it may be motivated by partisan political reasons which, I would suggest, are detrimental and harmful to the safe, good, and efficient operation of the Canada Works program. I am disappointed that the hon. member would make such an allegation.

As I told the hon. member in the House this morning in question period, if what he says is true, how is it that $4.5 million worth of projects has been approved already in the province of Quebec and the money is paid out?

Let me suggest something else. Perhaps he may be dealing with officials at the regional level. I wonder if he has taken the trouble to determine who the staff members at the national headquarters are, in fact my personal staff from the department in charge of Canada Works. He might be interested to know that the senior staff member in charge of the Canada Works program is the same staff member who was employed by Mr. Cullen, my predecessor, because he knows more about Canada Works than any other single person in my department. He is a dedicated public servant and he does a good job. I suggest that his remarks today are an affront to that gentleman who is a dedicated and responsible public servant.

[Mr. De Bané.]

I am also interested to hear an allegation which would suggest that the integrity of the Canada Works projects is somehow being compromised as a result of a delay or because I personally am taking an interest in the decisions that are being made. In fact, I make all the decisions. I am interested to hear what seems to be an implicit criticism that I seek advice from all sources, which I do. Your community, sir, is a very complex community, as are most regions in Canada, and surely as a responsible minister it is incumbent on me to seek all the advice I can get, and that is what I am doing.

I have already indicated to the other members from whom I get advice—and I make no apologies for the breadth of my consultation—that the decision is made by me, I am accountable for those decisions. In fact the hon. member is quite wrong when he suggests that on previous occasions, under previous governments and previous ministers, the recommendations of the hon. member together with those of the officials have always been accepted, because that is simply not true, and I can provide him with a number of examples where changes were made, project applications were reduced and, in some cases, rejected, or those initially rejected were approved. Surely that is the function of the minister based on all the information he can get, and I can give the hon. member my assurance that I will make all the decisions fairly and in accordance with the wishes of the community.

You and I may disagree as to who defines what the community is, because I think there are more groups than the Liberal party who know what the community is in the province of Quebec. I think there are individuals who are active in that community who have never been members of the Liberal party, who have something to say. If they write to me of their own volition and they have a recommendation to make, in fact they want to sponsor a project, I think it is a healthy thing for the federal government and a healthy thing for Quebec. I have followed, and will continue to follow, the widest possible consultative process that the system permits me in accordance with the law.

Mr. De Bané: Mr. Minister, I would like us to be candid. You have said two things. One of them was that you deny the charges and, second, you said that, yes, you do consult all sorts of people. We cannot have it both ways. What I am asking you is whether it is true, whether it is a fact, that the defeated candidates of the Conservative party in the province of Quebec were given until November 15 to put in their projects and, if their recommendations were other than the joint recommendations of the elected representatives and the civil servants of your department, their opinion has been accepted over and above that of the member of Parliament?

● (1550)

I am not denying that every Canadian citizen in Canada has equal rights. I should like to know if it is true that a defeated candidate can override the recommendation of the man in whom people have put their confidence, the man who confirmed the opinion of the public service.

Some hon. Members: Hear, hear!

Mr. Atkey: Mr. Chairman, if such an allegation were true, I could hardly have approved already $4.5 million in projects. The hon. member suggested that the deadline was November 15, which was yesterday. But as of last Friday $4.5 million worth of projects has been approved. Obviously it is untrue.

Let me be honest about this, because I think we are faced with an important point of principle here. I received representations from a great many sources. I received a very detailed representation from a Liberal candidate, a former Liberal cabinet minister yesterday. I talked with that gentleman on the telephone and listened at great length. He had some interesting things to say. He was the former minister of national defence. When you were a minister and your party was in power, you were an open minister. I would expect that you accepted repesentations from many persons, whether they were defeated members of the Social Credit, Liberal or Conservative parties. Yes, I listen when I receive communications. But to make the spurious allegation you are making is harmful to the program.

The Chairman: Order, please. Might I take this opportunity to request members to address the Chair. The hon. member for Matapédia-Matane was the first to forget, which led to the minister committing the same mistake.

[*Translation*]

Mr. De Bané: Mr. Chairman, Mr. Minister—

Some hon. Members: Mr. Chairman!

Mr. De Bané: Through you, Mr. Chairman, I would like the minister either to confirm or deny the following facts: that directly or indirectly his department has provided defeated Progressive Conservative candidates in Quebec with the list of projects concerning their ridings and asked for their advice about them. That, Mr. Minister, is the fundamental issue if that allegation is founded, as I think it is. I checked with various sources who confirmed it and I think it is incumbent upon you, Mr. Minister, to defend that practice and to explain why the defeated Progressive Conservative candidates quashed the joint recommendations of the elected representatives and of the officials in your department. I will even dare tell you that I am aware of a case where a defeated Progressive Conservative candidate himself submitted a project for some $224,000. Officials of the department brought it down to about $103,000, but that project still remains the largest in his riding. This defeated candidate managed to ensure that this amount be doubled at the expense of other projects for municipalities as important as his own. Having verified my information, Mr. Minister, I know that defeated candidates have had a privileged say in the selection of projects which will be confirmed by the minister.

The best proof I have of this, Mr. Minister, is that never—

The Chairman: I must call the hon. member for Matapédia-Matane (Mr. De Bané) to order. Whenever allegations are involved, I suggest it is of utmost importance for an hon. member to address himself to the chair.

Mr. De Bané: What I meant to say, Mr. Minister—

Some hon. Members: Mr. Chairman!

Mr. De Bané: —and which is very serious, is that the minister will never convince anybody in the House that the office of the minister has yet to confirm the list of projects which the hon. member and the departmental officials had jointly recommended over six weeks ago.

Mr. Chairman, these facts I am reporting are very disturbing, for they may jeopardize the integrity of the whole Canada Works program. You need only question the Conservative candidates who were defeated in Quebec to realize to what extent this program is politically biased. I can tell you also that—

[*English*]

what I am saying—and every member in this House could testify to it—is that under the previous administration all members of the House, regardless of the party to which they were affiliated, had exactly the same input, responsibilities, and obligations for the program.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Andre: Not me.

Mr. De Bané: No? I would like to hear from you afterwards.

The Chairman: Order.

Mr. De Bané: I am referring to the region from which I come, the Gaspé peninsula. The hon. member for Rimouski is a member of the Social Credit party, and because our ridings are close I do not have the slightest doubt he would testify that he was treated in exactly the same manner by the public service as I was. I do not think the Public Service of Canada would accept the proposition of treating members of Parliament differently.

An hon. Member: Out of the Liberals I got $100,000; out of the Conservatives I got nothing.

Mr. De Bané: As the minister has just said on that score, he followed the previous administration. The distribution of the budget is done through a mathematical formula. I am not making any accusation that he has biased that mathematical formula to take into consideration the party of the member.

Mr. Atkey: That is very kind. You are so generous.

Mr. De Bané: I am saying that in the selection we have bypassed the public service and members of Parliament in a very blatant manner, which in my case delayed the decision for six precious weeks in a region where the weather is colder than

in central Canada. I know of instances where one required the blessing of the defeated candidate to have his project approved.

The Chairman: I wish to inform the hon. minister that the hon. member for Matapédia-Matane has only 1½ minutes remaining and that he should attempt to give his answer in that time.

Mr. Atkey: Once again the hon. member repeated his allegation, but he raised another novel proposition which I should like to explore for a moment. He seems to be suggesting by implication, at least in the province of Quebec, that because one is a defeated candidate, albeit a Progressive Conservative defeated candidate, that one is somehow disqualified from applying for or sponsoring a Canada Works application.

Some hon. Members: No, no!

Mr. Atkey: That is what I heard.

An hon. Member: That is not what he said.

Mr. Atkey: I do not accept that proposition. I put forward the proposition that I make the decisions on Canada Works. It is my responsibility and obligation under law to do so. I take all the advice I can get. Regardless of what may have transpired under the previous government, it is my responsability to take all the information and advice I can obtain when I am seeking it. I will not cast aspersions on the previous government because I was not here during the last Parliament. I will make decisions and they will be made fairly in accordance with the needs of the community. I reject the implication that if one is a Progressive Conservative or a member of some party other than the Liberal party, somehow one is disentitled to give advice to a minister or to participate as a sponsor in a project. That is wrong, and I reject it.

An hon. Member: He did not say that.

Mr. Dick: Mr. Chairman, we have heard an interesting exchange which took up a lot of time. I do not think it proved anything, although I must admit that in my own constituency there was not a constituency advisory council in 1973. They were not introduced until 1974, although LIP and OFY had been in effect for two years or three years prior to that. They came into effect in 1974, and I set one up in my constituency. In fact, we were given the right to vote on that for the first two years. Then it was declared that the member was not entitled to sit or vote on constituency associations, and for the last three years we have not had a vote. Since I had gone to the trouble of setting up such an association I never presumed that I, over the ten or 13 people who were on this advisory group, should overrule their collective wisdom, and I never did overrule their collective wisdom.

● (1600)

I can remember on one occasion when I did write to the minister saying I certainly did not think that a certain program should go ahead. I was overruled by the minister, and it went ahead regardless. That was only on one occasion, so I do know of an occasion at least in my own situation where a minister disagreed with what my advice and thoughts were, but by and large the constituency advisory group has been quite useful.

I know also, of course, that each year we talked about politicizing Canada Works, LIP and OFY, because it turned out often enough that Liberal cabinet ministers ended up getting larger shares than anybody else, and Liberal members, if you broke it out, always got more than Conservative members. It was just like decentralization. There was decentralization into 16 constituencies, 14 of which were represented by Liberals, and 11 of them by cabinet ministers. These things sometimes happen. It must be a freak of nature that they always happen that way.

However, Mr. Minister—

Mr. Knowles: Order, Mr. Chairman.

Mr. Dick: You have had your chance. You will have to get him on another day. I have some questions I want to put to the minister now. I too—

An hon. Member: Address the Chair.

Mr. Dick: Thank you for your assistance. I too, Mr. Chairman, would like through you to inform the minister that I would like to have the results of the regional economist for my constituency because we have got those results through one method or another before. We have also got results from each of the manpower offices, and I can tell you that in my constituency the results of the manpower offices and the results of the regional economist varied greatly, very, very greatly from what they call the labour surplus rate.

This labour surplus rate formula which was introduced by the previous administration under the directorship of Bud Cullen I have disagreed with entirely from the beginning. I shall explain why. If you are in a place of high unemployment—and you only have to go 50 miles up the Ottawa River on the Ontario side and you will find 15 per cent or 17 per cent unemployment—you do not have to go all the way to Matane, Labrador or Newfoundland, because there are pockets of high unemployment in Ontario and on the Quebec side of the Ottawa River. I want to tell the minister, and I hope he will pay attention, if you go by just the postal codes of those people who are getting cheques from unemployment insurance and you have a high rate of unemployment, there will be those who have gone through the entire period getting their cheques and using up all their weeks and have fallen off at the end who are not going to be counted any more because they are not getting cheques.

On the other hand, Mr. Chairman, if you have an area of high unemployment, the young people coming out of school cannot get jobs and they cannot put in enough weeks' work to ever get unemployment insurance, so they are not counted.

When you have those areas of higher unemployment, the ones who have used up their benefits and have fallen off at the

end, and their postal codes are not being churned out of the machine to give you the labour surplus rate, and those who have come out of school are young and have not been able to put in enough weeks to get laid off and receive cheques, will not be counted. This has exacerbated the problem at both ends and you are just counting those people who were lucky enough to get a job and are still getting their unemployment insurance cheques. That is why I have always disagreed with this program.

I fought the former minister for three years on it. Eventually, after three years, he wrote me a letter and he partly agreed. He did not wholeheartedly agree but he partly agreed. I notice that the minister is following the same system this year. I hope, if there is any further project in the future, a revised system will be used rather than that system because of its failings, as I see them.

Quite frankly I would hope it would be a system that might take into consultation the local members and the regional economists. I hope this would be possible. I just wanted to emphasize how much I dislike the labour surplus rate formula developed by the minister's predecessor, and I hope that he can guarantee that this will not be used if there are any future projects or programs. Perhaps something could be done in co-operation with the regional economists because I trust their figures are a lot better. I have always found their figures to be much higher than the labour surplus rate.

Mr. Atkey: Mr. Chairman, those are concerns that I have shared with the hon. member previously. I can tell him that I am not happy with the labour surplus rate as the determinant of unemployment in a region. I think it is one of those factors that has developed under the previous government because of the insistence of the previous government that Canada Works moneys and Young Canada Works moneys and, before that, LIP moneys, be allocated by constituency, that is, the political boundaries. Apparently there was no other means devised of determining the unemployment within a constituency other than by the postal code and the labour surplus rate, with all of the imperfections the hon. member has so articulately put before the committee.

Were I proceeding on any new employment or job creation programs that were to be determined on a constituency by constituency basis I would be earnestly searching for an alternative that was an improvement. However, I can assure the hon. member that Canada Works is in its final phase. The new employment strategy of the government, to be announced on budget night, December 11, will indicate that we will put the money into those regions, not those constituencies but those regions that need it the most, on a more fair and more equitable basis, so the people who are truly unemployed can have the easiest and most convenient access to the money.

In so far as the information from regional economists is concerned, again I can give basically the same answer I gave to the previous member, that I will inquire into the possibility of obtaining that information in keeping with the spirit and the practice of freedom of information.

I should say, as I have on other programs such as immigration, unemployment insurance and employment, that I will use as my guide the freedom of information bill to determine that information which is to be disclosed, and there is a presumption in its favour, and that information which must be withheld because it may be in the area of advice or representations to the executive and thereby exempt, as clearly determined by statute.

To the extent the freedom of information regime permits me to make information available, I will endeavour to do so. I want to warn the hon. member that the freedom of information exemptions are also binding on me in my present practice, as they soon will be in terms of law when it becomes the law of the land.

Mr. Dick: Mr. Chairman, I thank the minister very much for his comments. The only thing I want to say is that I would not be looking forward to forecasts from the regional economists or from the regional manpower centres because they may be in the area of hypothetical projections into the future. I would suggest if they have some statistics based on what is the present fact or the present situation, rather than projections three months or six months into the future, that is probably the kind of information I would want. I will take all the information I can get, but I will take information on the existing facts quite happily. I appreciate the minister's undertaking, and I just wanted to mention that.

[*Translation*]

Mr. Ouellet: Mr. Chairman, I wish to intervene this afternoon to follow on the remarks of my colleague from Matapédia-Matane, whose rather simple and direct questions were completely eluded by the minister who did not answer as directly and honestly as we would have expected him to do. The attitude of the minister seems curious to me. I think that through his evasiveness this afternoon he lost many points in public opinion. The minister would have everything to gain by being open, according to the motto of his leader who talks constantly of a new open government in Canada. In skirting the questions of the hon. member for Matapédia-Matane the minister succeeded only in creating doubts in members' minds who listened to him, particularly in the minds of Canadians watching our proceedings on television.

I do not understand why the minister abolished the consultative committees that had been established to act as consultants in the ridings, to inform and help the government make decisions. The minister did not give any explanation for abolishing the consultative committees. Will they be replaced by a single consultant, that is the Progressive Conservative candidate defeated at the last election, or the new Progressive Conservative member elected to the House? We read in the throne speech, Mr. Chairman, that the government wanted to give greater importance to members of Parliament. Up to now the only importance they have been granted was a reward to a few Progressive Conservative members by naming them to some study groups on agriculture and transport. We have seen

that this government, supposedly so respectful of rights and privileges of all members of Parliament, did not name to parliamentary commissions representatives of all parties, but exclusively Progressive Conservative members. Now we learn that not only are Progressive Conservative members favoured, but even Progressive Conservative candidates defeated at the last election seem to be more important in the Canada Works program than the minister's own officials, and certainly the members of Parliament democratically elected by the Canadian people of all provinces.

● (1610)

I think the minister owes us some explanations in that respect. I suggest that the minister's failure to deny that a list of the projects for every constituency had been sent to the Progressive Conservative candidates defeated in the province of Quebec is proof enough that there is some patronage and manipulation taking place in his office, in his department, surely with the complicity of the hon. member for Joliette, the Minister of Supply and Services, whom I see now giving all kinds of information to the minister. We notice that the Minister of Supply and Services is particularly embarrassed by those revelations.

Mr. La Salle: I am looking after the interests of Quebec.

Mr. Ouellet: The Minister of Supply and Services, the hon. member for Joliette, has just told us that he is looking after the interests of Quebec.

I am most happy to see that he is serious about this job, but I find it rather unacceptable that he cannot move any quicker because we are now aware of the facts. There have been telephone calls from defeated candidates. Moreover, quite a number of letters have been sent to his office in the care of a certain Mrs. Lavigne who works in the minister's office, who is responsible for reviewing with the local patronage groups all the Canada Works projects for the province of Quebec coming under the jurisdiction of the minister from Joliette, and for deciding whether such and such a project should be approved or not.

Mr. Chairman, the secretary of a municipality in Quebec called the minister's office within the last few days. He wanted to know how it was that the project of his municipality had not yet been approved. It had been stalled for weeks in the office of the Minister of Employment and Immigration. The municipal authorities were anxious to know whether the departmental officials had approved their project, which the local member of Parliament democratically elected by the people had also approved. But the project did not seem to have been allowed by the Minister of Employment and Immigration. He was told by someone from the office of the Minister of Supply and Services that this dear minister who is looking after the interests of Quebeckers had obtained a postponement from his colleague, the Minister of Employment and Immigration, and that his staff would have to work through the weekend to make a selection of the projects recommended by defeated Progressive Conservative candidates in Quebec, and moreover, that some projects already recommended by the department and for which the Liberal member of Parliament had given his approval would necessarily be rejected to provide the funds required for the projects submitted by Progressive Conservative friends.

This is the information that the secretary of a municipality was given by the secretary in the office of the Minister of Supply and Services. Mr. Chairman, I have no objection to seeing the Minister of Supply and Services play a special role in allocating funds set aside for the province of Quebec. He was elected, he is a minister of the Crown, he has special responsibilities, and I have no objection to his giving advice to his colleague. I think this is quite acceptable. He, the Minister of Supply and Services, so very candidly stated for all to hear after the last election that they intended to resort to patronage, that they had been in opposition long enough, that finally he would have an opportunity to do so and that he would hurry to do it.

What I do not accept from the Minister of Employment and Immigration is his current procrastination. He does not even have his colleague's candour and frankness to state squarely that, yes, patronage is rampant in his office, thanks to the complicity of officials from employment and immigration and from the office of the Minister for Supply and Services, that together they delayed for weeks projects that should have been approved for the province of Quebec, because they have not finished consulting with all the defeated Progressive Conservative candidates, and that very soon these funds will be approved and spent in Quebec. I wish he were frank and honest enough to state squarely that they are resorting to patronage. This afternoon, the minister in his protracted answers eluded the actual questions put to him in turn by the hon. members for Bonaventure-Îles-de-la-Madeleine, Manicouagan and Matapédia-Matane.

● (1620)

Every time those members asked him questions, he did not have the courage to confess publicly what his colleague, the Minister of Supply and Services, does not mind saying openly. He may be right, but then he may be wrong in being that open. It is for him to decide and for the people to judge. But at least he is honest enough to tell us openly what he is doing. I do not understand why the Minister of Employment and Immigration should not be that open. I find this program is too important and has too much impact on thousands of Canadians to play with words like that and waste the time of members by dodging the questions that are put to him.

Earlier the minister glossed over the fact that apparently a Progressive Conservative candidate submitted a project for over $200,000. In answer to the hon. member for Matapédia-

Matane, he said that the fact that someone has been a Conservative candidate should not stop him from submitting a project. Nobody ever denied anyone, even a defeated Conservative candidate, the right to submit a project, but what the hon. member for Matapédia-Matane wanted to know from the minister, and the minister did not answer him, is whether it is true that that Conservative candidate submitted a project for over $200,000, that the project was cut by Department of Employment and Immigration officials to at most $100,000 and following pressures made by that Conservative candidate, was going to be given the full amount in spite of and against the advice of his departmental officials. That is a very specific question, and yet the minister would not answer.

Once again, I put this on the same list of overwhelming facts that allow us to question the good faith, the good administration of that program. I add that to the unexplained abolition of advisory committees; I add that to the non-denial of lists of projects in every riding being sent to defeated Conservative candidates; and I add that to the desire of the minister to sweep that under the carpet today, and to try not to give straight answers to the legitimate questions put to him. I believe this program has been too important in the past for it to be so seriously compromised by a new administration.

Mr. Chairman, you will remember that when the Conservatives were in the opposition, they blamed the government for not solving the problem of unemployment in this country. They said at that time they were prepared to take over, they had all sorts of projects in mind to fight unemployment efficiently. Well, they are now in power. They have formed this government for over six months, and curiously, those people when they were sitting over here on the left of the Speaker, were full of ideas and projects. Since they have formed the government and sat to the right of the Speaker, they no longer seem to have any ideas, any projects, any bright ideas about solving the problems of unemployment in this country. The facts are there, Mr. Speaker. Since that party formed the government, no new job-creation program has been launched in this country. Some programs in effect under the previous Liberal government have been cut. A program which I find as important as the on the job training program has been cut by the Conservative government. Other important programs have experienced substantial budgetary cuts, such as the Canada Works program.

I think, Mr. Chairman, that this arbitrary decision of the Progressive Conservative government to cut off the minimum funds made available to every constituency in Canada is unfair to some Canadians living in constituencies that have not as much unemployment as in others, but where there is surely some hardship and problems and where a program such as the Canada Works program could be quite effective.

All allowances have been cut in my constituency of Papineau. For a few years we had been receiving an average of $400,000 to $450,000 a year enabling hundreds of individuals to work, and especially several hundreds of others to receive some care or services which would not have otherwise been provided.

The minister tells us that the Canada Works program does not meet his criteria as a permanent job-creation program. He tells us we have to trust the private sector which should replace the state as a provider of stable employment in our market economy. I say to the minister that he erred when he cut, as he did, the Canada Works program in 33 Quebec ridings, and in particular, in the riding of Papineau, because all sorts of people were benefiting from its advantages, people who now live under the threat of no longer receiving those advantages, and who cannot bank on private enterprise for the same services.

I am thinking in particular of a project which, last year, got some $30,000 for a social, cultural and family centre designed to enable people to take warm meals to the aged in their homes, to help them with their housecleaning, and give them a bit more comfort and assistance than they normally get. Private enterprise will never offer that type of service. Private enterprise will never replace the Canada Works program to dispense that kind of help.

Yet the Canada Works program assistance was drastically reduced in the riding of Papineau, depriving hundreds of senior citizens of that very interesting and important service, which not only helped them but also gave employment to a score or more persons in my riding.

There is another project, and I shall close on that note, Mr. Chairman, which deals with the re-integration of the alcoholic in his work environment, this one outside my riding. The Montreal AAA received, thanks to the Canada Works program, a substantial amount to perform essential work in that field; it may no longer receive any grants since the program was cut in my riding; not one single penny has been spent in Papineau because of the inhuman, irresponsible and unacceptable attitude of the Minister of Employment and Immigration.

• (1630)

[*English*]

The Chairman: The time of the hon. member has expired. The hon. member for Kamloops-Shuswap.

Mr. Cameron: Mr. Chairman, I was beginning to think I was going to get blown right by five o'clock. However, I do want to ask a couple of questions of the minister. First, I will describe my riding a little bit because I know the minister has not seen it. It is a riding consisting of about 200 miles north and south, and about 175 miles east and west. The main centre is Kamloops. While the citizens of Kamloops can stand on their feet at all times and expect no help, I do have in my outlying ridings many small communities. People living in these communities work for the main in the logging industry, sometimes they do a little prospecting in the summer, and

there are a few trappers. I wonder could these people qualify for LEAP money?

In my area we also have a lot of Indian reserves. The people in the Indian reserves are generally the first ones out of work. Could the minister take a close look to see if he could help them in any way?

Mr. Atkey: Mr. Chairman, I can reply to the hon. member for Kamloops-Shuswap by saying that yes, both trappers and natives, Indians and Metis, can qualify for the LEAP program.

Indeed, I think in his part of the country, the interior of British Columbia, the LEAP program is ideally suited to serving the needs of those communities, for two reasons. First, it is related to employment that is meaningful. In a sense it is related to economic assistance in projects that produce real goods and services and make a contribution to the economy and are not simply make-work projects.

Second, and perhaps equally important, it provides a vehicle for long-term employment, up to three years. It is not the "start-stop" type of operation which has plagued government job creation at the federal level in that part of the world for so long. I would encourage the hon. member through his local office at the Canada Employment Centre to make contact on behalf of his constituents to provide whatever assistance he may seek.

I may take this opportunity to answer some of the concerns that the lengthy speech of my friend opposite prevented me from doing. I may say that I find it surprising that the hon. member for Papineau seems to take objection to the notion that lists of projects that are valid and legitimate projects forthcoming from a region, some with the concurrence of MPs and some without their concurrence, having been assessed by project officers of mine, should somehow be kept in secret.

I want to make the hon. member an offer to indicate the openness of approach, and consistent with the position I indicated to him, that I take all the information I can get. I seek all the advice I can get. If the defeated candidates in the riding of Joliette or in the riding of Brome-Missisquoi or in the riding of Lotbinière wish to come to my office or to go through the hon. member for Joliette—

Some hon. Members: Oh, oh!

Mr. Atkey: —to obtain the information, I would be delighted to make the projects from that particular constituency available for their information and to invite their recommendations. I say this in all seriousness, Mr. Chairman. I think that a person who has run for office in a constituency, whether he be Conservative, Liberal, Creditiste, or NDP, knows a little bit about the constituency from which an application may come. As long as we have a Canada Works program—and this is the last phase—that is based on constituency allocation and is designed for projects that will be useful to the community to provide employment in the community, I am going to seek advice from every single source which cares to give me advice. I think that is consistent with the philosophy of the program and I make no apology for having sought advice from a great many sources.

It is interesting that the hon. member for Papineau should seek to give me a lecture on the art of patronage.

Some hon. Members: Oh, oh!

An hon. Member: Why not? He knows a lot about it.

Mr. Atkey: I am tempted to say that he should be a good teacher in his own right. I only have to make reference to the very successful career of one of his own friends and assistants who, with the assistance of the hon. member when he was a minister, had a rather meteoric ride in the public service of Canada in a way in which I would never suggest was patronage, but nevertheless reflected the very close interest and assistance of the hon. member when he was a minister. The gentleman to whom I made reference was a former member of this House in the period 1968 to 1972. On his defeat in 1972 he became an executive assistant to the minister where he trained for the next election, which he fought and lost in a Toronto constituency in 1974. I am sure there was no element of patronage in this. For his efforts he was given the position of vice-chairman of the Farm Credit Corporation. He served in that position for a period of three years. Not to be outdone by that particular effort, the same individual was promoted in 1978 to chairman of the Egg Marketing Board.

An hon. Member: The farmer's friend.

Mr. Atkey: The same individual carried through with the assistance of the minister right up until one month ago when, for some strange reason, through some happy consequence of events, the true mettle of that gentleman—the friend of the former minister—was found out. Not only could he not get along with the board of directors of the Egg Marketing Board, but he could not get along with the government, for reasons which are still strange to me. I suspect it may have had something to do with his salary, but I do say it is exceedingly strange that the hon. member opposite should lecture me, a newcomer to this House, on the subtle art of patronage.

Some hon. Members: Oh, oh!

Mr. Atkey: Let me get back to unemployment and assisting the unemployed people of this country.

It is funny that the hon. member makes the same mistake as did one of his predecessors, the hon. member for Blainville-Deux-Montagnes who indicated that this government had put forward no programs to assist the unemployed. I ask him the same question I asked the hon. member for Nickel Belt: have you ever heard of a LEAP program? This is the Local Employment Assistance Program. It is just a small amount of money, $18 million this year, $12 million next year, which is there to assist the people who need it. I do not know whether any of that LEAP money is going into the Papineau riding. I suggest a great proportion is going into the province of Quebec. Quite apart from that, I wonder if the hon. member could tell me in last year's Canada Works allocation what

portion of the national allocation to Canada Works went into the province of Quebec? I would suggest that if he checks the figures he would find it is about one-third. About one-third of the money under the previous government went to the province of Quebec. That is fair. I will give the hon. member that. It is fair because Quebec has a population of about one-third of the total population of Canada. It is reasonable that Quebec will get one third of the total dollars.

What does the new government do, having an opportunity to assess Canada Works in a time of restraint, to maintain a program to provide jobs for the unemployed this winter? The new government is providing 48.7 per cent of a total allocation of Canada Words for the province of Quebec. That is a significant improvement in a proportional sense. I would suggest that it is an indication of our commitment to fight unemployment in that province.

I would suggest, notwithstanding that the hon. member feels deprived in Papineau, that the increased allocation in proportionate terms together with the broader advice that this government is seeking and receiving as to good projects throughout the constituencies that need them, that the successs of the program this year will exceed anything ever achieved by the previous government.

In conclusion, I think the remarks of the hon. member for Papineau about the private sector's involvement in job creation really do indicate, for all concerned to see, the difference in philosophy between this government and the previous one. I am not sure I fully understand the gist of the hon. member's remarks. I heard him say something to the effect that the private sector really cannot create the jobs that are necessary. He said something to the effect that the private sector cannot provide meaningful jobs. Let me tell him that is a difference. I am glad he said that.

● (1640)

I want to assure him that job-creation projects, employment strategies from the government, at present will rely on the private sector. We will do that for a variety of reasons. First, the jobs created under this government in the private sector will be permanent jobs, not start-stop, make-work jobs that disappear like a bit of air in the night. They will be lasting jobs that are meaningful for people.

Second, let me tell the hon. member something about the cost of job creation. If he examined the records, and I would be pleased to provide the information, he would see that Canada Works for job creation is one of the most expensive programs that any federal government has ever put forward.

If we are really concerned about cost effectiveness, which this government is, we will try to get the greatest value for the dollar being spent to try to help as many people as possible. I suggest to the hon. member in those phases of Canada Works that attempted to provide minimum constituency levels, while it may have made his job easier because he had $150,000 to hand out in Papineau or wherever, it did not help the unemployed in the areas where they needed it the most.

In this case we have applied the available resources to those constituencies with the highest unemployment rate. That is the position that has been recognized throughout the country as the final one.

I should mention that there is one group in this whole process who have yet to be mentioned. What about the provincial governments? Where do they stand in all this? They, of course, have responsibilities in the field of job creation and an obligation to sustain welfare costs. Like all levels of government, they would prefer to have people work rather than be on welfare. We share that goal.

I have engaged in two extensive, comprehensive federal-provincial consultations with my ten provincial counterparts in the labour manpower field. They are unanimous in telling me that Canada Works is a program which should be terminated. It is a program that is political in nature, expensive, distorts provincial spending priorities, creates expectations that can never be met, is inefficient and should be ended.

We have had unanimous support from across the country for that position. Nevertheless, in the face of very high unemployment in regions of Canada like Quebec, the four Atlantic provinces, and to a certain extent British Columbia, we have maintained that program one more time for the purpose of this winter, for which we make no apology.

There will be an opportunity on December 11 because the full details of the new government's approach to employment strategy will be fully revealed and discussed before the Canadian people. I want to emphasize three points that will be the underlying philosophy of that program which will be available this winter as a new program to help the unemployed of Canada.

First, our emphasis will be on the creation of long-term jobs. We are not interested in short-term job creation which is expensive and does not really help anyone. Second, there must be a concerted effort to help the youth of Canada, those 24 and under who find themselves without jobs, who in fact cannot get that first job and are fast in danger of becoming another generation of unemployed drawing unemployment insurance.

The final point, and I again emphasize this, is that this government will rely on the private sector to create the real jobs in this society. We believe that through the employment tax credit system announced in the throne speech we will be able to create more permanent jobs, jobs that will last a longer period of time. That is the way to go, and that is the way this government will be going.

[*Translation*]

The Chairman: Order, please. It being 4.45 p.m. it is my duty, pursuant to the order adopted Wednesday, November 14, 1979, to interrupt the debate and put forthwith every question necessary to dispose of the Committee of the Whole stage of the bill.

[*English*]

Clauses 2 to 6 inclusive agreed to.

Schedules A, B, C and D agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

BUSINESS OF THE HOUSE

Mr. Knowles: Mr. Speaker, can the government House leader tell us if we will proceed on Monday with Bill C-18 as planned?

Mr. Baker (Nepean-Carleton): Yes, Mr. Speaker, followed by Bill C-20. I do not see the Minister of Finance (Mr. Crosbie) in the chamber. Because he had some problems with respect to meetings this afternoon, the minister came in to inform the House as soon as he could of the date of the budget. There was some question about whether that would be appropriate during the course of committee proceedings. The Minister of Finance felt he should do it as quickly as he could. I wish to confirm now that the Mace is on the Table the advice given to the committee this afternoon, that a budget will brought down on December 11, 1979.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I thank the President of the Privy Council and Minister of National Revenue (Mr. Baker) for informing the House that the government has decided to bring down its budget on December 11. I rose on a point of order earlier this afternoon because I would have appreciated if the Minister of Finance (Mr. Crosbie) had had the courtesy to inform members representing the opposition parties of his intention of announcing in the House the date of the budget. I think that he has somewhat abused parliamentary procedures by defiantly interrupting the debates of the Committee of the Whole, without even waiting for the Chairman to recognize him, rising decisively to advise us that the budget will be brought down December 11 and leaving forthwith.

All I can say is that Liberals are very happy to see that the government will at last be introducing its budget. We have been expecting it for a long time, and we dare hope it will not be a Santa Claus with an empty bag who will be here just before Christmas, but that this budget will satisfy the needs of working poor, senior citizens and all those who are affected by the undue rise in interest rates and the thoughtless increases in the price of oil in Canada.

[*English*]

Mr. Stevens: As Acting Minister of Finance, I would like to assure the hon. member that we will make the best of the situation the former government left us with. The budget will certainly be a great improvement over the November 16 budget.

Mr. Ouellet: No more excuses. Take your own responsibility.

Mr. Lefebvre: Mr. Speaker, I would like to ask the government House leader a question. With the budget coming down on December 11, can he assure this House that the budget debate, which I believe takes six days, will be six consecutive days, or can he tell us now what the order of that debate will be?

Mr. Baker (Nepean-Carleton): No, Mr. Speaker, I cannot confirm the hon. member's question. In due course he will know.

Mr. Speaker: Shall I call it five o'clock?

Some hon. Members: Agreed.

Mr. Speaker: It being five o'clock, this House stands adjourned until Monday at 2 p.m.

At 4.52 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, November 19, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

REQUEST FOR IMMEDIATE PUBLICATION OF STUDIES ON QUEBEC-OTTAWA RELATIONS FROM 1967 TO 1977—MOTION UNDER S.O. 43

Mr. Claude-André Lachance (Rosemont): Mr. Speaker, last Friday the Prime Minister (Mr. Clark) confirmed the decision of the Minister of State for Federal-Provincial Relations (Mr. Jarvis) not to make public the studies on Quebec-Ottawa relations between 1967 and 1977. Therefore, Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an urgent and important matter.

Considering that the Progressive Conservative Party had led the Canadian people to believe that it would give them an open government; considering that the secrecy surrounding those studies and their concealment could give rise in Quebec to a negative response; and, finally, considering that some distinguished Quebec editors have stated, in connection with the referendum debate, that it would be unhealthy and suspicious if important or embarrassing files were not available for public discussion, I move, seconded by the hon. member for Shefford (Mr. Lapierre):

That the government reconsider its initial decision and immediately make public the studies dealing with Quebec-Ottawa relations from 1967 to 1977.

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

Some hon. Members: Agreed.

Some hon. Members: No.

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

REQUEST FOR REPORT ON FROZEN FISH PLANT IN SENEGAL AND PHASING OF PROJECT—MOTION UNDER S.O. 43

Mr. Jean Lapierre (Shefford): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask for the unanimous consent of the House to discuss a motion relating to a matter of urgent and pressing necessity.

Since 1976, the city of Granby, and more particularly the association formed by Granby and its twin cities, have been making representations to CIDA and asking it to provide financial assistance for a frozen fish plant project in Senegal. Since 1978, Canadian experts have been going to Senegal and creating expectations among local residents. Unfortunately, few concrete results have been obtained from these visits and talks. Therefore, I move, seconded by the hon. member for Rosemont (Mr. Lachance):

That the House recommend to the Minister of State for CIDA to inform Canadians and Senegalese of the current status of this project and of the date of its implementation if any.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

OUTREACH PROGRAM

REINSTATEMENT OF WOMEN'S FUNDS—PRIORITY FOR WOMEN IN EMPLOYMENT STRATEGY—MOTION UNDER S.O. 43

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. In view of the Minister of Employment and Immigration (Mr. Atkey) having failed to reinstate the women's Outreach funds for either the Saskatoon or Toronto projects, among others—projects which may soon have to close their doors for lack of funding—and in view of the minister having omitted women from his remarks in the House last Friday concerning the government's underlying philosophy on employment strategy, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

S.O. 43

That women's Outreach funds be reinstated immediately and that the minister reintroduce his commitment of September to make women a priority in the government's employment strategy.

Mr. Speaker: The introduction of such a motion for debate at this time can be done, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

IMMIGRATION

COMMENDATION FOR NOT RETURNING GALINDO MADRID TO CHILE—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. In view of the fact that the United Nations High Commission on Refugees called upon the Minister of Employment and Immigration (Mr. Atkey) to permit Chilean refugee, Galindo Madrid, to remain in Canada on humanitarian grounds, and in view of the fact that the minister recently recognized the danger faced by Galindo Madrid, should he return to Chile, by granting him a ministerial permit, I move, seconded by the hon. member for Vancouver East (Mrs. Mitchell) and, hopefully, supported by all members of this House:

● (1410)

That this House commend the hon. Minister of Employment and Immigration for not returning Galindo Madrid to Chile, and urge that Madrid be permitted to continue to live and work in Canada.

Mr. Speaker: I think the House will recognize that there is, essentially, more than a simple motion of commendation involved in this, and on balance, therefore, I would put the usual question. The motion can be put to the House for discussion, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TRANSPORT

PURCHASE OF FERRIES—CENSURE OF ROYAL BANK FOR REGISTERING IN BERMUDA—MOTION UNDER S.O. 43

Mr. Fonse Faour (Humber-Port au Port-St. Barbe): Mr. Speaker, I rise under the provisions of Standing Order 43. CN Marine operates two ferries between Newfoundland and Nova Scotia, formerly leased from a Swedish company but recently purchased by a subsidiary of the Royal Bank.

In view of the fact that Roylease Limited has registered these ships in Bermuda, thereby avoiding Canadian shipping standards and tax regulations, I move, seconded by the hon. member for Nanaimo-Alberni (Mr. Miller):

That this House censure the Royal Bank and its subsidiary for conduct unbecoming a good corporate citizen of Canada.

Mr. Speaker: This motion can be presented for debate in this way only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

FINANCE

PROPOSED ADOPTION OF CMHC POLICY BY FINANCIAL INSTITUTIONS—MOTION UNDER S.O. 43

Mr. René Cousineau (Gatineau): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

In view of the fact that mortgage interest rates keep on increasing; that the Minister of Regional Economic Expansion (Mr. MacKay) has asked the Canada Mortgage and Housing Corporation to renew old mortgages or grant new ones for a term of one year instead of three or five; and that banks and other financial institutions cannot receive such instructions, I move, seconded by my colleague, the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Bujold):

That the Minister of Finance hold consultations and discussions with banks, trust companies and other financial institutions and encourage them to adopt the same policy as the Canada Mortgage and Housing Corporation.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

TRANSPORT

DELIVERY OF GRAIN—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I, too, have a motion which I am sure is supported by the Minister of Transport (Mr. Mazankowski). It arises from the fact that the chief commissioner of the Canadian Wheat Board has said the federal government's projected 20 per cent increase in grain movement this year will not be met because the transportation system can only handle an extra 10 per cent. Since this 10 per cent increase means no more grain will move this year than moved two years ago under the Liberal government, I move, seconded by the hon. member for Win-

nipeg North Centre (Mr. Knowles) and, I am sure, supported by the Minister of Transport:

That this House nominate the Minister of Transport for the Otto Lang grain delivery award.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF FOREIGN AFFAIRS OF UGANDA

Mr. Speaker: Order, please. May I invite members to join with me in signalling the presence in our gallery of a very distinguished visitor in the person of the minister of foreign affairs of Uganda, the Hon. Otema Alimadi.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

FINANCE

THE BUDGET—EFFECT OF OIL PRICE INCREASES AND DISTRIBUTION OF REVENUES THEREFROM

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Finance. Late last Friday, the minister rushed into the House, interrupted the ordinary business under way, and said his budget would be presented December 11. He said he had to proceed, and he could not wait any longer. Yet outside the House he admitted there had not yet been an agreement on oil prices between Ottawa and Alberta or any idea how any higher revenues would be distributed. He said he was going to "make a few assumptions" and forge ahead anyway.

I want to ask the minister how he can present a budget to this House which the House or the country can take seriously, with these vital questions still unanswered and unknown. Is this the type of improved fiscal management he has been pledging to this country?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I am glad to see that the hon. member is concerned about the budget and wants to ensure that it is going to be as accurate and as good as possible. The hon. member is a bit inconsistent, because for the last number of weeks and months he has been saying that a budget should be brought down immediately. In fact, if I had brought it down on June 6 it would not have been too soon for the hon. gentleman. But now that it is being brought down on December 11, he wants to quibble about it.

● (1415)

The budget will be based on our estimation of what oil prices will be next year, what they should be, and what our proposals are—which may or may not be accepted by that

time. The budget will indicate what we think should be done about energy prices and offsets. If those assumptions are not met during the next year, then adjustments will have to be made. We must proceed, and we are proceeding, on the basis of what we think is best for Canada and on the basis of what we think will eventually be arrived at, or something close to it.

Mr. Gray: Mr. Speaker, the hon. minister has forgotten that at the time I began, quite properly, calling for a budget, we all assumed that the oil price increase of $2 a year negotiated by the previous government with the provinces would continue in place.

Some hon. Members: Hear, hear!

Mr. Gray: Is the minister telling us, therefore, that after this House has considered, debated and voted on the budget he will throw it away and bring on another budget in a couple of weeks? Is this consistent with what the minister said in the speech given by his parliamentary secretary on his behalf in Montreal last week about abandoning fine tuning? It looks as though he is doing just the opposite, as in so many other areas.

Mr. Crosbie: Mr. Speaker, the hon. member is a veritable paradigm of indignation.

Some hon. Members: Hear, hear!

Mr. MacEachen: Explain, John.

Mr. Crosbie: I will leave it up to the people of Canada as to what they think of the budget and how seriously it deals with the problems of this country. The oil price agreement to which the hon. gentleman has referred was an oil price agreement which the Liberal government then thought would bring us to the world level of prices for oil within a reasonable period of time. Unfortunately, world conditions have not borne out their optimism and we will not reach anywhere near world levels under that agreement. Therefore, a different agreement must be contemplated, particularly in view of this government's energy self-sufficiency policy. The hon. gentleman does not need to worry; it will be a serious budget, seriously delivered.

Mr. Gray: Mr. Speaker, the House and the country are probably glad to hear what the hon. minister has just said, because what he said before was certainly not a paradigm of seriousness and concern. It was just the opposite—a paradigm of fiscal irresponsibility. Does the minister recall that in the speech delivered on his behalf in Montreal last Thursday, he said:

It would be possible for us to take the easy course and to direct policy in a fashion aimed at alleviating the symptoms of our economic difficulties; at relieving the impact on individuals and businesses. I think that course would be irresponsible.

On the following day, the minister's leader said:

—that when there is an increase in energy prices we will be looking at and introducing measures that will help those Canadians, including the elderly—

Who is speaking for the government? Was the minister speaking for the government in Montreal last Thursday, or was it the Prime Minister on Friday?

Mr. Crosbie: Mr. Speaker, when the Prime Minister speaks, he is speaking for the government. But we are not like the last government, because we have more than one spokesman; so when I speak on certain occasions, I speak for the government, as is the case with the Secretary of State for External Affairs or the other 30 members of the cabinet. We are one for one, all for one and one for all.

Some hon. Members: Hear, hear!

THE BUDGET—EFFECT OF CERTAIN GOVERNMENT PROPOSALS

Hon. J.-J. Blais (Nipissing): Mr. Speaker, perhaps I can get the Minister of Finance to explain another inconsistency. He is quoted in *The Globe and Mail* as having said that his mortgage credit proposal is now inconsistent with the policy that he will espouse within his budget.

In view of the fact that he has announced he will be proceeding with his budget on December 11, would the minister indicate why he is also proceeding at this time with the mortgage credit bill, which he now admits is inconsistent with budget policy, and why he would not wait until he has presented his budget so that the House could see what it contains?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, in politics, as in life, consistency is not always possible.

Mr. Gray: You said it.

Mr. Crosbie: The mortgage interest and property tax credit legislation which we hope will be debated in the House shortly will be good for the Canadian people and for this country. It will be tax relief for the taxpayers of the country. It is a piece of legislation that stands on its own, and I know it will get support from all members of the House who want to help Canadian taxpayers next year and relieve them to the tune of $575 million. This is in tune with what hon. gentlemen have been asking for—stimulation—on the other side of the House.

● (1420)

Mr. Blais: A supplementary question. Are we, then, to assume that because the minister indicates that consistency is not the forte of the government on that side of the House, he agrees that the mortgage credit proposal will prevent him from using substantial funds in order to alleviate the impact upon the unfortunate whom the government is leaving out in the cold?

Mr. Crosbie: Mr. Speaker, I might say that oscillation was the sign of the last administration: not osculation, but oscillation. In the budget that I will be bringing down, we will be showing our concern for the average Canadian as well as for the Canadian economy and the Canadian private sector. We intend to see that lower income Canadians also are protected by this government. That is our policy—fair shares to all.

[Mr. Gray.]

ENERGY

DECISION OF IRAN TO CUT OFF SUPPLIES OF OIL TO U.S.—EFFECT ON CANADA'S SUPPLIES

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for one of the musketeers over there, namely, the Minister of Energy, Mines and Resources. In view of Iran's decision to cut off two major U.S. oil companies from all Iranian oil supplies, and the implications this has for third party contracts, can the minister inform the House if Canada's oil supplies from the multinationals will be affected in any way?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, the latest information that we have with respect to the Iranian situation is that at least two ships were denied loading on Friday. With this late information that has come to our attention, we are keeping close contact through our representatives in Tehran. We do not know the full implications involved, and it is a matter of concern to us; but clearly we will be watching the situation very closely.

There have been suggestions that the International Energy Agency may be moving up its meeting from a projected January date to some time in December in order to discuss the international situation, at which time it is hoped we can have a better look at exactly what is the world situation.

Mr. Symes: A supplementary question, Mr. Speaker. I should like to ask the minister what assurances he has from the multinational oil companies that oil contracted for Canadian markets will in no way be diminished or diverted because of other market commitments these companies may have.

Mr. Hnatyshyn: Mr. Speaker, I have taken the step of writing to each of the companies involved in the importation of oil into Canada, indicating the position we have taken as a government, namely, that we are going to look very closely at any diversion made except in the context of international accord and agreement. I have asked them to keep the position of the government in mind in terms of their activities of importing oil into Canada.

I wish to point out to the hon. member that, as well, in the event there is going to be any diversion in the future, or in the course of this winter, I have asked them to advise us in advance so that we can assess our position with respect to any proposed diversion of supply for Canada.

Mr. Symes: Mr. Speaker, I hope the minister makes public the responses of those companies. By way of a final supplementary, I am interested in knowing what specific monitoring tools the minister has in place to assure him that what the companies tell him is, indeed, what is actually occurring; or is the minister just content to be the virgin among the seven sisters?

Mr. Allmand: "Yes" or "No"?

Mr. Hnatyshyn: Mr. Speaker, I have to say to the House that it is the first time I have ever been said to be a virgin. I do not mind the appellation "musketeer" from my colleague.

I want to tell the hon. member that, with respect to the oil companies, we have a number of programs in place in our country for monitoring companies and a system of independent audit of the books of companies under the petroleum monitoring act. As a matter of fact, I have now received in a preliminary way the report with respect to the operation under the Petroleum Corporations Monitoring Act, and I anticipate I will be tabling the figures for 1978 in the very near future.

* * *

● (1425)

[*Translation*]

CROWN CORPORATIONS

REQUEST THAT GOVERNMENT ANNOUNCE OVER-ALL POLICY

Hon. Jean-Luc Pepin (Ottawa-Carleton): Mr. Speaker, a few days ago, the president of the Mouvement coopératif Desjardins, Mr. Alfred Rouleau, for whom both the Prime Minister and I have high regard, fearing that the privatization policy of this government may lead to confrontation proposed a moratorium and the establishment of an independent committee to analyse, review and make recommendations on the entire policy concerning Crown corporations. Is the hon. Prime Minister aware of this suggestion; does he think that such a policy already exists and, if so, when will he announce it?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, a committee has been or is going to be set up within Treasury Board to study issues related to privatization, and I think that the President of the Treasury Board is now considering the names of those non-government people who could take part in such a group.

Mr. Pepin: Mr. Speaker, does the right hon. Prime Minister not consider it odd to start implementing a policy without having its basic elements?

Mr. Clark: No, Mr. Speaker, the first step, in our opinion, was to establish certain guidelines for identifying those Crown corporations which could be privatized and then to have a group help the government determine the efficiency of such a project.

[*English*]

TREASURY BOARD

SALE OF CROWN CORPORATIONS TO PRIVATE ENTERPRISE

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, my question is for the President of the Treasury Board. In September, he announced the first phase of privatization and listed the four Crown corporations that were to be privatized, and their subsidiaries. He announced, also, that he was to be assisted by a Treasury Board secretariat and advisory committee.

I should like the President of the Treasury Board to confirm that the terms of reference and guidelines for these bodies have now been drafted. Also, in the spirit of the present government's attitude toward freedom of information, is he prepared to undertake to table in this House terms of reference and guidelines?

Hon. Sinclair Stevens (President of Treasury Board): Mr. Speaker, I would reply to the hon. member that the terms of reference have been substantially identified and agreed to. The advisory group that the hon. member has referred to and which the Prime Minister referred to will likely be formed later this month, with a view to holding its first meeting on December 3.

Mr. Herbert: Mr. Speaker, I have a supplementary question. I wonder if the President of the Treasury Board can explain the delay in setting up this advisory committee. Can he really assure us that it will be operational by Christmas? I mean Christmas of this year, of course.

Mr. Stevens: Mr. Speaker, I would certainly assure the hon. member that it will be operational by Christmas of this year. There has not really been any undue delay in setting up the board. We felt that we wanted it composed of a representative group of Canadians from coast to coast both from the business community and other sections of our economy. Second, we felt that we should not call them into session until we had substantial work for them to do, including briefings that will be available for them. Basically, they will be called together to make decisions and not just to discuss in the abstract the whole question of privatization.

[*Translation*]

SECOND LIST OF CROWN CORPORATIONS TO BE SOLD TO PRIVATE ENTERPRISE

Mr. Bernard Loiselle (Verchères): Mr. Speaker, my question is also for the President of the Treasury Board. On September 28, the minister announced the privatization of 11 Crown corporations and has since suggested that there is a second list of Crown corporations scheduled for privatization. Can he tell us whether this is indeed the case, whether there actually is a second list, and if so, what Crown corporations appear on that list?

[*English*]

Hon. Sinclair Stevens (President of Treasury Board): Mr. Speaker, the second list which the hon. member is referring to is not so much a second list as the mere fact that when I announced the possible privatization of the first Crown corporations, I indicated that from time to time cabinet may well designate other Crown corporations it feels would be suitable to put into what we call our privatization unit study phase, which is phase two where we take a serious look at the possible privatization routes that are open with respect to any of these Crown corporations, and who the buyers may be.

In that connection, announcements will be made from time to time concerning the companies that are suitable to be put into that category. In fact, one will be referred to later this afternoon after the markets close at 3.30.

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● (1430)

[*Translation*]

EXPORT DEVELOPMENT CORPORATION

ACTIVITIES OF EDC—GOVERNMENT POSITION

Mr. Bernard Loiselle (Verchères): Mr. Speaker, there have been rumours that some of the activities of the EDC will be privatized. Can the President of the Treasury Board tell us whether or not he is considering decreasing the activities of the EDC, or whether he intends to help it or widen its role, since the corporation supports our Canadian exports?

[*English*]

Hon. Sinclair Stevens (President of Treasury Board): Mr. Speaker, if I may reply to the hon. member, with regard to the Export Development Corporation, any suggestion of the privatization of that organization has been made only in an entirely different context. There has never been a suggestion that the EDC, as we know it, would be put back into the private sector, in the sense that private sector investors would own the equity of that organization. The privatization suggested by some groups has been in terms of, can EDC work closer with the private sector in supporting our export activities around the world? That is the only context in which privatization has ever been used in the case of EDC.

* * *

[*Translation*]

RESEARCH AND DEVELOPMENT

INQUIRY WHETHER GRANTS WILL BE INCREASED

Mr. Armand Caouette (Abitibi): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. Further to a question I asked him early in the session and put on the order paper asking for information for the years 1968 and 1969 to 1979 about whether or not the government had spent money on scientific research and, if so, how much a year and in which provinces, I thank the minister for his reply as it indicates that Quebec received $94 million for 1976-77, Ontario $203 million—

Mr. Speaker: Order. Does the hon. member intend to put a question?

Mr. Caouette: I should like to ask the minister whether he intends, as reported in *Le Soleil* of Friday last, to increase the budget for research, all the more so because the chairman of the NSERC states that it is most important, especially in the field of food research which is of prime importance in agriculture, energy and other priority projects in his department?

Hon. Heward Grafftey (Minister of State for Science and Technology): I want to take this opportunity to thank the hon. member for his very important question. The announcement I made concerning the funds approved for the universities in the field of research and development will certainly help. There is now what is known as an ad hoc group in the Natural Sciences and Engineering Research Council which is responsible for the money granted universities and taking a closer look at the situation in the universities of the province of Quebec. As the hon. member knows, the National Research Council also has programs to help improve the situation not only in the province of Quebec but right across the country. Like the hon. member, I have made a serious study of the green paper in Quebec. In our department, we generally agree with the diagnosis given in the green paper, and as you know we will be opening an improvement centre at Boucherville to improve the whole situation.

Mr. Speaker: Order.

Mr. Roy (Beauce): Mr. Speaker, on a supplementary.

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[*English*]

NATIONAL SECURITY

GUIDELINES FOR RCMP INVESTIGATIONS INTO POSSIBLE NATIONAL DEFENCE LEAKS

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, my question is for the Prime Minister. At his press conference last Friday the Prime Minister said he was disposed to release guidelines promulgated in July, 1978, covering RCMP investigations into possible national defence leaks. Will the Prime Minister tell this House if, and when, he will indeed make public these guidelines?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I will have to ask the indulgence of the House. I hope to be in a position to answer that question in a day or two. It now appears there is some question as to exactly what guidelines are being followed and, indeed, with what authority they had been issued. It had been my understanding they were guide-

lines that had been approved by the cabinet of the former government. That may not now be the case. We are reviewing the circumstances. I expect to be able to report to the House fully within one or two days.

TRANSPORT

MISSISSAUGA DISASTER—REQUEST FOR ROYAL COMMISSION STUDY OF RAIL SAFETY

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, my question is for the Minister of Transport. Last week, in the aftermath of the Mississauga derailment, the minister expeditiously and justifiably ordered the Canadian Transport Commission to conduct an inquiry into that accident. Has the minister considered that, rather than the CTC doing the inquiry, he should establish a royal commission on the broad spectrum of rail safety, because in this case the CTC will in part be examining its own jurisdiction?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, in response to the hon. member's question, I am sure hon. members would want to ensure that there is carried out a full and impartial inquiry into the events and circumstances surrounding the Mississauga incident. The CTC has indicated that it will conduct a full, "no holds barred" inquiry commencing the first week in December.

Notwithstanding that, Mr. Speaker, a number of questions have been raised about the propriety or advisability of the CTC, in effect, examining itself. Some questions have arisen as a result of that. I did undertake at the committee to take under advisement the suggestion that was proposed at that time. I say to the hon. member that at this time I am very actively considering the possibility of establishing a full-fledged inquiry under the Inquiries Act. I would first want to consult with the province of Ontario and the municipality of Mississauga before taking a firm position in that regard, in order that the terms of reference and the structure could be arrived at in a spirit of co-operation and consultation.

Mr. Lumley: I thank the minister for his answer. I certainly want to encourage him along those lines. I now want to refer to a question I asked him last week concerning the discretionary power that he has. Would he consider separating any trains carrying both combustible materials and toxic gases in the interim until such time as the inquiry is conducted and/or the royal commission is established?

Mr. Mazankowski: Mr. Speaker, we have a regulatory body that is responsible for the conduct of railway safety. That regulatory body has, in fact, issued interim orders having regard to the maintenance and inspection of journal bearings. They have also introduced an interim order with respect to the positioning of cars carrying dangerous goods. They have indicated that they will look into, and are looking into the matter of the positioning and/or the separation of toxic and inflammable goods. I have reason to believe that is currently under consideration. I suspect that if it were so desired, and in the best interests of railway safety, the CTC would in fact be considering a regulation to cover that very point.

TREASURY BOARD

REDUCTION IN STAFF AT CTC

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I have a supplementary question for the President of the Treasury Board. In light of his reply to my question on Thursday last, will the minister tell the House if his directive to all federal departments and agencies to reduce their person-years by 2 per cent is applicable to the Canadian Transport Commission?

Hon. Sinclair Stevens (President of Treasury Board): Mr. Speaker, the 2 per cent that the hon. member is referring to is, of course, with reference to the current year; that is, the fiscal year 1979-80. In that context, the number of person-years it was suggested the CTC be reduced by was, I think, 17. That is 2 per cent of the roughly 800 people that work for the CTC over all. Where the reductions would take place is, of course, entirely up to the CTC. We do not specifically ask that they reduce employment in any particular section or operation of the CTC.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, since the Canadian Transport Commission's testimony to the transport committee clearly states that that body is short of both human and financial resources, will the President of the Treasury Board give this House a commitment that his department will provide that agency with the resources necessary to carry out the important task of railroad inspections; and will he do it now?

Mr. Stevens: As the hon. member knows, Mr. Speaker, the question of personnel in any agency or department of government is constantly under review. If the CTC feels it has an inadequate complement at the present time, it knows the usual channels to go through. In short, to date we have had no definitive request for extra personnel for the CTC. We can only operate if such a definitive request is made.

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● (1440)

EXTERNAL AFFAIRS

RECOGNITION OF ZIMBABWE RHODESIA—TRADE RELATIONS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the fact that a settlement has virtually been reached in the Zimbabwe Rhodesia matter in accordance with the proposals made at the Lusaka conference, could the hon. lady advise us whether Canada will now recognize Zimbabwe and extend trade relations to that country?

Hon. Flora MacDonald (Secretary of State for External Affairs): We have been very pleased with the progress of the talks that are taking place at the conference in London. Amazing advances have been made, and we are delighted to see them, particularly with regard to the new constitutional arrangements and the transitional arrangements leading up to an election. However, no decision has been taken with regard to a ceasefire which would have to be in place before any finalization of procedures could be brought about. We are awaiting the outcome of the London conference before any move is made by this country.

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BILINGUALISM

STATUS OF BILINGUAL BONUS PROGRAM

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, I have a question for the Minister of State for the Treasury Board, the hon. member for Wellington-Dufferin-Simcoe, in connection with his responsibility toward the bilingual bonus policy.

Could he tell us what progress is being made toward reaching a decision as to whether or not that policy will continue and, more particularly, whether the public service bargaining agents, the unions, bilaterally or through the National Joint Council, have been formally consulted? If so, what reaction is the hon. gentleman encountering?

Hon. Perrin Beatty (Minister of State (Treasury Board)): I undertook to take this matter to cabinet, and cabinet has approved the proposals I made on the subject of the bilingual bonus. We have contacted the unions and indicated we would like to have discussions with them. Unfortunately, because of Mr. Stewart's illness it has been impossible to do so up to the present. We do hope to meet with them in the near future, though.

Mr. Andras: Is this an indication of a direct contact with the Public Service Alliance and other unions, or does the minister propose to deal with the National Joint Council? I might point out that these arrangements have not been part of the collective bargaining agreements but, rather, of a general consultative process.

Mr. Beatty: My inclination is to consult directly with the unions, Mr. Speaker.

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EXTERNAL AFFAIRS

SITUATION OF CANADIANS IN IRAN

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I have a question for the Secretary of State for External Affairs on a matter which I am sure has engaged her concern. Has she been able to evaluate recently the situation of Canadians in Iran, especially in the light of comments which have been attributed to students in Iran that Canadians in Iran may be held for their own safety unless the shah is returned to that country?

Hon. Flora MacDonald (Secretary of State for External Affairs): I thank the hon. member for his question. On an almost hourly basis we have been keeping in touch with our embassy in Tehran, and the situation with respect to Canadians, as reported by our ambassador, is normal. The operations of the embassy have been going on in normal fashion, and we have received no reports of any harassment or interference with any of the 60 Canadians who are located, for the most part, in Tehran.

I have, of course, heard the comments which have been made by Iranian students. They have not been repeated to us in any way through our embassy or through the Iranian chargé d'affaires here in Ottawa, who as recently as Friday afternoon assured the undersecretary of the Department of External Affairs that Canadians in Iran would be in no danger.

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NATIONAL SECURITY

RECLASSIFICATION OF DOCUMENTS RELATING TO ESPIONAGE IN CANADA

Mr. J. P. Nowlan (Annapolis Valley-Hants): Mr. Speaker, I wish to direct a question to the Prime Minister. I was wondering whether, in view of the incredible revelations in London, he could give the House an assurance that there is no such situation in this country whereby back in the fifties and sixties there were people engaged in espionage work against the interests of Canada and some "sweet deal" was made.

Further—the right hon. gentleman will probably not be in a position to do this today, but perhaps he can check with the Attorney General or whoever the responsible person may be in the security committee of cabinet—can he assure the House that the reclassification of the papers involved in the Gouzenko hearing back in the fifties, putting that matter further in the deep freeze, extending the usual 30-year freeze for I am not sure how many years down the road, is in no way related to any spy activities by Canadians that were alleged by either British or American spy authorities?

Right Hon. Joe Clark (Prime Minister): As the hon. member suggested, I will have to take the second part of that question as notice. I will look into it and report to him and to the House.

Regarding the first part of the question, there is no evidence to my knowledge: I say "to my knowledge" because immediately after learning of events in the United Kingdom, I initiated a request to my own officials to try to have myself satisfied as to the circumstances in Canada.

NORTHERN AFFAIRS

ABORIGINAL RIGHT TO HUNT AND FISH AT BAKER LAKE, N.W.T.

Mr. Peter Ittinuar (Nunatsiaq): Mr. Speaker, my question is addressed to the Minister of Indian Affairs and Northern Development. In a decision handed down by the Federal Court of Canada late last week, it was declared that certain lands in the area of Baker Lake, in the Northwest Territories, are subject to the aboriginal right and title of the Inuit to hunt and fish thereon.

Will the minister assure the House that he intends to abide by the decision of the court and guarantee that no mining or exploration activity is allowed to interfere with the continued use of these lands by local residents?

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): I can say to the hon. member that, the government and I, as Minister of Indian Affairs and Northern Development, will, of course, abide by the decision of the court. I might add that at the present time we are studying the Baker Lake decision, the ruling which has been given by Mr. Justice Mahoney, and that at the moment our review is not complete.

Mr. Ittinuar: I would like to ask the minister how he plans to resolve the conflict between development and the settlement of native claims, when he has gone on record many times as an advocate of development in the north and has gone so far as to hail Cominco's decision to develop the Arvik mine in an area where outstanding claims have not been settled, even though the hon. gentleman has expressed concern over the prior urgency of settling claims.

Mr. Epp: I can tell the hon. member that both remain priorities. We have been meeting with people in both the Yukon and the Northwest Territories; there is a deep desire on the part of citizens not only to get land claims settled but to end the deep freeze on economic development which has marked the north for the last ten years. It is the purpose of this government to get northern Canada back on the economic track, to give people the jobs they require and, at the same time, to continue land claims negotiations. In fact, I can assure him that land claims negotiations are going on at this very moment in the Yukon.

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ENERGY

REQUEST FOR PUBLICIZING OF STUDIES ON CONSERVATION METHODS

Hon. John M. Reid (Kenora-Rainy River): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources: it concerns the desire of the government to implement a conservation program for Canadians. Is the hon. gentleman prepared to make available the studies he has on conservation methods so that we might have an opportunity to assess the quality of the government's programming based on the quality of the advice received?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): As the hon. member knows, I have tried as far as possible to let members generally have the fullest briefing, the fullest information, from my department on these matters whether of a factual nature or by way of studies which have been made. I would be quite prepared, of course, to let the hon. member have the studies which have been carried out with respect to conservation matters, together with other such information which might be available. If there is any particular area in which he is interested, perhaps he will let me know and I will try to accommodate him as soon as possible.

Mr. Reid (Kenora-Rainy River): In that case, would the minister make available to me the studies which were carried out by the conservation branch of his department particularly, the first having to do with price as a regulator of conservation and utilization of energy, and the second with other methods which could be used in order to encourage Canadians to conserve energy? I believe the department has done studies in both those areas.

● (1450)

Mr. Hnatyshyn: There are a number of studies with respect to the items to which the hon. member refers. I will certainly take the matter under advisement and advise the hon. member as soon as possible.

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INDIAN AFFAIRS

MEETING WITH PROVINCES TO DISCUSS NATIVE LAND CLAIMS

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Would the minister confirm if he has arranged meetings this week or next with his provincial counterparts from the prairies to discuss Indian entitlements under treaty and, if so, would he assure the House that these meetings will not take place without the presence of the Indian associations from the prairies?

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, I can indicate to the hon. member that we are attempting to finalize the preparations respecting meetings with my counterparts from the prairies. They have asked for a meeting with me for some period of time, not only relating to outstanding entitlement treaties but to a number of topics relating also to status Indians and the responsibility to status Indians who are off the reserve. As I indicated to the hon. member, we are trying to finalize the meeting. I do not believe it has been totally finalized, but we are projecting it for next week.

Mr. Allmand: The minister did not mention if he would ensure the presence of the presidents or their delegates at those

meetings, since they are intimately concerned with the policy of entitlements and whatever else he may talk about affecting their interests. Would he give that assurance to the House and would he also agree, in the spirit of open government, to provide the presidents of the associations and the official critic in this House with an agenda for those meetings?

Mr. Epp: I can indicate to the hon. member that this is going to be my first meeting with my counterparts in the provinces. I think it is important that I meet with them and that we discuss areas of concern to them and areas of concern to the federal government. If, at a later date, in a tripartite process which is in place in a number of provinces, it is agreed between the provinces, the Indian people relating to the province and the federal government that the tripartite process is the best vehicle to use, we will consider that. But I believe for this first meeting it is important that I meet with the ministers only.

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NATIONAL SECURITY

PURPOSES OF "FEATHERBED FILE" AND NAMES CONTAINED THEREIN

Mr. Tom Cossitt (Leeds-Grenville): Mr. Speaker, I have a question for the Solicitor General concerning the so-called "featherbed file" which has been featured again in the past few days in the press, and which the security services have claimed over a period of time does not contain names of members of the House of Commons.

I should like to ask the minister whether he can tell the House the general nature of the names that are mentioned in the "featherbed file" other than those of members of Parliament, or can he give us a general description of the purposes of the file and whether or not he has seen it, requested to see it, or intends to see it?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, the whole question of the "featherbed file" and the implications arising from it are now under the intense consideration of the government.

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POTENTIAL HAZARDS

DAM INSTABILITY STUDIES—REQUEST THAT REPORTS BE MADE PUBLIC

Mr. Jim Fulton (Skeena): Mr. Speaker, I think my question should be directed to the Prime Minister. The Americans have learned something from the Three Mile Island incident, and I think we have learned something from the Mississauga incident. In light of the national and international implications of a disaster on the Columbia River system and, according to recent reports, the Mica dam near Revelstoke, British Columbia, has been constructed on a generally unstable site and using below-standard material, and in view of the vulnerability of the people of the communities of Revelstoke, Trail and several other U.S. towns, is the Prime Minister aware of independent geological and wave studies? If so, when does he intend to make these public; and, if not, will he assure the House that he intends to obtain these frightening studies immediately from British Columbia Hydro and he will use his federal powers to have the Mica dam drained if the studies confirm current speculation of grave danger to some thousands of unsuspecting souls living downstream?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, without wanting to cause anyone alarm, I will certainly seek to have made available to us studies to which the hon. member refers and other studies that might be germane. We will, naturally, not come to any conclusions as to what we would do with those studies until we have seen them.

Mr. Speaker: The hon. member will understand that I am not disallowing him a supplementary question, but I think if he would look at his question he would find he has already put it.

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[*Translation*]

AGRICULTURE

AGRICULTURAL STABILIZATION BOARD—REQUEST SUBSIDIES BE GRANTED TO NEW BRUNSWICK

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, my question is directed to the Minister of Agriculture. I would like to tell him that we missed him during the ten days or so he spent in Rome, I understand. We have been told in the committee on agriculture that the Agricultural Stabilization Board made a recommendation to the minister regarding a request from New Brunswick for support, or stabilization payments for the 1978 potato crop. I understand that the minister is now able to act on that recommendation, so I would like to ask whether he has taken a decision and, if it is a positive one, when is he going to announce it, and, if it is a negative one, why?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, in response to the hon. member's question—and I appreciate his remarks—it is true that I have received a recommendation from the Stabilization Board. I have not yet had an opportunity to consider and decide whether or not I should take that application and proceed to Treasury Board for its approval.

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[*Translation*]

EXTERNAL AFFAIRS

AID IN CONSTRUCTION OF FROZEN FISH PLANT IN SENEGAL—GOVERNMENT POSITION

Mr. Jean Lapierre (Shefford): Mr. Speaker, since hon. members cannot ask questions directly of the minister of state

responsible for CIDA, I shall put my question to the Secretary of State for External Affairs.

Since the Canadian government and the coastal population of Senegal have been awaiting eagerly for two years for the construction, with the assistance of Canada, of frozen fish plants, I would like to ask the minister where this project of over $12 million stands with CIDA and whether she could give us an indication on the construction schedule of those plants.

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, I take note of this question and I shall answer the hon. member as soon as possible.

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RESEARCH AND DEVELOPMENT

INQUIRY WHETHER QUEBEC WILL RECEIVE ITS SHARE OF SUBSIDIES

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, my question is addressed to the Minister of State for Science and Technology. In view of the statement made by the minister last week regarding the government's intentions in the field of research and development, a statement which has raised a great deal of interest among university people, does the minister intend to correct a situation which has prevailed for several years, whereby some 17 per cent to 18 per cent only of all research work undertaken in Canadian universities is done in Quebec, so that this province may receive its fair share just like the other parts of Canada?

Hon. Heward Grafftey (Minister of State for Science and Technology): Yes, Mr. Speaker. As I said earlier in the House, a group in the council is studying more particularly the needs of Quebec universities and we are going to build a centre in that province. Furthermore, we have designed several programs which will improve the situation mentioned earlier by the hon. member in the House.

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NATIONAL CAPITAL COMMISSION

INQUIRY WHETHER COMMISSIONERS WILL BE APPOINTED—FUNDING

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the Minister of Public Works as the spokesman in the House for the National Capital Commission. I would like to ask the minister if it is to be concluded that he might be considering changing or abolishing the National Capital Commission, since he has not replaced the three commissioners for Ottawa, Messrs. Lowther, Mercier and Fisher. I would also like to ask him if he intends to appoint the commissioners within the next few days. And as a supplementary, Mr. Speaker, I would like to ask him if Bill C-13 which would terminate the National Capital Fund would prevent the commission from using those funds for public works in Ottawa and the national capital region?

[*English*]

Hon. Erik Nielsen (Minister of Public Works): Mr. Speaker, the replacement of the commissioners is under current consideration. With respect to the change in the structure of the NCC, that, too is under review.

With respect to the financial operations of the commission, recent changes have been effected which require the commission to use up the non-lapsing funds that they had on deposit, and they are now required to come before the Treasury Board from time to time in the same way that any other government department or agency dealing with the Treasury Board must do.

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ENERGY

HOME HEATING—CONVERSION FROM OIL TO NATURAL GAS

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the fact that the government has stated on several occasions that Canadian home owners and others who now use oil as heating fuel should make every effort, where possible, to switch to the more plentiful gas in order to conserve our dwindling oil supplies, I should like to ask the minister if he would take the necessary action to subsidize the cost of such a changeover so that the subsidies go directly to the people involved, not to the gas companies—possibly a program along similar lines as the CHIP insulation program.

● (1500)

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, as we pointed out in material we tabled in this House, we are looking at a gas substitution program which we wish to effect in terms of the purpose of that program, that is to say, to make sure there is the greatest degree of efficiency when there is conversion to gas, a more plentiful supply of natural gas being available in our country.

Certainly I will take the hon. member's representation under consideration. There are other ways in which the government wants to deal with people who will continue to use oil-generated furnaces in order to increase the efficiency of their particular operations. I appreciate the suggestion made by the hon. member and I tell him we will give serious consideration to it.

Oral Questions

NORTHERN AFFAIRS

TRADITIONAL RIGHTS OF NATIVES TO HUNT AND FISH ON CROWN LANDS

Mr. Keith Penner (Cochrane): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Last week, the Inuvialuit people of the western Arctic region were betrayed by the Government of Canada when a bill was passed and given royal assent which would abrogate their traditional trapping rights in the northern Yukon. In short, the government of the Yukon Territory, a Conservative government, has chosen to exercise its legislative authority over hunting and trapping on Crown lands in defiance of the agreement signed last year by the Committee for Original Peoples Entitlement and the Government of Canada.

Is the minister aware of the passage of this bill? If he is, what does he intend to do in order to honour the agreement of the Government of Canada, in the words of the agreement itself, "recognizing Canada's constitutional jurisdiction in respect of the rights of native peoples and of native lands"?

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, I want to indicate to the member that, yes, I am aware of the ordinance which the Yukon legislative assembly passed and which received royal assent last week. Also, I want to indicate to the member that the authority to make ordinances relating to game is under the jurisdiction of the Yukon legislative assembly.

I met with the representatives, the legal representatives, of COPE last week. I indicated to them that the government was interested in moving forward on the COPE claim. I further indicated the number of areas of concern which had been raised, not only from the communities and the two territorial governments but from other native groups, and that those questions would have to be clarified in order for negotiations to move forward. I was pleased to see, in a press release which I received this morning, that COPE also has now agreed that those questions should be answered in order that negotiations can go forward.

Mr. Penner: Mr. Speaker, I have a supplementary question. The minister talked about the jurisdictional authority of the Yukon territorial government, but he failed to answer in this House as to how he will use his constitutional authority and his obligation according to that agreement, which quite clearly indicates, "To protect and confirm the interests of the Inuvialuit on lands they have traditionally used".

Mr. Epp: Mr. Speaker, the point the hon. member is trying to make is exactly the reason why a final agreement is needed for COPE. At the present time there is an agreement in principle. One of the areas of deep concern is the matter of lands to which the agreement and principle refer in the Yukon but to which the representatives of the people of the Yukon, namely, the government of the Yukon, were not party. Obviously that is a question, if they are prepared to have harmony in the area, which must be resolved before any final agreement can be made.

[Mr. Hnatyshyn.]

ROUTINE PROCEEDINGS

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Fourth report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Clarke.

* * *

TRANSPORTATION OF DANGEROUS GOODS ACT

MEASURE TO ESTABLISH

Hon. Don Mazankowski (Minister of Transport) moved for leave to introduce Bill C-25, to promote public safety in the transportation of dangerous goods.

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

* * *

CRIMINAL CODE

REVIEW BY COMMITTEE OF FIREARMS CONTROL PROVISIONS

On the order: Government notices of motion:

November 14, 1979—The Solicitor of General of Canada:

That the Standing Committee on Justice and Legal Affairs be authorized to review the firearms control provisions of the Criminal Code of Canada (sections 82 to 106 inclusive), and that such review extend to all aspects of the firearms control program and include the hearing and consideration of the views of the interested persons and organizations and to make recommendations with respect to any amendments, alterations or modifications thereto that appear to the committee then to be necessary or desirable;

That the committee have power to adjourn from place to place within Canada; and

That the committee be empowered to retain the services of expert advisers and to commission studies or research to assist in its work and that it also be empowered to retain such professional, technical, clerical and stenographic help as may be required.

Mr. Speaker: Pursuant to section 2 of Standing Order 21, this government notice of motion stands transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

* * *

CANADA ELECTIONS ACT

REFERENCE TO COMMITTEE OF REPORT OF CHIEF ELECTORAL OFFICER

On the order: Government notices of motion:

November 15, 1979—President of the Privy Council:

That the report of the Chief Electoral Officer, tabled on Friday, October 19, 1979 (Sessional Paper No. 311-1/4), be referred to the Standing Committee on Privileges and Elections.

Mr. Speaker: Pursuant to section 2 of Standing Order 21, this government notice of motion stands transferred to and

ordered for consideration under government orders later this day or at the next sitting of the House.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 237, 285, 363 and 380.

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

[*Text*]

ENERGY MINES AND RESOURCES—MINING PRODUCTS—INTERNATIONAL MARKETS

Question No. 237—**Mr. Lambert (Bellechasse):**

Did the Minister of Energy, Mines and Resources appoint someone responsible for the sale of mining products on international markets and, if so, what is his/her name?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): The Minister of Energy, Mines and Resources reports as follows: No.

PUBLIC WORKS—LANDS AND PROPERTIES—PROPOSALS

Question No. 285—**Mr. Herbert:**

1. Did the Minister of Public Works, in a speech on September 19, 1979, ask for proposals for the use of lands and properties managed by the Department of Public Works and, if so, how many proposals have been received to date and for which lands and properties?

2. Will the minister advertise which lands and properties are to be considered for use by the provinces or other interested groups and individuals and, if so, in what locations will it be possible to review the notices?

Hon. Erik Nielsen (Minister of Public Works):

1. Yes. The request was made in a speech made to the Federal and Provincial Conference of Ministers and Deputy Ministers of Public Works, Government Services and Supply and Services at St. Andrews, New Brunswick. It was made in the context of the minister's call for co-operation and support from his provincial and municipal colleagues and for the elimination of the politics of confrontation from inter-governmental relationships. As of this date, there have been no proposals received.

2. Public disclosure of negotiations related to real estate, between two levels of government is dependent upon the willingness or desirability of both parties to discuss their interest. In this case the Minister of Public Works on behalf of the federal government is willing to make public any properties under discussion; however, the wishes of the concerned provinces or municipalities must be the controlling factor. Since no proposals have yet been received, it is impossible to determine if disclosure can be made in individual cases. In the event that the need for confidentiality is not required, a public announcement of the properties under consideration will be made for all negotiations of significance and naturally all transactions will be made public when they are finalized by an order in council.

The same general rules and practices apply in negotiations between the public and private sectors; however, disposals to the private sector which only take place after other levels have been consulted, result from public proposal calls that are advertised in the printed media. It will be possible to review all announcements in the office of the Minister of Public Works.

PUBLIC WORKS—FREEZE ON WORK ORDERS

Question No. 363—**Mr. Herbert:**

1. Has there been a freeze on all new work orders in the Department of Public Works and, if so (a) is the freeze still in effect (b) for what period of time is it anticipated that the freeze will remain in effect?

2. Did the Minister decree that all new orders must bear his personal signature?

3. Are there now over 4,000 work orders awaiting the signature of the minister?

4. When work orders are not being signed, what instructions are given to employees to ensure that they can continue to be gainfully employed?

5. What is the estimated cost for those employees that are presently without work awaiting the release of the orders?

6. How many claims have been received from private contractors for extra costs relating to such delays?

7. What additional costs are anticipated, resulting from the winter expenses for work that was tendered to be carried out in the late summer and fall months?

Hon. Erik Nielsen (Minister of Public Works):

1. There has been no freeze on new work orders in Public Works Canada. However, there has been a marked reduction in the number of work orders being issued due to the deferral of non-essential work during the period of restraint.

(a) not applicable

(b) not applicable.

2. No.

3. No.

4. Not applicable.

5. Not applicable.

6. Not applicable.

7. No additional costs are anticipated.

HER MAJESTY QUEEN ELIZABETH II AND HIS ROYAL HIGHNESS PRINCE PHILIP—PAINTING AT RIDEAU HALL

Question No. 380—**Mr. Cossitt:**

1. Is there a painting of Her Majesty Queen Elizabeth II and His Royal Highness Prince Philip in the Ball Room at Rideau Hall, arranged by the government and, if so, what was the name of the artist and (a) how much was he/she paid (b) what number of hours did he/she spend on the portrait?

2. What department commissioned the portrait and on what date?

3. What are the names of all the persons in the government who had anything to do with the decision to commission the portrait?

4. What are all the qualifications of the artist that led to the government commissioning the portrait?

Order Paper Questions

5. Does the government consider the portrait to be an outstanding example of art or otherwise?

Hon. Erik Nielsen (Minister of Public Works):

1. Yes, there is a painting of Her Majesty Queen Elizabeth II and His Royal Highness Prince Philip at Rideau Hall, painted by Jean-Paul Lemieux.

(a) $49,900.

(b) Actual hours of labour are not known. The artist has stated, however, that he devoted himself exclusively to the commission during the time this work was executed from June 2, 1977 to October 23, 1977.

2. Public Works Canada commissioned the portrait in 1977. The contract was not dated.

3. The Honourable Jules Léger, Governor General of Canada requested, through his secretary, that the Honourable J. Judd Buchanan, Minister of Public Works, commission Jean-Paul Lemieux. The secretary said the Prime Minister "seemed favourably disposed towards it (the commissioning)".

1926-29 studied at l'École des beaux arts, Montréal
1929 studied at La grande chaumière and the Colorossi, Paris
1934 Diploma from l'École des beaux-arts, Montréal
1934-37 teacher at beaux arts and École du meuble, Montréal
1937 and for following 28 years—teacher at l'École des beaux arts de Québec
1951 first prize Québec Painting Contest
1954 Canada Council Scholarship (in France)
1956 Elected to the Royal Canadian Academy
1960 Exhibition, Roberts Gallery, Toronto
1965 Exhibition, Galerie Agnes Lefort, Montréal
1967 Retrospective exhibitions at Montréal Museum of Fine Arts, Musée du Québec, and National Gallery of Canada
1968 Companion of the Order of Canada
1973 Honourary doctorate from Laval University
1975 Film on his work by Office du film du Québec
Molson Prize from Canada Council
three artist show in Algiers
exhibition in Musée d'art moderne in Paris
one man show in Moscow
show at Galerie Nationale de Prague
1976 exhibition at Galerie Gilles Corbeil, Montréal
1977 Official portraits of the president of the Assemblée nationale, Québec, and Their Excellencies Mr. and Mrs. Léger
1978 show at Salle Wilfrid Pelletier, Place des Arts
1979 show at Myra Godard Gallery, Toronto

His paintings are in the following public and private collections:
National Gallery of Canada, Ottawa;
Art Gallery of Ontario, Toronto, Ontario;
Art Gallery of Hamilton, Ontario;
London Public Library and Art Museum, Ontario;
Montréal Museum of Fine Arts, P.Q.;
Musée du Québec, Québec;
Royal Bank of Canada, Toronto, Ontario;
Hart House, University of Toronto, Toronto, Ontario;
Her Majesty, Queen Elizabeth;
Public Works Canada.

5. What one considers to be an outstanding example of art is a matter of personal taste and preferences. The government considers that Mr. Lemieux's qualifications are among the best obtainable.

[*English*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

[*Translation*]

Mr. Speaker: Pursuant to Standing Order 54, I do now leave the chair for the House to go into Committee of the Whole.

GOVERNMENT ORDERS

[*Translation*]

CUSTOMS TARIFF

MEASURE TO AMEND

The House resumed, from Monday, November 5, consideration in Committee of the Whole of Bill C-18, to amend the Customs Tariff and to make certain amendments to the New Zealand Trade Agreement Act, 1932, the Australian Trade Agreement Act, 1960 and The Union of South Africa Trade Agreement Act, 1932—Mr. Crosbie—Mr. McCain in the chair.

[*English*]

On clause 2—

Mr. Peters: Mr. Chairman, the last time we discussed this bill was on November 5. At that time I was concerned about the manner in which Bill C-18 was presented, in that it does not allow for comparison between the proposals now being made, even if one looks at the schedules, and what already was in effect.

I have some questions to ask. How much money has been made on tariffs? Have they been increased? Is this a way of raising money? Tariffs raise money. At one time it was the main way of raising money for the general treasury. In those days there was no income tax, so money was raised out of tariffs. Since that time I would think that tariffs have changed.

If asparagus costs 2.5 cents in a favourable period and 10 cents in a non-favourable period from a non-favourable trading partner, does it mean that we are giving less money to the treasury than we did under the previous schedule?

● (1510)

I do not want to relate clause 2 to all the numbers that are in it and ask for an explanation of each one separately, but I do say that when the department brings this before us again it cannot do so in this form. It does not say a damned thing to a member of Parliament who wants to look at it, and it does not say anything to the industry except in respect of those specifics with which that industry is dealing. As far as I know, Bill C-18 does not even indicate whether the Canadian tax structure will enjoy a net gain or suffer a net loss as a result of the passage of Bill C-18. Therefore, I see absolutely no reason why we should be faced with this bill in its present form as members cannot look at it and make a decision.

Certainly when looking at these numbers, as I pointed out before, they are downright confusing. Even if you take them in conjunction with either the annex in the French part or the schedule in the English part, that does not make it much clearer. Most of us would like to know when we are dealing with food products and with seasons which are relatively short—and the length of time that can be selected by the industries is mentioned in the schedule—whether we have corrected the shortcomings in the legislation in the past. We would also like to know whether we have substituted something that will be advantageous in the future.

I do not know whether you can say that the customs and tariff legislation was mainly responsible for our having lost our canning industry, having lost a considerable portion of our hothouse industry, and having lost a considerable portion of our horticultural industry in this country, but it certainly has played a role.

The Deputy Chairman: Order. I regret to inform the hon. member that his time has expired.

Mr. Ritchie (York East): Mr. Chairman, when the hon. member for Timiskaming raised questions about the bill on November 5, and he has reiterated them now, I must say I was and am very sympathetic. I think it is a very difficult bill to appraise in the way it is drawn, but there are some very great obstacles to having it drawn so it would be easier to appraise. There are some things I can say that may help him with the questions he raised.

Part of the problem is that the fruit and vegetable tariff changes recommended by the tariff board were designed to be enacted as a package. They called for extensive changes in product descriptions and in the numbering of tariff items. The previous government, however, decided not to act on it as a package. When that government decided to implement the tariff decreases on March 13, 1979 but delay the increases until October, it was necessary to split up the schedule recommended by the board.

The only way to do this was to draft a new interim schedule for the period March to October, containing elements of both the pre-March 13 schedule and the board schedule. The bill was drafted in such a way that on the effective date of the increases, now October 24, virtually all of this schedule would be replaced by the new tariff nomenclature recommended by the board. Thus, schedule I deals only with the tariff decreases on fruits and vegetables which came into effect on March 13. On October 24 most of the items in that schedule were replaced by schedule V which continues the decreases using different tariff items and nomenclature and provides for the tariff increases as well. It gets very complicated, indeed, Mr. Chairman.

Clause 2, the clause we are now discussing, which is effective from March 13, 1979 to October 23, 1979, provides for technical amendments to section 15 of the Customs Tariff to take account of the renumbering and wording changes contained in schedule I. Simply put, section 15 of the Customs Tariff is the authority for the Minister of National Revenue to apply in-season duties on fresh fruits and vegetables. It must, of course, be read in conjunction with the tariff rate provisions of the tariff items bearing the numbers listed in the section. Some of these tariff items, incidentally, are amended by this bill and others are not.

Effective October 24, the amendments in clause 2 are replaced by those in clause 9 which relate to the new tariff nomenclature and rate structure contained in schedule V to the bill.

This must be more confusing than enlightening up to this point. It might be useful if I were to take the committee through one example of how section 15 works.

The first item in schedule I affected by this provision is 8702-1 which relates to fresh asparagus. The rates that are most relevant in terms of actual trade are those in the column headed "most favoured nation tariff". The in-season duty shown here is 3.5 cents per pound, but not less than 10 per cent ad valorem. By virtue of section 15 of the Customs Tariff, clause 2 of the bill and the clause which appears immediately below the product description, the Minister of National Revenue may order this duty be applied for a maximum of eight weeks in any 12-month period ending March 31. At all other times the free rate must be applied. In exercising his authority under section 15 the Minister of National Revenue is guided by advice from the Canadian horticultural industry and the Minister of Agriculture. The in-season duty can be applied at different times in different regions of Canada to take account of local growing seasons. As of October 24, the tariff item for fresh asparagus is being renumbered to item 8701-1 in schedule V, and the in-season duty will be 5.5 cents per pound, but not less than 15 per cent.

I think there is some information about the over-all effect of these items that the hon. member might find helpful, as he has raised the difficulty of making any comparison with what has existed. I have some average numbers here that may be helpful. For instance, fresh vegetables at the time they are dutiable today bear a tariff of 9.6 per cent on average. The

proposed average rate during the dutiable period is 12.1 per cent. For the year as a whole the weighted average under existing arrangements is estimated at 5.2 per cent, and for the year as a whole at 5.5 per cent, a slight increase.

The corresponding figures—I will take only the year as a whole—for fresh fruits are, under the existing schedule, 1.9 per cent, and under the proposed average rate 1.5 per cent; and for processed fruits and vegetables, 9.3 per cent existing and 11 per cent proposed. Over all, for all categories, the estimate under the existing average rate is 5.4 per cent, rising to 6.1 per cent for the year as a whole. I can give comparable figures for each item, but I thought those average figures might be of some help in getting a perspective on what is proposed.

● (1520)

Mr. Peters: Mr. Chairman, I would like to thank the parliamentary secretary for his comments on averaging because I certainly do not want to ask about each specific category. Taking asparagus as an example, I gather from his explanation that it will now be numbered 2701-1 instead of 8702-2. That is not to put asparagus in a different category, but probably to put it in the new tariff with the restricted period, and it has been raised from 3.5 cents to 9.6. I suppose 3.5 cents was 9.6 per cent and the proposed rate is 12.1 per cent. I presume this means that when the Canadian Horticultural Society and the Department of Agriculture have triggered the designated period, the duty will be considerably higher thereafter. I presume that it would amount to approximately three-quarters of one per cent, taking the difference between 5.4 per cent and 6.1 per cent. It may not be possible to use the average figure on anything except the specified commodity, but it is probably within that range.

I am not satisfied that the triggering mechanism is sufficient to meet the needs of producers. The agriculture department has always been plagued by the argument, which we have heard from the Bing cherry, grape and soft fruit producers and from the horticultural industry, that the date of applying the tariff may not always be the same and that when it is decided that the tariff should be applied it is not applied quickly enough. By the time the matter has been discussed by the Department of Agriculture and the horticultural society, it is too late. It has always been suggested that the Department of Agriculture have a much closer relationship with the tariff board so that the tariff can be triggered to meet the climatic conditions of the day or the conditions which govern the season of that particular product. This complaint has been brought up by all the agencies which I have mentioned.

The strawberry industry in southern Ontario has been plagued because of this indecision to the extent that most of the strawberries are plowed under. Most of our fresh strawberries come from outside Canada. Obviously the duty has not been triggered at the proper time.

Referring to my example of asparagus, is this eight-week period long enough? I do not know much about growing asparagus. I planted some at one time and some of it is still coming up, but it certainly is not a commercial crop. I am wondering if the eight-week period is sufficient protection for our producers and whether or not it takes into consideration the varying conditions between the Holland Marsh and the Niagara Peninsula. If eight weeks is enough, the horticultural society will be hard pressed to make all the decisions on the various crops and to get the eight-week period in the proper place for such places as the Holland Marsh, the Bruce Peninsula, Niagara Falls—

Mr. Munro (Esquimalt-Saanich): Vancouver Island.

Mr. Peters: I did not know that asparagus was grown there, but certainly the climate is right. If it is not planted as deeply as I plant mine and fertilized better, it will probably grow there.

Mr. Beatty: There is lots of fertilizer.

Mr. Peters: If fertilizer is needed, we should use the hot air from this building and it would probably grow very well. I know that these time periods are switched around, that there are many periods and that they keep playing with them. I know that these periods do not meet the requirements of the Department of Agriculture but do they meet the requirements of the horticultural society? If they do, how is it that we are faced with the problem of losing certain commodities? Should we lengthen the time that the duty is applied? Would it be wise for me to wait and make my wine later when I can get grapes from California, or wait for the period in which the higher tariff is invoked and make my wine when I can get grapes from the Niagara Peninsula?

There have been presentations by the horticultural society and by individuals in the various industries. All these people say that the duty structure does not work to their advantage, that it is not applied soon enough or at the correct times. Yet a former minister has indicated that the horticultural society was satisfied with the duty structure.

I do not wish to go through all the commodities. Perhaps asparagus is a good example because it is used by both of us.

An hon. Member: Raspberries.

Mr. Peters: Raspberries come under a different category, and I have not heard that the raspberry producers suffer the same problems. Are we solving the problem by increasing the tariff by such a small amount? I suppose we could go through each commodity. Asparagus is not the example which I would have picked.

Another commodity which we do not seem to be able to produce is lettuce. Tomatoes are certainly a good example as well. Perhaps we should have an explanation as to the effect of this duty because we buy most of our produce outside of Canada and our own produce comes on stream at a specific time. Obviously, if the tariff structure is being designed to protect our producers, then it is not working because we have lost many commodities.

● (1530)

I took the yearly average for asparagus as 5.7 but the average over all was 5.4 to 6.1 That is a relatively small

increase in tariff. I wonder why we think that is going to solve the problem that the various commodity groups bring to the attention of members of Parliament annually.

Mr. Rose: Mr. Chairman, I should like to follow up on that line of questioning before the parliamentary secretary replies, because over the years it has concerned me as a member of Parliament representing an agricultural riding. I should like to know whether these percentages are based on the Canadian price or the American price. If, as I assume, they are based on the American price rather than the Canadian price, then the advantage of a percentage does not necessarily protect anyone.

It seems to me there are really only two reasons for a tariff. The first is to raise money for the treasury and the second is to protect Canadian producers, whether in manufacturing or agriculture. If the tariff is based merely on a percentage of the American price, then it does not often help us a great deal. As everyone knows, we are seasonally disadvantaged. We cannot usually blame the Americans, because we import more fruit and vegetables from them than from anyone else. By the time our product is at its peak and ready to come on the market, however, it is already the tail end of the American season, when their price is lower. We cannot accuse them of dumping or resort to anti-dumping legislation, because they are not selling the product to Canada at a price lower than that in California, Arizona or anywhere else. The mere offer of a product such as prunes to a broker in Seattle is enough to destroy the Okanagan price.

The hon. member for Okanagan North is sitting across the way. He knows that this happens all the time. The Canadian price is not protected by the various tariffs, because even an offer is enough to destroy the value of a particular commodity at the peak of the Okanagan season—which may coincide with the end of the California or Oregon season. I see the hon. member nodding his head with silent, sage approval. I am very pleased to have his support on this. Perhaps this does not relate specifically and always to the Okanagan, but it certainly happens to the berry crop in the lower Fraser Valley.

We are concerned about trying to develop, on the one hand, a system of tariffs that protects the local producer when his product is at its peak in market price. That cannot always be done by calendar months. No matter how adjustable they may be from one area to the other, they have to be adjustable from one season to the other. As the hon. member for Timiskaming said, there is the possibility that this is triggered when the product comes across the border and the damage has to be proved. Some commodity groups take the position that all that is needed to destroy the price is an offer to the broker who usually ships across the border.

There might be another way to look at it. First, price could be based not on a percentage of the U.S. price, regardless whether it is the beginning or end of their season, but on the cost of production in Canada; because in the United States they have certain seasonal advantages. Second, have the mechanism trigger at a time of the year adjustable to the best possible market season for Canadian produce.

On the one hand, through tariffs and their adjustability in terms of seasons, we have to give the consumer the best break we can at times of the year when the consumer is not threatened with having his price destroyed by American produce coming across the border. I am referring to produce that is available in Canada. I recognize that this is not an easy task, but I should like to know whether some consideration will be given or is being given to these questions which, perhaps, are more in the form of a representation.

Mr. Whittaker: Mr. Chairman, the hon. member who just spoke brought my name into this although I had not planned to speak today. I might say that the percentage basis is what the industry has been asking for. The previous system was a rather antiquated one based on cents per pound, which did not mean too much in this day and age with the increase in prices.

We are, of course, very interested in the cost of production but I think the hon. member for Mission-Port Moody was skating around the edge of this. I do not know whether he understands it. We are asking for a surcharge that can be put in place when the sort of things happen that he spoke of, such as when an already low price goes down and the produce is coming into the Canadian market at the bottom of the scale.

I might say that just the other day the Minister of Agriculture issued a press release and announced in committee that he was going to impose a surcharge. This is something that is much better and much faster than the measures which were in place before. The industry is very encouraged and very happy with the announcement. The surcharge would be based to some degree on the cost of production in Canada and we in the industry know that this is a difficult procedure. For the first time, however, we are going to get some kind of formula that we believe, and which the industry believes, will go a long way toward solving the problem.

Mr. Rose: Mr. Chairman, I apologize to the hon. member for Okanagan North if I do not know as much about the fruit industry as he does, since he has spent a lifetime in it. I am very pleased to hear that these things are coming to pass to protect not only his industry but the industries of the farmers that I represent.

The parliamentary secretary was about to answer my question whether these percentages were based on Canadian values or American prices. I have no objection to percentage figures. I was not calling for a fixed figure, and if the hon. member for Okanagan Boundary was listening, I do not know whether he understood that. Do the percentages refer to the price at the beginning of the season, the end of the season, or what part of the season? On what date do they become active? That is really what concerns me. First, are the percentages based on Canadian or American prices; and, second, when do the percentages apply? Certainly the price varies throughout the season.

Mr. Ritchie (York East): Mr. Chairman, I may be able to reassure the hon. member for Timiskaming and the hon. member for Mission-Port Moody by telling them that by and

large, the industry thinks this is a good bill. That is, the producers think this is a good bill and an improvement over what we had. I am sure they do not regard it as perfect but they think of it as a distinct and important improvement.

The two members opposite have been talking about two different things, I believe, and the subjects need to be separated. One is the season application of these tariffs and the definition of a season when they do not apply, and the minimum period that has been instituted in each case. The other is the emergency surtax situation. The rules are somewhat different for the two. The seasonal aspect is the basic part of the bill.

• (1540)

In most cases the minimum period for free or near-free entry has been enlarged. Within that enlargement there is full discretion as to when that applies in any given year, not only nationally but regionally. The minimum period can in fact be lengthened if the production pattern in Canada in a given region makes that desirable.

The Minister of Agriculture has a very big part in this. In a formal sense, the seasonal declaration for any given area or product is made by the Minister of National Revenue, but the Minister of Agriculture is the chief adviser. My information is that by and large there has not been any criticism of how this seasonal declaration has been made. It has been reasonably acceptable. When we get to the surtax situation there is more room for debate and questioning. In this area the government did not follow exactly what the Tariff Board had recommended. The feeling is that they did rather better than what the tariff board had recommended.

It might be useful information about that if I could give some specific because the hon. member for Essex-Windsor raised this question the other day about why it is not automatic and how long it takes. The modified system adopted by the government, which as the hon. member for Okanagan North just mentioned was announced by the Minister of Agriculture on October 22, is based on the tariff board proposal, although it is not exactly the same. The board had proposed a fully automatic surtax for only ten products. For other horticultural products it recommended a revamping of existing procedures and a time limit of 20 days for dealing with requests for emergency surtax. Instead of an automatic surtax for the ten products named by the board, the government has decided on a semi-automatic system based on trigger prices, very similar to those proposed by the board.

A fully automatic system would have posed a number of problems and disadvantages. In the first place it would seriously impair trade relations with the United States and it could place in jeopardy some important U.S. concessions obtained in the multi-lateral trade negotiations. The United States has already indicated concern that the modified system announced on October 22 may be applied in an automatic way. U.S. representatives had earlier made it clear to us that they would regard the system proposed by the board to be contrary to Canada's GATT obligations.

[Mr. Ritchie (York East).]

A second point is that the use of strict arithmetic formula to impose surtaxes with no regard to the situation in the market could lead to a very arbitrary result which could work to the disadvantage of consumers in some instances, and of producers in other instances. The risk of this happening is heightened by the fact that we do not have a data base sufficiently detailed to implement the system exactly as proposed by the board.

If we instituted a system based on a rigid arithmetic formula it would be very difficult to persuade either our trading partners or consumers that a surtax in excess of that generated by the formula might be necessary to prevent serious injury to domestic producers in certain circumstances.

It is the belief of the government that the procedures announced by the Minister of Agriculture will give us the main benefit of the board's proposal; that is to say, speed of application without its main drawbacks.

The hon. member for Mission-Port Moody also asked a specific question about the value on which the duty is levied. That value is the import value and in effect the import cost; therefore, it is essentially the U.S. price.

Mr. Nystrom: Mr. Chairman, I want to make a few comments more in the terms of a representation than a series of questions.

First of all, I agree with the parliamentary secretary when he said the producers are generally pleased with the tariff revisions that are being made in this bill. My communication with them is the same as his, that is to say, they are pleased with the revisions. But a lot of producers would have liked to see the revisions go a bit further. My opinion—and it is only my opinion—is that I think we are a little too cautious when we come to GATT. I think we are a little too concerned about being free and open traders. I am not talking about building huge tariff walls or anything of that sort, but I want to remind the House that historically in Canada the average agriculture tariff has been 1 per cent or less. That is a very low tariff when compared to tariffs in other countries or tariffs for other goods in our own country.

I believe the producers in Canada need more protection than has been given to them in the past. I make that representation to the parliamentary secretary based on many conversations that I have had with producers, horticulturalists and producers of other commodities from one end of this country to the other. As a nation and as a people, when we talk about farm production one of our objectives must be to strive toward the goal of self-sufficiency. Many people ask what we mean by that. People say that we produce a lot of food in this country, that we have a lot of land, that we are capable of production and so on, but I want to tell the parliamentary secretary that according to the Department of Agriculture, if we take away grains and oil seeds, in 1978 our net deficit in the production of food was about $1.6 billion to $1.8 billion. That is if you take away grains and oil seeds.

Mr. Blenkarn: Why do you do that?

Mr. Nystrom: I am just doing that to point out to the hon. member for Mississauga—

Mr. Blenkarn: Take away oranges—we do not produce any.

Mr. Nystrom: I hope the hon. member for Mississauga will get up and enlighten us on farm goods, as he did a while back on the Indian problem.

Some hon. Members: Oh, oh!

Mr. Nystrom: If you take away the two commodities we produce in abundance, we find we are a net importer of food in Canada. According to the Science Council of Canada—that is part of my phrase on self-sufficiency for the hon. member for Mississauga—even with the oil seeds and grain that we produce in abundance on the prairies, by the year 2000 we will be a net importer of food. That concerns me.

I could point to many studies and statistics to show that agricultural land is going out of production. For example, I think of the Niagara Peninsula. A friend from there was talking to me about some of the problems that the grape growers and the wineries have. In the Niagara Peninsula a lot of good farm land is being paved over and used in a permanent sense for other than producing food. That concerns me as well.

One way of aiding in self-sufficiency—I stress one way because it is not a magical formula—is to give the producers a bit more tariff protection than we have given them in the past. That is one way of becoming a little more self-sufficient in food. I do not have to go into all the other arguments about self-sufficiency of food or why it is important. One could look at the United Nations' report made public last week. It talks about an immense crisis coming before the end of the century in terms of world food production and our capability to produce food. One can look at other stats that came out recently showing that in the world this year we will be consuming more food than we produce. That means we will be going into reserves and using food which has been stockpiled for emergencies.

This country and other countries around the world must be concerned about the production of food, and we must be concerned about producing as much as we possibly can. In the past we have said that perhaps we can rely on imports, that perhaps imports are cheaper. Perhaps we think that American chicken, eggs, fruit and so on are cheaper, but I remind hon. members that that hurts Canada in terms of the extra farmers we could have, the extra jobs we could have in producing, processing and transporting that food. It also hurts Canada in terms of balance of trade and its impact on the dollar.

If this were a more general debate, Mr. Chairman, one could give the House many statistics about the economic loss of not being self-sufficient. One could give the House figures of jobs lost in Ontario as well as right across the country because we are not self-sufficient in many food areas.

My representation to the government across the way is that I think there are many different fruits and vegetables and many different items where there could be another minor adjustment upward in terms of tariffs. The member for Mississauga is concerned about costs. We are not talking about building huge tariff walls. The Ontario Federation of Agriculture, the Canadian Federation of Agriculture and reputable farm groups have good relationships with all political parties in this House. They are not talking about that either. They are just talking about some seasonal tariff protection. Some of that is provided in this bill. The bill is going in the right direction, we know that. However, a lot of producers do not think it is going far enough.

• (1550)

As the hon. member for Timiskaming mentioned, there is concern that perhaps the apparatus that gives us the eight-week tariff may not come into effect rapidly enough when there is a problem. The committee should be thinking more about ways of becoming self-sufficient in food, producing more of the food consumed in this country. Agriculture is the key industry, the number one industry in this country. Historically countries with a strong agricultural base are those which do best in the world community.

In terms of specifics, historically we have had no tariff on potatoes. Apples were mentioned. Apple growers in British Columbia have brought their concern to my attention. Although the situation may be relatively rosy in that province at the moment, growers in Washington and Oregon have started an immense program of planting new orchards. When they come on stream in a few years, that will cause serious competitive problems and may create a lot of difficulty for B.C. apple producers. I remind the committee of the competitive advantage the Americans have because of cheaper land costs, better growing climate and so on.

Another commodity is potatoes. Coming from New Brunswick, the Chairman knows a lot more about that than I do. New Brunswick is a tremendous potato producing area. Again we must look at the possibility of adequate tariff protection for our potato growers. It is relatively easy to get into potato crops; it is not like apples where it takes some time for the tree to grow. The potato market can be rapidly distorted with prices going up and down. It is a relatively quick enterprise to get into.

These are some of the concerns I have. They are motivated by the primary concern that one of our fundamental objectives in a food policy for this country is to be self-sufficient. For some of our foods, that will require an upward push, not a great one though, in tariffs in this country. In my opinion, that will not be a cost to the consumer in the long term but will protect consumers, giving them a guaranteed supply.

Mr. Peters: Mr. Chairman, I did not understand the explanation with regard to the tariff on an American product being at the American price. I suppose it is a price at a given time in a given area. If that is so, what we are talking about is a 16 per cent advantage.

Mr. Blenkarn: No, no.

Mr. Peters: The hon. member says no. It comes into Canada and the parliamentary secretary said it was at the American price.

Mr. Blenkarn: Converted into Canadian dollars.

Mr. Peters: When you bring something into Canada, you pay for it with the Canadian dollar. That causes an immediate disadvantage of 16 per cent. Our dollar is worth only 84 cents U.S. The tariff for a most favoured nation, and that applies to the Americans, is 15 per cent. That does not even cover the exchange. When translated into Canadian dollars, there is no longer an advantage.

There are two other matters about which I am confused. Why are we being asked to pass schedule I in November when it does not apply to some of the commodities? In Canada we do not have an asparagus crop in October. Therefore, it does not have to be changed from one number to the other. By the end of October, that does not apply. That would only apply in the spring. This bill may have been drafted two or three years ago, but I still do not understand why it should apply to October.

In schedule V, which applies to after October, there is a totally new number, section and rate. After the end of October, instead of 3½ cents it is 5½ cents but not less than 15 per cent. It was 10 per cent previously. Therefore, it does not apply. A bill was not passed previously to make it apply so I do not understand why it should be applied now.

I would like to know from the parliamentary secretary how many other numbers in clause 2 do not apply. The new act will apply from the end of October. Beets, turnips, potatoes and apples are covered after October because they are stored and sold later. They are probably sold from September on. Therefore, the schedule would cover the period from September to the end of October. I presume this was anticipated. If not, it really does not matter because it would be void.

One of the problems with a new government is that it does not always check the figures of the previous government. When something is presented later than its effective date, there is no point in presenting it. I am sure the officials can advise how many items in clause 2 that are covered by schedule I and replaced by schedule V are null and void. We should not pass them. They might as well be taken out.

Mr. Ritchie (York East): Mr. Chairman, the hon. member has raised two questions, the first one reopening the question as to what the duty applies to. The best answer is to say that, as is usually the case, the duty applies to fair market value in the country of origin. In the example he used, the United States, that would be in U.S. dollars; the duty would be applied and the fair market value would be converted to Canadian dollars and the duty applied in Canadian dollars. The lower value for the Canadian dollar is in one sense an additional protection rather than the reverse, because the same price in U.S. dollars costs more when imported into Canada in Canadian dollars; you would have to lay out more Canadian dollars to get it.

• (1600)

On the other question of how much of this bill is null and void, it is proper to say that in a sense none of it is null and void. What this bill proposes is to enact into law the arrangements, including the seasonal arrangements and the tariffs, applying in seasons of high production here; they will apply next year and into the future until amended. There is some interesting history, though. These items, all of which were brought in by the November budget of last year, were never enacted. That did not matter until Parliament was dissolved, because during the interval between Parliaments the items the government of the day chose to act on happened to be only ones that introduced tariff cuts as opposed to tariff increases, and those were dealt with by a remission order.

As is ordinarily the case, the budget became effective before its provisions were enacted, but in this case, in line with the normal procedure, the remission order has to be regularized. Thus, part of the bill before us deals with something which has already been done under emergency powers, if you like. Then the bill goes on to deal with the other things originally proposed by the tariff board and contained in the budget. To me, this suggests that the whole of the bill is necessary even though parts of it pertain to things which have already been done.

Mr. Peters: I thank the parliamentary secretary for his lucid explanation.

An hon. Member: It won't help any, though.

Mr. Peters: It might help. I agree there might not be any point in picking out the ones that have never been used and which were therefore triggered by the budget rather than by special order because many of them were raised, not lowered, and only the lower ones were used. In many of these cases the changes which have been made, I gather the parliamentary secretary is telling us, have involved reductions in tariffs, not increases.

Clause 2 includes all those items in schedule I so really we have lost money. Is the amount shown anywhere in this document? Is an estimate made of the sum which might have been anticipated had the changes not been made? In other words, does this indicate what revenue from duty resulting from these amendments, either raising or lowering the amounts, might have been expected? This presents us with a real problem because there is no way of knowing from what we have before us what the general purpose of these changes is—for example, whether they reflect changes negotiated under GATT. Nor do we know how they are applied. There is no indication that Canada has entered into international agreements with regard to specific commodities and I am not able to tell from the bill whether we have decreased or increased total income from duty. Some items moved up 5 per cent, say, or down 3 per cent, but from the point of view of the workings of the economic system it is impossible to tell where we are going. Maybe I am missing something. I see nothing here enabling us to estimate the results of these changes this year as

compared, for example, with last year, and I am suggesting we do something about this from now on. As I say, if I am missing the point I should like the parliamentary secretary to tell me. He has been very helpful so far.

Mr. Ritchie (York East): I do not think the hon. member is missing anything that is right before his eyes at all. To answer one of the points he made, I understand that these rates were not set in negotiation with GATT but that if we wanted to raise them now we would have to go back to GATT. That is the only implication as far as GATT is concerned of which I am aware.

On the question of the effect on duty payable, there are two points to be made. The first is that the previous government chose only to put into effect those parts of the measure which lowered duties. We have estimated a decline in duties collected of about $5 million in the current fiscal year. Next year, though, we expect a slight increase in the duties collected. Taking account of the length of the season, the weighted average collection of duties is expected to rise from 5.4 per cent to 6.1 per cent, and that .7 per cent increase should mean a slight increase in duty collections.

Mr. Peters: I thank the parliamentary secretary for that information. I understand, then, that the GATT figures cannot be changed here. Will they supersede or apply on top of this, or are we still going to change our customs and duty regulations unilaterally rather than in the way it is being done by GATT? Are they going to specify the periods? The understanding that many of us have is that they are going to set the regulations. This is one of the reasons we are interested in the time element of the exemption periods and the periods in which duty is applied.

● (1610)

Mr. Ritchie (York East): Mr. Chairman, I cannot add very much to what I said previously to the hon. member. My understanding is that, first of all, this act stands by itself, it cannot be interfered with by GATT, and, second, in effect the food and agricultural negotiations have been largely taken out of recent GATT agreements. So I think the basic thing is that, so far as the act is concerned, there is no limitation from known GATT actions.

Mr. Peters: Mr. Chairman, before we pass clause I should like some assurance as to the trigger mechanism. I know it has been said by a number of people in this debate that that trigger mechanism is sufficient. It is my guess that if it were sufficient, we would still have a strawberry crop in Niagara and we would still be producing soft fruits in that area in competition with a number of other areas, which we are not.

It seems to me that in the representations that have been made to the agricultural committee it has been stated that the trigger mechanism does not work because the tariff board administers it instead of the Department of Agriculture. It has been the gist of the arguments in the representations made before the committee that if the Minister of Agriculture would triggger the mechanism, it would work. As I understand it, they are not complaining about the times, just about how they apply it and when they apply it. I understood from the parliamentary secretary a little while ago that this might take anywhere from two days to two weeks and that there was some discussion about setting an exact date, but that was waived. Would setting the exact date or period not be much more advantageous if it were inserted in the act and lengthened, rather than having a trigger mechanism which is not very responsive to the needs of producers?

I am raising this question simply because we have a potential in Canada right now in relation to energy and developments that are taking place, and we have had great difficulty with the hot house industry in this country. Now we are going to put some more money into the hot house industry and operate it in conjunction with Ontario Hydro, using heat from nuclear plants and thermal plants to generate that kind of production.

The Assistant Deputy Chairman: Order, please. I regret to inform the hon. member that his time has expired.

Mr. Peters: Mr. Chairman, we are allowed 20 minutes.

Mr. Froese: Mr. Chairman, I would like to explain some of the areas referred to by the hon. member so far as tariff agreements are concerned and so far as the trigger mechanism in this legislation proposed by our party is concerned. The fact is that, first of all, GATT has taken agriculture out of the stringent agreements which existed before and has adopted a different approach to the problem. Yet there is a ceiling on the amount that we can charge for tariffs which have been agreed to under the agreement here. For any of the upper levels to be changed there would have to be another agreement, but to go down from these is up to our country.

The mechanism which the Minister of Agriculture has proposed lately is completely new. It is something that the industry has wanted for the simple reason that previously, in order to get any tariff protection, one would have to prove injury, which many times would take months in the courts, by which time the commodity would be completely off the market. With the trigger mechanism, they will know what the commodity can bear and then can apply the mechanism even if there is only a danger. This is something that has never before occurred in the history of agriculture.

When I listen to hon. members opposite I conclude that they support this legislation. I agree that perhaps there are areas that we should consider, but let us pass this legislation since it is the best that has ever been put forward to protect horticulture in our country.

Mr. Peters: Mr. Chairman, I commend the hon. member for his devotion to his party. I am not sure whose legislation this is, the Liberals or the Conservatives, but if it is going to do what the hon. member says it will, then certainly I am pleased.

In my part of the country we do not grow too many vegetables for export and we are not too concerned with

imports, but as Canadians we are concerned that we do not have the advantage of benefiting from Canadian production. We are almost totally dependent on American produce, a problem which we think should be overcome. If the hon. member is correct that it has been overcome, the legislation should specify how the trigger mechanism works. That is really what I am talking about.

The information that has been provided us during the debate is that the mechanism is triggered by the horticultural society. They have been partly successful in representing all the segments of horticulture, but there have been many complaints that they had not acted fast enough, though not nearly as many complaints as there have been that the tariff board which should be seized with the problem reaches a decision only after a certain period of time. The difficulty which the hon. member has indicated existed in the past will continue to exist under this mechanism, as I understand it.

My question is whether any consideration has been given to lengthening the period, say, for asparagus, from 12 weeks to, let us say, a maximum of 15 or 20 weeks between such and such dates. If we do not want to apply it for that long a period, we should still find a way of protecting our industry in the peak period. We will face difficulties because, no matter how it works, once the wholesaler starts buying tomatoes from California, for example, he would not think it was to his advantage to stop buying tomatoes from California for two or three weeks so he can buy them in Canada. So the wholesaler will get year round tomatoes from Mexico or California simply because it is easier than fitting in Canadian production. That is the only justification for applying the tariff, because I am sure the wholesaler does not care one way or the other. It is a little like the egg business. We had one person handling eggs in the Ottawa area, certainly by far the largest firm, by the name of Macartney, and this firm had never owned a hen. They bought all their eggs from the United States and delivered potatoes back to them. They did not intend to change the situation one way or another. I assume that is true with others as well.

• (1620)

Has the Tariff Board considered finding a better manner in which to trigger the mechanism, better than the one we have used in the past? If it has been changed from what it was in the last several years, perhaps we can give it a try. But if it has not been changed, has any consideration been given to letting the Department of Agriculture, for instance, trigger it rather than the tariff board, in order to work out the mechanisms? Normally it goes through both of them now, and perhaps another agency as well.

It has not worked out to our advantage because our fruit and vegetable industry is not in the incline, it is in the decline. The reason for passing these duties is to give protection to Canadian producers. If they are not increasing production, obviously the tariff structure should be changed. I am in favour of doing that to protect them. In a few years we will find that it is impossible to build an industry which has disappeared, but perhaps it would be possible now to keep alive an industry which we have at the present time.

I should like to refer to the example of strawberries. When one sees hundreds of acres of strawberries being plowed down simply beause they are not profitable, then one should think of the reasons for that. One reason must be the ability of Americans to ship in strawberries during the season when Canadians are producing them. Perhaps I am wrong. We will find out next spring when there will be trouble with a number of industries.

Mr. Froese: Mr. Chairman, I should like to make a statement on strawberries. I take it that this could happen next spring, as the hon. member indicated, but I do not know. Personally I grow approximately ten acres of strawberries. We have had problems, but we hope that this measure will help to alleviate them. The problem with strawberries is not only the fact that they can be brought in at a competitive price. It is also the fact that a lever is being held over the heads of buyers in Canada so that continually they buy strawberries from Americans throughout the season. The threat is present that if they should cut off their purchases when strawberries are in season in Canada, they will not receive a supply afterwards. Some of the problems have nothing to do with price. There have been competitive prices, yet the problem exists because of that. We hope the surtax will help make the commodity a little more acceptable to Canadian buyers.

Mr. Peters: If one looks at the schedule, one will find that there is not much duty on strawberries anyway. Under schedule I it is 1-3/5 cents for general tariff and the most favoured nation, but not less than 10 per cent. The schedule reads in part as follows:

> The free rate shall apply during the months of September, October, November, December, January, February and March.
>
> During the remaining months in any 12-month period ending 31st March, the specific duty or ad valorem duty, as the case may be, shall not be maintained in force in excess of eight weeks, and the free rate shall apply whenever the specific duty or ad valorem duty is not in effect.

Dealing with strawberries for processing, the schedule reads:

> . . . shall not be maintained in force in excess of six weeks, and the 10 per cent duty shall apply whenever the specific duty is not in effect.

Again the duty for processing is 1-3/5 cents or 10 per cent for both the most favoured nation or the general tariff.

When we are losing an industry, this 10 per cent seems to be a very small amount to apply. In the one case it only applies for eight weeks on fresh strawberries, and on strawberries for processing it applies for only six weeks. The hon. member representing that area is a producer. If he is satisfied with that small amount of protection and is convinced that it will keep him producing strawberries next year, I guess I am satisfied.

Clause agreed to.

Clauses 3 to 5 inclusive agreed to.

On clause 6—*Applicable rates*

Mr. Peters: Mr. Chairman, clause 6(2) deals with increasing rates by order of the governor in council. Would the

parliamentary secretary explain why this is not in conflict with the general agreement with GATT? I believe the parliamentary secretary mentioned a few moments ago that it allowed for decreases, but not increases.

Mr. Ritchie (York East): Mr. Chairman, as in the past, clause 6(2) provides authority for the governor in council to restore the pre-1973 rates. Those were the bound rates before the present MTN. On the goods covered by clause 4 and schedule II, if increased imports should cause difficulties for Canadian producers when the new MTN agreements are in effect, this clause will be obsolete; but it is necessary until that time.

Mr. Peters: Will the parliamentary secretary explain what "MTN" means?

Mr. Ritchie (York East): The "multilateral trade negotiations" which were concluded recently but are not yet enacted into Canadian law.

Mr. Peters: I take it that when they are this section will be redundant?

Mr. Ritchie (York East): Yes.

Clause agreed to.

Clause 7 agreed to.

On clause 8—

Mr. Peters: In clause 8 a number of items will be taken out, including the enumerations of goods and the rates of duty set opposite each item. It reads in part:

> . . . by inserting in the schedule to the said subsection the items, enumerations of goods and rates of duties specified in Schedule IV to this act.

What does all this mean?

Mr. Ritchie (York East): Mr. Chairman, this is a technical amendment to the schedule of general preferential tariffs covering fruits and vegetables. It is to take into account the extensive changes in wording and numbering of tariff items. There are no changes in the general preferential rates, duties or in the coverage of items as far as the effect of this clause is concerned. It is a pure technicality, I believe.

Clause agreed to.

Clause 9 agreed to.

• (1630)

On clause 10—*Schedule A amended*

Mr. Peters: Mr. Chairman, perhaps the parliamentary secretary could give us an indication of what happens to all these numbers. It refers to "striking out", but does this include the ones we were previously discussing as being amended by schedule IV? Are they replaced by schedule IV?

Mr. Ritchie (York East): Mr. Chairman, my understanding is that this clause is the heart of what we have been talking about all along. This clause and schedule V that goes with it are what set up the continuing structure for all of the items concerned; so everything we have said today in effect bears on this clause, and I think we have covered it fairly extensively.

Clause agreed to.

On clause 11—

Mr. Peters: Mr. Chairman, part II, part III and part IV involve trade agreements with other countries. I am curious to know how we make these amendments. Are they negotiated with other countries? Are these signed accords, or how do you go about doing these things? Do these changes appear in some other places except with regard to this tariff structure? These really represent negotiations between countries and, therefore, I presume involve more than just the schedules to which we have been referring. Each of the parts refers to tariff items 104a and 106. Do we negotiate all these changes, or what did we amend?

Mr. Ritchie (York East): Mr. Chairman, first of all my understanding is that in all cases concerned we have given notice to the other countries involved. By agreement, any subsequent negotiations on these items will be after the MTN arrangements were made and, therefore, are still to be carried on, but they have acquiesced and have had notice of our taking the actions indicated here.

As to their over-all effect, it might be best if I just went through this summary of the effect. Effective October 24 these clauses amend the acts which implemented our bilateral trade agreements with New Zealand, Australia and South Africa. Under these agreements imports of certain canned fruit and fruit pulp from these countries are entitled to rates of duties lower than those from most favoured nation sources, such as, for instance, from the United States. It was decided, to implement the tariff board recommendations, that the margins of preference on processed fruit products imported from these countries be eliminated and that the higher rates which will apply to most favoured nation sources should also apply to imports from these countries as well. As the lower rates of duty are specified in the New Zealand Trade Agreement, the Australian Trade Agreement and the South African Trade Agreement Acts, it is necessary to strike these items from the acts in order to implement the high rates.

Mr. Peters: Mr. Chairman, we are talking about two that were negotiated in 1932 and the one for Australia in 1960. I would like to know whether they originally came under what we refer to as the British preferential tariff and, if so, why we do not change the British preferential tariff. I imagine that in 1932 we were pretty well all colonies or dominions of Britain and, therefore, the same tariff agreement was negotiated as the British preferential tariff. The changes that have taken place since have probably been as a result of changes which occurred in those countries rather than in the agreements. Does this mean we are no longer giving them the British preferential treatment? Is that really what it means, that they are no longer getting the British preferential treatment in terms of tariff?

Mr. Ritchie (York East): Mr. Chairman, each of these rates that are affected were negotiated in specific trade agreements with the countries concerned, and it is true that for these products we are beginning to phase out the British preferential advantages or, in some cases, even a greater advantage than the general British preferential tariff. Therefore, the hon. member summed things up beautifully when he said at the end we are simply phasing these out. We are, but this is a phasing-out.

He will notice that the agreement with Australia will be extended by an additional year beyond what the tariff board recommended. That was because, although we have not had the formal negotiations, we had an indication from Australia that they would be a little more favourable to us with regard to cherries exported from here to there if we spread this out a little bit.

Clause agreed to.

Clauses 12 and 13 agreed to.

On clause 14—*Coming into force*

Mr. Peters: Mr. Chairman, clause 14 refers to bringing goods out of warehouses for consumption. I would like to know what effect this will have on strawberries, for instance, that are in warehouses in Canada. We have large quantities of canned strawberries in warehouses. During a period when we restrict the importation of fresh strawberries, will this have an effect on how we trigger this section? Is it related in any way to the tariff or the duty we put on a commodity that may be in conflict with a commodity that we have in storage in warehouses? I suppose it can be related to eggs that are in storage. During a period when the price of fresh laid eggs goes up considerably and there is a shortage, those eggs are brought out of storage. They would not be in competition with fresh laid eggs as they are stored eggs, but is this the purpose of clause 14, or does it have another purpose?

● (1640)

Mr. Ritchie (York East): Mr. Chairman, it is my understanding that this clause puts the act into effect, and because goods in bonded warehouses are not considered to have yet been imported even though they are physically in the country, the wording is designed to ensure that they shall not escape. So when they are entered for consumption by being taken out of the bonded warehouses, they are covered by this act forthwith.

Clause agreed to.

On schedule I—

Mr. Peters: Mr. Chairman, schedule I has a very limited application which ended October 31. Will members of Parliament and the people of this country be informed how much of the schedule was put into application, at what time and what the change in the duty collected would be? In other words, how does the accounting for this schedule appear and in what form? There should be some accounting as to how much of it applied and what the effect of the application was. This does not appear in the bill. How do we find out the form in which the Tariff Board brought the schedule forward? Will it be in the form that will match what is in schedule I? My guess is that it will not, that we will never know one way or the other.

The parliamentary secretary is taking a long time to answer. It may be that the answer is not available, and if it is not, then as the Englishman would say, "pity". If there is no indication available then we are certainly sloppy bookkeepers in this country. If there is, we would like to know what effect it has had. Questions have been asked during the study of the bill. We are being very generous in giving the tariff board this bill in such a stupid form if they do not have to account for it.

Mr. Ritchie (York East): Mr. Chairman, I was waiting because I thought another hon. member was seeking the floor. The items in schedule I were in effect from March until October and most of them have now been included in the new and continuing bill through schedule V, I believe. There are four items which continue to be effective in schedule I, and I can give the hon. member the names of those items. In their cases, there is no increase in the tariffs applying in the closed season. Those items are peas, dried apples, raisins and currants. Otherwise, the items in schedule I, in effect, are picked up by schedule V. Until this act became effective on October 24, schedule I covered the conditions on these commodities during the summer months. I would also remind the hon. member that I indicated earlier the effect of that on the collection of duty, which was a decline of about $5 million from what would have existed without those changes.

Mr. Peters: I was of the opinion that some of the tariffs applied only because we did not increase any of them. It is not easy to pick the commodities out because the former price is not there, but only those which went down were selected. The tariffs which went up, if any, did not apply, and I understand that there were some which did not apply. This is why I feel there should be some kind of accounting for the schedule. We are merely going through a ritual in passing this bill, because we do not know how much it will cost, how much we will get out of it or how it applies in certain areas, although the individuals involved will probably know. I ask whether there will be a later accounting of what this schedule has cost, and although the expense will decrease nobody seems to know. I believe the estimate is $5 million.

When this bill takes effect, schedule V will apply and schedule I will no longer apply. At this point there should be a simple accounting of how much it will cost to put that schedule into effect. There is a lot of other information which I would like to have. Is this schedule helping anybody? Is it keeping some businesses in operation? It is a subsidy to the industry. We are giving out $5 million, and we are entitled to know if it helped and, if so, by how much. How much did it actually cost and where did the money go? Maybe this $5 million did not produce anything, but we will pass it anyway.

[*Translation*]

Mr. Corbin: Mr. Chairman, I should like to obtain a clarification on schedule I, tariff item No. 9,007-1, potatoes, frozen,

whether or not pre-cooked, with or without admixture. I have some problem with the terminology. Does this include all potatoes? Potatoes in their natural state are not mentioned as such. The tariff item only states: potatoes, frozen, whether or not pre-cooked. The "not" applies to "pre-cooked", and not to potatoes in their natural state or transformed, modified as such. I should like the parliamentary secretary to indicate to the House whether this tariff item includes potatoes in their natural state or merely modified potatoes. Is this a mistake? Does this item include all potatoes?

[*English*]

Mr. Ritchie (York East): Mr. Chairman, the item applies only to frozen potatoes.

[*Translation*]

Mr. Corbin: Mr. Speaker, the parliamentary secretary has just said that this item applies to potatoes only. And I quote:

[*English*]

To frozen potatoes only?

Mr. Ritchie (York East): Yes.

Mr. Corbin: That answers my question.

Schedule I agreed to.

Schedules II to V inclusive agreed to.

Title agreed to.

● (1650)

Bill reported.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): When shall the bill be read the third time?

Mr. Knowles: By leave, now.

Hon. James A. McGrath (for the Minister of Finance) moved that the bill be read the third time and do pass.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to congratulate the parliamentary secretary on his dexterity and facility in handling this bill. I do not wish to say much more about it, except that for many producers of agricultural commodities the tariff protection in the past has been negligible. If there had been a more successful application of duties, we would have a better fruit and vegetable industry than is the case at the present. In this country we have been willing to pave much of the area which formerly grew fruit and we have been willing to develop factories in areas that successfully grew vegetables because of weather conditions, but, Mr. Speaker, we are going to pay one hell of a price in the future for this.

I am not sure that the application of duties could have prevented some of the things that have happened. Many of them have come about as the result of irresponsibility on the part of governments designating agricultural lands for other purposes. In Canada, the amount of land that will grow fruits and vegetables is very limited and has not been well husbanded. If it had been, we would have an expanding industry rather than a declining industry. We have become dependent on imports of many commodities instead of finding Canadian substitutes for them. As an example, surely we could substitute some of the juices we produce in Canada for those we import from Florida. Maybe we would not have the same advertising agents as the Florida orange juices, but I am sure we could find our vitamin C in a Canadian product.

In many cases it is already too late but we are entering a totally new field of development in this country now and using resources that have never been used before for the production of agricultural products. Heat, as a by-product that has been a pollution factor in many industries, including the nuclear power plants and thermal power plants, can possibly be harnessed to develop a hot house industry that would produce many of the commodities we now import. This new industry, as well as the old, would have to be provided with enough protection to enable it to compete with other countries.

Mexico has the advantage of producing four field crops of tomatoes per year to our one. This puts us in a very difficult situation. I do not suggest we should increase our tariff structure to meet that requirement, but I do suggest that we use it to help our food industry. We should depend more on what we can grow ourselves and less upon what our neighbours may want to give us from their surplus production.

I am not sure what the changes we have made to this legislation today will do. I am not really sure how they apply or when they apply, and I do not think anybody else is sure either. This is not to say that I feel less qualified to read and understand the bill than someone else, but just that I think we really do not know how it will work. If it is successful, it will apply in a different way from one year to another.

I hope its application means that we will be able to protect some of the food industry. Indeed, Mr. Speaker, I am not sure whether I am a free trader or whether I want a high tariff. The only reason I am particularly interested in the bill and its application to agriculture is that I do not think we can gamble with agricultural production any longer. It is absolutely essential that Canada reach self-sufficiency as quickly as possible. I think we damn well can do it with vegetables and soft fruits, but our record has been one of decreased production rather than increased. British Columbia may be more self-sufficient than the rest of the country. I know that every time I go into that most favoured part of Ontario where there is the climate and the soil necessary to produce the commodities that cost so much in the store, I am aware that it cannot compete with the price of imports from the United States and Mexico.

We should take steps to ensure that our producers get a fair break, and I hope this bill will bring that result. If it does not, then our children and their children will be faced with a scarcity of those commodities that we should be able to grow in profusion if only we managed our resources better than in the past.

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

Adjournment Motion

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Papineau (Mr. Ouellet)—Public Works—Status of Guy Favreau complex; the hon. member for Notre-Dame-de-Grace (Mr. Allmand)—Northern Affairs—Settlement of aboriginal land claim; the hon. member for New Westminster-Coquitlam (Miss Jewett)—External Affairs—Foreign aid expenditures for coming year.

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

PRIVATE MEMBERS' MOTIONS

[*English*]

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Motion No. 3, the hon. member for Mackenzie (Mr. Korchinski). Shall the item stand, by unanimous consent?

Some hon. Members: Stand.

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): If it please Your Honour, could we agree to adjourn all the other notices of motions by unanimous consent, or perhaps you have just done that?

Mr. Knowles: There is only one and we did it.

Mr. Kilgour: Could we deal, by unanimous consent, with notice of motion No. 5 standing in the name of the hon. member for Surrey-White Rock-North Delta (Mr. Friesen)?

Some hon. Members: Agreed.

● (1700)

INCOME TAX

ADVISABILITY OF PROVIDING DEDUCTION FOR CERTAIN DISABLED

Mr. Benno Friesen (Surrey-White Rock-North Delta) moved:

That, in the opinion of this House, the government should consider the advisability of amending Interpretation Bulletin IT-225, paragraph 2 of the Income Tax Act, to provide

[Mr. Peters.]

(*a*) that a deduction of $1,000 annually, adjusted to an indexed cost of living clause, may be claimed from taxable income by an individual who is so sufficiently disabled that he cannot attend to his own personal needs or whose mobility is considerably restricted throughout any twelve month period ending in the year;

(*b*) that such deduction may also be claimed by a taxpayer who is totally blind at any time in the year; and

(*c*) that to whatever extent the amount is not required to reduce the disabled taxpayer's taxable income, his or her spouse or supporting parent or guardian may make the deduction.

He said: Mr. Speaker, I trust that this motion will receive the consent of the House. I have discussed the matter with members of the former government who are generally disposed to agree with it. I have also discussed it with the hon. member for Winnipeg North Centre (Mr. Knowles), who has said that he would be in favour of the House passing this kind of motion. I have mentioned to the hon. member for Timiskaming (Mr. Peters) that the government is also disposed to accepting this motion.

As hon. members know, the government has already taken the position that we do want to help the handicapped in a way they have never been helped before. That is why the Prime Minister (Mr. Clark) has already tabled a motion asking that a special committee be set up to study the needs of the handicapped, and it is why I take part in bringing this motion forward.

Since Mr. Speaker has already read the motion, I should point out how the bulletin reads at present because it is germane to an understanding of what my motion is all about. The operative phrase in this particular interpretation bulletin reads basically that a handicapped person is one who is confined for a substantial period of time each day throughout any twelve-month period in the year to a bed or a wheelchair. That is sheer lunacy. That kind of definition of a handicapped person is so narrow as to be insulting to the people who need this kind of care. That kind of regulation is designed not to help the handicapped but to help the income tax officials who have to make decisions regarding whether or not certain people are entitled to those benefits. It is not designed to help the handicapped. That is why I have brought this motion forward.

In my constituency I have one organization called the Variety's Treatment Centre for Children which has children from over 300 parents who come for help. Many are confined to a bed or a wheelchair, but some of them are not. As a matter of fact, across Canada there are many parents who are looking after their children who are not confined to a bed or wheelchair at all during the day, but who nevertheless need constant care. I say that the wording of that bulletin was done by an official looking after himself, not after the needs of the handicapped.

I point out also that the bulletin as it is today does not deal with the problem. I say that the people affected by this bulletin are not the historic kind of income tax evaders. These are not people who are looking for loopholes in the law. These are people looking for help. They are the good, responsible people of our society, not ones who are copping out of their responsibilities.

I suggest to you, Mr. Speaker, in the cold, crass economic terms with which we have to deal so many times in our society, that if these people were not good, responsible people in our society, they could easily avoid their responsibilities as parents, or spouses in some cases, and shunt these handicapped people off to state institutions and ask the state to carry those responsibilities. If one wants to look at it in crass, economic terms, it would cost the state something like $15,000 a year to look after these people.

We have parents or spouses of handicapped people who want to maintain responsible and loving relationships with their family, but the officials of the income tax department are trying to define the provision so narrowly that as few people as possible will qualify for the benefits of this deduction rather than as many as possible. Sir, I object to that, and I know that members of this government object to that. Therefore, we want to see the wording of that bulletin changed so that we can have, perhaps through the simple mechanism of a doctor's certificate, a declaration that a particular individual needs constant care. We could have that bulletin changed from the present wording that is so restrictive to read as stated in my request, as follows:

—(*a*) that a deduction of $1,000 annually, adjusted to an indexed cost of living clause, may be claimed from taxable income by an individual who is so sufficiently disabled that he cannot attend to his own personal needs or whose mobility is considerably restricted, throughout any twelve-month period ending in the year;—

I have checked with many organizations across Canada already. We have been in touch with them and they are in agreement with this proposal. I am talking about organizations dealing with help for the handicapped. I know they are in agreement and that they have had their legal experts examine this particular matter. I suggest that if the House has any compassion at all, if its perspective is in any way geared to helping the relatives of handicapped people as much as possible rather than as little as possible, we should do everything in our power to make sure this motion will be carried.

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I congratulate the member across the floor on his sentiments, his motivations and particularly his concern for parents of handicapped parents. I am sure we share his concern. However, in regard to this particular motion, if he takes another look at it I am sure he will realize it does not go nearly far enough. I would like to bring to his attention several points that are discriminatory. In particular, the very terminology of the motion refers only to handicapped people as "he". Since I have been a new member in this House many times we have found that females seem to be excluded. In my opinion, this is not good enough. We must be far more conscious of including "he's" and "she's" when we provide for such measures.

Second, I would like to know a little more about the present income tax deductions. It is my understanding that people are now allowed $1,600 maximum. I am wondering if this is an additional $1,000? I would not object if it is because these people need more money. However, I understand from the definitions the hon. member referred to that he was particularly concerned with parents. Perhaps that is something he can clarify for us.

• (1710)

My main concern is that most handicapped people will not benefit from this measure. It is like the mortgage tax credit proposal of the Conservative government: it benefits those who are able to work and those handicapped who earn above the minimum wage. That includes very few handicapped people. Of the working handicapped people, less than 30 per cent earn the minimum wage. Many work in workshops for the handicapped. I wish the hon. member would listen because what I am saying concerns his motion. Many earn less than the minimum wage. There is no way they pay income tax. They are the ones who need help, along with the unemployed.

What we should be talking about is a tax credit to help meet the needs of handicapped people and parents of handicapped children. We should also be looking at the needs of the handicapped who are over 65. This group is growing larger every day. We are told that over one-third of the handicapped people over the age of 65 have mobility handicaps. There are very few community facilities and transportation services for these people and their income is inadequate for them and their families who must care for them at home.

There are income tax inconsistencies the hon. member should check into for handicapped workers. I am told a worker can deduct the maintenance cost of a van with a hydraulic system to lift the wheelchair, but cannot deduct the capital cost of the hydraulic system and lift.

Our main point of concern should be the reason why more employable handicapped people are not employed. There are many who could work if more jobs were suited to them and more employers were willing to handle them, including the federal government. There should be more incentives and supports for the handicapped in order that they may get off social allowances, or the handicapped person's allowance as it is known in British Columbia. There should be more money for those who work. I should explain that if a handicapped person is able to find an employer who is willing to hire him, he not only loses his social allowance but also coverage for drugs and home care he may need. Such person is not entitled to transportation programs which are essential to get to work and around the community.

We have a situation where services for the handicapped have been cut back drastically, especially transportation services. It is absolutely essential for these people to be able to get out of their prisons, which is literally what many of them are in. In British Columbia alone, over 12,000 handicapped people under the age of 65 receive the handicapped person's allowance. Many have much potential to contribute to their employment and their community. We must look into some of the special considerations there. We should be planning urban transit now that will accommodate wheelchairs for these people. This is something to which the federal government should be contributing. Our buildings, including this one, should be more accessible to the handicapped.

There are many handicapped people attending a conference in this city this week. I suggest that members invite these people to our dining room at the expense of the taxpayers, just as we have dinner at the expense of the taxpayers. Many would not even be able to get into this building. They certainly would have great difficulty getting into our dining room. That is a shocking situation. The federal government should be setting an example.

Much greater attention should be given to affirmative action programs that will include fair opportunities for handicapped people. I understand the federal government is now encouraging this in the private sector. I am in favour of that. However, we should be leading the way in our federal services. I understand that approximately 1 per cent of federal employees are handicapped, whereas in the general population 8 per cent are employable handicapped people. We very definitely must do something about opening up job opportunities and facilities that are accessible to these people.

During the election campaign the Prime Minister (Mr. Clark) and the Conservative party made a strong promise that there would be a major change to the Canadian Human Rights Act which would provide that handicapped Canadians would have the same protection from discrimination as other protected groups. I have been told by a number of handicapped people and organizations that they are quickly losing faith in this government and in the Prime Minister because nothing is being done about this. There was a very strong promise to do something without delay; however, it was not mentioned in the throne speech. It has now been referred to a select committee which is really a delaying mechanism. The Prime Minister indicated that enough studies had been done and this was something he would implement. I challenge the government and the hon. member who presented this motion to do something about this.

In summary, we would like to see more income tax deductions for all working people. We would like to see this one applied in the form of a tax credit for those who do not earn enough to pay income tax and who will be discriminated against if this motion goes through. We would also like it to apply to unemployed handicapped people whose needs are even greater, as they receive something like $300 a month from their handicapped person's allowance.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, first I would like to congratulate the hon. member for that motion which I consider very important and timely because, as he knows, I also have had cases in my riding which caused me certain frustrations and which I believe should receive the particular attention of parliamentarians with respect to the deductibility of certain expenses incurred as a result of the fact that they are handicapped.

Mr. Speaker, I do not intend to speak at length, maybe three or four minutes, simply to make the point that we in the opposition are in complete agreement with the hon. member. The motion in question would allow an individual to claim an allowance of $1,000 which would be indexed to the cost of living if that individual were handicapped for a period of 12 months ending in the current year.

[Mrs. Mitchell.]

Mr. Speaker, sad situations occur sometimes. I have cases in my riding where people are in receipt of Canada Pension Plan benefits for example. That plan pays them a pension because they are totally unable to work. They are in wheelchairs, but for very particular reasons, they cannot yet attend to their daily needs and perhaps even feed themselves and do certain household chores. For all practical purposes, those people simply cannot work. They are totally handicapped in the full sense of the word. They have a medical certificate issued by a doctor attesting that they are unable to work. They have met the requirements of the law, and in spite of that they are sometimes refused to include in their tax returns deductions which would have the effect of reducing taxes payable.

Mr. Speaker, I would simply like to join my colleagues of the Liberal party in congratulating the hon. member, who is very progressive in his motion. I hope the government will take this motion really to heart and see to it that it is passed rapidly and wholeheartedly.

• (1720)

[*English*]

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, I rise to support the motion presented by my hon. friend from Surrey-White Rock-North Delta (Mr. Friesen). In the past week I have had the privilege of attending two openings in my constituency of Brampton-Georgetown, one of a senior citizens' drop-in centre, the other of a public swimming pool, both designed with the handicapped in mind and heavily supported not only by the government but by the private sector. The swimming pool facilities allow wheelchair access to the pool and also to the whirlpool bath, a new idea which is a very worth-while thing. I congratulate the people, the politicians and the staff of the Region of Peel and the city of Brampton on both those worth-while projects.

There is one area I should like to talk about for just a moment, the issue of transportation of the handicapped. There have been numerous representations in the past seeking an extension of the general exemption for the disabled. One reason which is often given is that it would provide for special transportation costs faced by many of the handicapped in getting to and from work. One feels sympathy and admiration for handicapped persons who have the energy and ambition to get out and work. I agree with the hon. member on the other side that we should increasingly encourage these endeavours. I also believe various areas of the House of Commons should be more accessible to the handicapped.

To get back to the subject of transportation, the answer which has been given in the past is that there should not be a general widening of the exemption since this would benefit others who don't have the same transportation expenses. The general question of employment related expenses has long been a difficult issue. Under tax law, transportation expenses can be

subject to a wide variety of circumstances and personal choice. Because of this, nearly every tax system follows the practice of not allowing a general deduction for transportation expenses. That was also the conclusion of the Carter Royal Commission on Taxation.

It is a difficult problem, and the solution arrived at in the Canadian income tax context is to provide a flat-rate employment expense deduction to recognize all of the many and varied personal expenses incurred by people in earning income from employment. Up to last year this deduction was 3 per cent of a taxpayer's income up to a maximum $250. For this year that maximum allowance has been doubled to $500.

I would urge that the committee to be set up to study the special needs of handicapped and disabled persons take a fresh look at this area of transportation. Increasing importance is being given to the desire and ability of the handicapped to get into the work force where they can play a very beneficial role in society. Many adjustments have to be made. I know a number of handicapped people who drive cars and who have had to spend tremendous amounts of money getting hand controls set up in their automobiles. I think this whole matter should be looked at again with a view to providing legitimate tax deductions related to the transportation needs of the handicapped.

It is a pleasure for me to support this motion and I urge all hon. members to endorse its passage.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I must make a small contribution to this debate because of my long-standing interest in the subject of services for the handicapped. It is not my intention at all to delay the proceedings. The contributions which have been made to the debate so far make it clear there is a consensus that this motion should receive the approval of the House.

The reason I want to contribute to the debate is that my name has been associated with the proposed select committee which will be set up to study the services available to the disabled and the handicapped and to bring in a report as soon as possible for the improvement of those services and for provisions to meet the special needs of the handicapped. There has been some skepticism associated with the proposal. In fact, some speakers have expressed their skepticism here this afternoon. The CBC in its wisdom on a recent "Cross-Country Check-Up" program posed the question to the Canadian public: "Do you think the disabled deserve more than a parliamentary committee?" Of course, that question met with a very positive response: the disabled do need more than a parliamentary committee.

I think it should be pointed out that there are so many gaps in meeting the needs of the disabled that it is imperative a special select committee be brought together so that we can realize the whole program, meet the special problems of transportation and housing, education and even civil liberties which pose themselves for the handicapped. The last-named aspect is one which is under active consideration by the Human Rights Commission at the present time. I have been in correspondence with the commission for some time and I have received an assurance from the head of the commission, who used to be a member of this House, that the time for action is now. I point out that the Prime Minister (Mr. Clark), as will be seen from the Speech from the Throne, has emphasized that the civil liberties of all minority groups will be respected, and this, of course, includes the handicapped.

There is another comment I should like to make with respect to accessibility to this chamber and other parliamentary facilities. I have already been in touch with Your Honour pointing out that this is a matter which is long overdue. It is within the purview of the committee on internal management. Certainly there should be parking places available to people who are limited in their mobility and again I have the assurance that there will be early action to deal with this problem. It underlines the necessity of getting the select committee under way with the authority of this House and I hope that some time this week it will be possible to get agreement from all parties accordingly. We already have agreement from the House leader of the New Democratic Party who is looking across at me and nodding his head in approval. I trust that we shall have the same approval from the House leader of the official opposition. He is not in the House at the moment, but if there is anyone over there who can nod his head in the affirmative, any impediment toward the establishment of this committee would be removed and we could get on with this important business.

• (1730)

What the hon. member has proposed in his motion this afternoon deals with only a small part of the problem. We want to get our committee under way and we want to bring in a report as early in the New Year as possible. I urge all hon. members, while supporting the motion that we have before us, to go that one step farther and make it possible for our select committee to come to grips with all the manifest problems, some of which have been outlined here this afternoon. It is imperative, because Canada is hosting the rehabilitation national congress in Winnipeg next June. We want to have our report in with the recommendations and actions on the recommendations in preparation for that congress. The year 1981 will be the year of the disabled. I hope that out of the discussion here this afternoon will come a consensus that we get our committee under way that we get on with the long delayed response of meeting the special needs of Canada's disabled and handicapped citizens.

Mr. Bill Kempling (Burlington): Mr. Speaker, I want to rise briefly in support of the motion of my colleague, the hon. member for Surrey-White Rock-North Delta (Mr. Friesen). I do not suppose there is a member of Parliament who has not been confronted with the problems of disabled people and how we treat them and provide for them. I hope no one will think that I have a conflict of interest because my father happens to be in the CNIB. He is a disabled person. Hardly a month goes by that I do not have some disabled person in my office. Two weeks ago a man came to my office who had his leg amputat-

ed. He is 56 years old, and he has worked with his hands all his life. He can no longer work now; he cannot get a job because of that disability. He was asking me what I can do for him. His total income amounts to $278 a month and he cannot live on it, he told me. I hope we have something coming along to assist him, but this is the problem.

Prior to that person coming to my office there was another man who came who has epilepsy. Let us look at industry's side of it. What happens to a man who comes in to apply for a job? Most industries today require him to take a medical examination before he joins their insurance plan or performs a creation job. The man tells them he has epilepsy but that it is controlled, he has been on medication for X number of years. "That does not matter", they tell him. Let me tell you that when people are being considered for a job, the man or woman with epilepsy is shuffled out and never told why. They apply for a job and then they are shuffled out because of their disability. I cannot blame the employer because if it is a job running delicate machinery, where the safety of others may be involved, perhaps the employer has a case to make. But the fact is that these people who are disabled have special problems which the rest of us do not have to face.

When I was a young boy, unfortunately I contracted polio and my left side was paralysed. I wore braces and crutches for many years and I missed much of my schooling, so I know first-hand what it is to be disabled, and I know what it is like to come back from it. So I speak with a little bit of authority.

I know the Prime Minister (Mr. Clark) is very concerned with this area and I know he supports our setting up a select committee to look into the matter of the handicapped. I commend my colleague for bringing this matter forward because one of the problems with which we will deal is that a handicapped person is defined under the Income Tax Act. The income tax officials, God bless them, have to collect their pound of flesh from all of us, but they define a person who is handicapped, and they lay down certain specifications for him. We must look at that because a person who had epilepsy a little while ago and whose disease is now controlled will perhaps not come under the definition of handicapped, but the fact is he is handicapped because he still has a great deal of difficulty in getting employment, and those who live with him have difficulties as well.

I know there are others who want to contribute to this debate. I commend my colleague for the third time for bringing this matter forward. I know we are going to deal with it in the select committee and, judging from the expressions from all sides of the House, I think it will be a subject on which we will be able to proceed with some dispatch, thus bringing some measure of relief to these people in fairly short order.

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I will only take about 60 seconds of the time of the House to urge all hon. members to vote in favour of the motion. Also, I wish to identify myself with the remarks made by the hon. member for Brandon-Souris (Mr. Dinsdale). I do not know how many members here know what a friend of mine who is blind told me, namely, that a blind person has no benefits coming to him at present. He cannot even claim for transportation as a blind person. So I would like to urge every member here to vote in favour of the motion.

[Mr. Kempling.]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, if the House is disposed to pass this motion, I have no objection to this being done, but I think we should give the matter a little further thought. I commend the hon. member for Surrey-White Rock-North Delta (Mr. Friesen) for bringing the subject before us this afternoon. He is quite right in quoting me as having said that I was sympathetic to what he is trying to do. But as my colleague, the hon. member for Vancouver East (Mrs. Mitchell), has pointed out, it is another one of those proposals that does not begin to go far enough. That position has been underlined by the hon. member for Brandon-Souris (Mr. Dinsdale) in his contribution. That makes me a little concerned lest our action in passing this resolution will say to the government, and will say to the Minister of Finance (Mr. Crosbie) in particular, when he is drawing up his budget, that if he does this the House will be happy.

I have learned that in this place you have to be happy about small things that are done, but this problem is much larger and much more demanding than is met in this resolution which simply provides certain income tax deductions for those who have enough income that they have to pay tax on it. If we are going to deal with the matter through the medium of the income tax, we should provide income tax credits. These should be credits like those provided under the child tax credit provisions where persons get even if they did not pay any income tax in the first place.

The only persons who will benefit from this resolution are people who themselves, or through their families, are paying income tax. That is a step, it is a beginning, but my fear is that if this motion receives the unanimous endorsation of the House and gets it easily in 40 or 45 minutes, the Minister of Finance will be able to say, "I can do that", and that will settle the issue. The hon. member for Brandon-Souris would never say that; he would never admit that this settled the issue. As I say, if we are to deal with it through the income tax method, it ought to be by income tax credits, but there are all those other things which ought to be done.

• (1740)

Frankly, I should like to see the House find the ingenuity to refer this resolution to the committee which is to be set up. I realize I am creating a procedural tangle for Your Honour. To refer a resolution at all is difficult, but to refer it to a committee which has not been set up is even more difficult. I commend my fellow Manitoban, the hon. member for Brandon-Souris, on the persistence with which he has kept at the campaign for a special committee. It appears that he will get it in this session. We will be happy to give support to the setting up of that committee.

I believe this business of what we do for handicapped persons should be looked at in its totality; not just income tax

deductions for those why pay income tax, but grants and credits for those who do not pay income tax, and something to help with transportation and all other problems which face handicapped people who have a right to live lives somewhat equal to those of the rest of us.

Certainly I shall not register any objection if it is the will of the House to pass this motion. If it does, of course I shall look for the Minister of Finance to be doing something about it in his budget. If we pass this motion and he does not pay any attention to it at all, then we will find that Tory ministers of finance are no better than Liberal ministers of finance. But far better would it be to have the House agree—I suppose we could do it by unanimous consent—that this motion be sent to the committee which is to be chaired by the hon. member for Brandon-Souris. It would seem to me that that would be the best course to follow this afternoon.

Some hon. Members: Hear, hear!

Motion agreed to.

Mr. Kempling: Mr. Speaker, could I move that we call it six o'clock?

The Acting Speaker (Mr. McCain): It has been requested that we call it six o'clock. Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. McCain): It being six o'clock p.m., I do now leave the chair until 8 p.m.

At 5.44 p.m. the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

AMENDMENT TO PROVIDE TAX CREDIT IN RESPECT OF MORTGAGE INTEREST AND PROPERTY TAX

Hon. John C. Crosbie (Minister of Finance) moved that Bill C-20, to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax, be read the second time and referred to the Committee of the Whole.

He said: Mr. Speaker, it is my distinct pleasure and honour to have the opportunity to speak to and introduce this bill at second reading tonight, and to move second reading of this mortgage interest and property tax credit legislation, and to call on the members of the House, particularly on the other side, to drop their obstructionist tactics and join with us on this side of the House to pass this legislation before Christmas so this tax credit will become available to Canadian taxpayers and home owners for the fiscal year 1979.

I might say in introducing the legislation that it was in September, 1978, that the Leader of the Progressive Conservative Party, who is now the Prime Minister (Mr. Clark), and who undoubtedly is going to be Prime Minister for many years to come yet, first introduced this suggestion that there should be some allowance or some assistance given to home owners, or some assistance given to people who wish to become home owners, towards the heavy costs of acquiring a home and continuing to operate and own a home in Canada today. I think it was in September, 1978, that he first put in our platform and advocated a scheme such as the one that is now before the House tonight, to assist mortgage holders in Canada with the cost of financing a home and operating a home both in respect of mortgage interest and property tax.

I have in my hand now a background paper, "PC Tax Proposals," that is dated September 21, 1978, which deals with deductibility of mortgage interest and municipal property taxes, and sets out the reason why that policy was being advocated by the leader of the PC party.

This is not an income redistribution measure, this is not an incomes measure, this is a measure to do with home ownership; with owning a home and with assisting the people of Canada in becoming home owners, and, once they are home owners, in assisting them to meet the heavy costs of being a home owner, both in respect of borrowing the money to purchase the home and to surviving afterwards when you take into account municipal taxes and all the other expenses you have in connection with home ownership.

The suggestion as originally outlined by our leader, the present Prime Minister, was for a mortgage interest and municipal property tax deductibility policy. But, Mr. Speaker, that was only a technique; whether it was a deduction or a tax credit. This was just a matter of technique, and what we have before us in the House tonight is a mortgage interest and property tax credit plan.

The reason why we have changed that technique in carrying out this major change in the Canadian system is that this is far less costly to the federal government, the Government of Canada, in the sense that the property tax and mortgage interest credit will be deducted from our federal basic tax and will, therefore, not affect provincial income taxes or provincial taxation, and in no way will it affect the provincial revenue structure. That will save, because it was our pledge that it should be made in all equity and fairness; it was a point of this policy that it would not damage the provinces in respect of their own collection of income taxes.

Obviously if this had continued to be a mortgage interest and property tax deduction from taxable income, then it would have been a deduction not only from federal taxable income but from provincial taxable income, and it would have affected provincial income taxes, and to reimburse the provinces

because of this, and to reimburse them because of its effect on other federal financial programs, it would have cost perhaps an additional about $900 million to $1 billion when the scheme was in its full effect in the fourth year.

This plan is to be phased in over four years, as was promised in September, 1978, by the Prime Minister. It was a commitment which aroused a lot of interest during the election campaign. It was one of the principal reasons, I believe, that people supported this party, and for that reason and, because it is in the interests of Canadians, we intend to see that this promise and this commitment are carried out. Apart from the general repugnance of the people of Canada for the man who was leading the government at that time and their desire to have a change after 16 years, one of the main planks in our campaign which aroused interest amongst the people was this property tax and mortgage interest plan. Not only did it arouse interest among home owners, but among tens of thousands of apartment dwellers who found it desirable because they did not want to live in apartments for the rest of their lives. They want a chance to own a home like many other Canadians.

● (2010)

The Liberal party, the then government, campaigned against this policy. Their campaign had absolutely no effect at all. In apartment after apartment which I went to in my own district of St. John's West, the occupants would ask me about this policy because they supported it, particularly the young who occupied those apartments because they hope one day that they will own their own homes and that this policy will assist them. The campaigns of the Liberal party and the NDP to try to persuade apartment dwellers that they should vote against this great move forward were unsuccessful. It is those people we want to assist.

I want to make it clear that this is a tax credit and that you will only get something out of this legislation if you are a taxpayer. If you are a federal taxpayer, you will get a tax credit under this legislation. If you do not pay federal taxes, then you do not get any value out of this legislation until you become a federal taxpayer because this is a tax credit and not merely refundable. If you are a home owner and a taxpayer living anywhere in Canada, you will benefit because you will be entitled to a property tax credit.

The property tax credit in the fourth year, or 1982, when this plan becomes completely mature, will be $250, whether or not you have actually paid $250 in municipal taxes. Whether or not you have paid one cent in municipal taxes, you will get a property tax credit against your federal basic tax of $250 in the fourth year of this plan.

If this legislation is passed by this honourable House, and the hon. gentlemen opposite permit it to be passed before December, you will be entitled as a home owner and a federal taxpayer to a credit of $62.50 in 1979. In 1980 you will get a tax credit of $125, and in the year 1981 you are entitled to a mortgage tax credit of $187.50. In the fourth year of the plan, 1982, you become entitled to a tax credit of $250.

[Mr. Crosbie.]

If you own a home, a condominium, a mobile home anywhere in Canada or even spend money in excess of $5,000 to renovate your home, you become eligible for this assistance under the mortgage interest provisions. Whether or not you pay a cent of municipal taxes, if you are a home owner and pay federal tax you will receive $62.50 this year. If you do not get the $62.50, you will know who to blame before we are finished. The tax credit will be $125 next year, $187.50 in 1981, and $250 in 1982.

If you are also a home owner who has a mortgage on his home, and most home owners do, or on your condominium or your mobile home, then you are also entitled to get a credit for the mortgage interest you pay. The maximum amount of mortgage interest on which you are entitled to a credit is $5,000.

In the fourth year of this plan when it is fully mature, you will be entitled to deduct from your basic federal tax payable the amount of $1,500. You have a tax credit of 25 per cent of your mortgage interest up to a maximum of $5,000. In the fourth year of this plan, 1982, if it is enacted by this House, you will be entitled to deduct from your federal tax payable $1,500. That is not chicken feed. For those people on the opposite side of the House who make the welkin ring now that they are in opposition with cries about high interest rates, we must not let them forget that this legislation will be of considerable assistance to people whether they are struck by high interest rates or low interest rates.

What about the year 1979? If you are a home owner and in Canada in 1979, with a mortgage on your home on which you are paying anything up to $5,000, you will be entitled to deduct 25 per cent of that interest from your taxes payable and one-quarter of that this year. So if you pay $5,000 in interest this year, you will be entitled to a maximum credit of $312.50 on your mortgage interest in 1979.

If you are a mortgagor, a person who has a mortgage on your home, in 1980 and you pay the maximum amount of interest, $5,000, you will get a tax relief of $625 from your federal taxes payable. If you are that same person in 1981, the third year of this plan, you will be able to deduct an amount of $937.50, and in 1982 you will be able to deduct $1,250. If you take the maximum mortgage interest tax and the property tax credit, in 1979 you will have a credit of $375. In other words, when you make out your tax return in March or April, you will be able to deduct $375 from your federal tax payable. In 1980 you will be able to deduct $750, in 1981 the deduction is $1,125, and in 1982 you will be able to deduct $1,500.

If you are an individual who is fully eligible, who is paying in excess of $5,000 a year in mortgage interest each year, over the four years from 1979 to 1982 you will get $3,737.50, if you are so permitted. If other members of the House join with us in passing this legislation, you will have a benefit of $3,737.50. But if the hon. gentlemen opposite do not join with us in passing this legislation, you can thank them for preventing you from having this tax relief. We will know exactly who they are and the people will know exactly who they are, those members who do not want you to meet the cost of owning a home.

The people of Canada should understand that we do not have a majority in this Parliament. I think there are 136 members in the government. Is that the right figure, or is it 135? We do not have a majority in this House. The Liberal party members, the NDP members and the five Social Credit members can outvote us. If they do not support us in this legislation, they can stop it. It is in their hands. We can only propose; the House of Commons disposes. The hon. gentlemen opposite may be able to prevent the home owners and the taxpayers in Canada from receiving this benefit, but I do not think for a minute that they will do that. I do not think that they could find it in their hearts to do that. We will see in due course, however, because they have been making some threatening noises.

To what does this legislation apply? It applies to a mortgage or a loan which you incur to purchase a home, or if you spend over $5,000 in adding to or renovating a home. Only then can you deduct from your taxes under the scheme that I have outlined.

Mr. Axworthy: Did you say gimmick or scheme?

● (2020)

Mr. Crosbie: What is the difference between a property tax scheme as a deduction from taxable income and the scheme now before the House? The difference is that under the scheme in its final form as presented to the House, 3.8 million Canadian families will receive increased tax benefits—

Mrs. Mitchell: Mr. Speaker, I rise on a point of order. For at least three times tonight, and I do not know how many times on other nights when the minister has been speaking, he has referred to this side of the House as the "honorary gentlemen" or "honourable gentlemen". I should like to request that he recognize there are others than gentlemen who, hopefully, are honourable. Will he please stop this sexist language?

Mr. Crosbie: Mr. Speaker, I have always treated women exactly the same as men. From now on I will call them "honourable persons" so that there will not be any cries of discrimination. I never realized there was any difference between us. I am a real innocent.

Let me put some figures on the record. There are 9.4 million households in total in Canada; of that number, 3.8 million families pay federal tax and have mortgages and they will get the property tax credit. There are 1.1 million who are non-taxable home owners. There are 4.5 million households who are renters—students or whatever—and who do not come under this legislation. Of the remaining 4.9 million households, 1.1 million are home owners who do not pay taxes to the federal government, for various reasons. There are 3.8 million who do pay taxes to the federal government and who have mortgages or are subject to property tax. The number of households in Canada with mortgages is 2.57 million. There are 116,885 mobile homes.

The value of mortgages in Canada was $83.7 billion in 1978. When we take the 2.57 million households with a mortgage and divide it into the mortgage debt, it gives an average mortgage of $32,500.

Of the 3.8 million Canadian home owners who pay federal taxes, who have a mortgage or are subject to the property taxes, 2.3 million will be eligible for both the mortgage interest credit and the property tax credit, and 1.5 million for at least the property tax credit, making the 3.8 million.

Of those families who are eligible, how many are helped by a change from a system of a deduction to a system of tax credits? The answer is, in excess of 3 million home owners benefited more by a change from a tax deduction to a tax credit, and less than 800,000 received less. Of those 800,000 who received less, all are in the higher income bracket. Only 300,000 received less by more than $100 through this change, all of them in the higher income tax bracket. The scheme, therefore, is directed toward those more in need of assistance by the change to a tax credit.

What is the cost of the scheme to the Canadian government, altogether? In 1979 it is $575 million. In other words, the tax credits that should be deducted next March or April will amount to $575 million. These will be deducted in 1980.

An hon. Member: Where is the money going to come from?

Mr. Crosbie: For the first time, Mr. Speaker, I have heard a member of the New Democratic Party ask where the money is going to come from.

Some hon. Members: Hear, hear!

Mr. Crosbie: When it comes to giving the Canadian home owner a break, the NDP is immediately against it. They ask where the money is going to come from. This is the first time in my three years in this House that I have ever heard them ask that question.

The money is going to stay in the pockets of the 3.8 million Canadian taxpayers who would otherwise have paid it. That is where it is going to come from. They are going to spend the $575 million helping to meet their mortgage interest, helping to meet their property tax payments, helping to meet their insurance premiums, helping to meet their household costs, or whatever they want to use it for.

In the calendar year 1980, as the scheme is further enriched, it will cost $1.245 million. That will stay in the pockets of Canadian taxpayers in March and April of 1981, as they prepare their federal tax returns. For the tax year 1981, $2,015 million will stay in Canadian home owners' pockets to help them meet the costs of operating their homes and meeting their mortgage interest that hon. gentlemen opposite have been so concerned about, ostensibly, in the last few weeks.

In 1982, the fourth year, when the plan is fully mature, it will cost $2.87 billion. That will stay in the pockets of the 3.8 million Canadian home owners who pay federal taxes and who can deduct that from their federal tax payable. That $2.87 billion will stay in their pockets to help them meet interest

rates, to help them meet property taxes, to help them meet insurance premiums, to help them with repair bills or whatever they need to own and operate a home in this country.

For the first time in this country there will be in effect what has existed in the United States since 1862, a deduction for mortgage interest. This did not originate in the twentieth century, Mr. Speaker; it originated in the 1860s.

Mr. Evans: They have tried to get out of it ever since.

Mr. Crosbie: They have not tried to get out of it. They expanded it to all consumer credit, Mr. Speaker. It is a system that will never be left behind because it is part of the old American system.

An hon. Member: John Evans is against the plan.

Mr. Crosbie: The hon. member for Ottawa Centre (Mr. Evans) is against it. He decries it. That gives you some outline of who will benefit, and to what extent, from this scheme, Mr. Speaker.

The interest on all consumer credit in the United States is deductible. Their taxpayers are allowed to deduct it, but we are not suggesting that. We have a plan that will only allow the deduction of interest costs in connection with acquiring, renovating or expanding a home. It does not cover all consumer credit. It has to be for that particular purpose alone, so it is a carefully drafted scheme to help people to become home owners in Canada. It does not cover just those who own homes at present, but those who want to become home owners.

We can be defeated on this, Mr. Speaker. This is the time for the opposition to put up or shut up. The Leader of the Opposition (Mr. Trudeau) was in Toronto on Saturday and Sunday, flexing his muscles. He was going to stop this legislation going through. I say, fine, let him stop it. This is a good issue for us to have another election on. The Canadian people have already shown that they want this. If the opposition is not convinced and wants to put it to the test again, then let them defeat this legislation. Let us go on and see if the Canadian people want it or not.

Some hon. Members: Hear, hear!

Mr. Crosbie: The official opposition has done nothing but cry for stimulus. The NDP is always crying for stimulus. They want more stimulus—it is almost a reflex action with them, except when it comes to the home owners of Canada. They do not want stimulus then, they want to keep them burdened with debt and high interest costs.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Whelan: Nonsense.

Mr. Crosbie: Mr. Speaker, this is stimulus. This is $575 million of stimulus for early 1980 for the home owners of Canada and for the economy, and $1,245 million in 1980, and $2 billion in stimulus in 1981. Remember the $2 billion. That is the $2 billion they are trying to tell us that our leader forgot about when he promised the $2 billion in tax reductions. In 1981 it will be $2 billion. As our economy improves and we are in a position to give more stimulus we are going to give it. In 1982 it will be $2,875 million. They do not like this kind of stimulus. They do not like it because they did not think of it. They fought against it in the election and they are going to try to scuttle it now. They are going to try to scuttle this stimulus.

● (2030)

What are the three main purposes of this plan?

Mr. Axworthy: Go ahead.

Mr. Crosbie: The Canadian people are going to be able to afford the water that goes to their homes, and more after we implement this legislation.

The main purpose of this plan is to ease the burden of purchasing and meeting the costs of a home, to stimulate the Canadian construction industry which badly needs stimulus after the shape it was left in by hon. members opposite—persons opposite. It will create jobs for those who work in construction and related industries. That is the purpose of the plan.

By the way, Mr. Speaker, in Saskatchewan, that magic place which is the only place in Canada that is wealthy enough to afford the socialists in its government, even there they have a mortgage interest deduction plan—

An hon. Member: There is nothing wrong with those socialists.

Mr. Crosbie: —which they proclaimed. So the Saskatchewan home owner is going to get a mortgage interest deduction from the Saskatchewan government and one from the Ottawa government. But the Ottawa government, the PC government stimulus and mortgage interest deduction, is going to be voted against by the NDP in this House, while the NDP in Saskatchewan gives its own mortgage interest deduction. What is wrong with this mortgage interest credit? Is it because it is being introduced by Tories that these idealogues down in the corner are going to vote against it? What kind of inconsistency is that? Inconsistency, thy name is NDP—neurotic and demogogic.

Some hon. Members: Oh, oh!

Mr. Crosbie: I have given you the number of families who are going to benefit by this. It is 3.8 million families, if hon. members opposite permit, because we are asking them humbly to support us. The average benefit per family will be $590 for those eligible under this program by 1982 when it is fully phased in.

There has been an argument from hon. members opposite—yes, the term members is all right, I am not allowed to use the term hon. gentlemen—that because mortgage interest rates have increased in the last few months—year, year and a half—we should not put this forward. This is the cry we have heard

from the new member from Manitoba—Haworthy—Taxworthy—the honourable Taxworthy.

Some hon. Members: Oh, oh!

Mr. Crosbie: He has complained bitterly in this House that we are bringing this scheme forward in light of the fact that mortgage rates have increased. The fact that mortgage rates have increased, does that not make this plan more attractive to the home owners of Canada—not less attractive, but more attractive? Is it not needed more now than it was three or four months ago when interest rates were 2 per cent or 3 per cent less? Is it not true that the higher the interest rates go—and we are going to prevent that if we can, it is an interest rate condition left to us by the government that was the government party, the government opposite, they left this interest rate condition which we are battling to get down, we are going to battle down the interest rates, Mr. Speaker, but if due to this condition left to us interest rates went even higher—would this plan not be more needed? Would that not prove how much more needed it is?

Can anyone understand why, when they are complaining about higher interest rates, they are against this plan to help the Canadian home owner? It is absolutely incredible. It is partisan-blind. It is blind partisanship and nothing else.

Second, remember this, Mr. Speaker, that higher interest rates are a temporary condition as long as we stay in power. It is a temporary condition. If the other group were in power it might be permanent. We are fighting it. It is a temporary condition.

While higher interest rates are a temporary condition, this program, as long as we are in power, is for the long term. We cannot answer for what will happen if the hon. group opposite gets back in again. Yes, they would hara-kiri this program. They would Shanghai it. They would knife it. We know they would do that if they get in, but as long as we are in, this is in. As long as we are here, this is here for the long term, not the short term.

Some hon. Members: Hear, hear!

Mr. Crosbie: What more can I say, Mr. Speaker?

Mr. Whelan: Say something pretty soon.

Mr. Crosbie: It is funny how we hear the hon. turkeys gargle once they get on the other side of the House.

Some hon. Members: Oh, oh!

Mr. Crosbie: I explained that the interest that qualifies is the interest you pay to purchase a home or to finance an addition or an alteration. We are blocking all attempts to use this bill for improper purposes. This bill is to help you to buy a home. If you renew a mortgage on your present home or if you do not have a mortgage now on your present home, but you go out and get one because you think you are going to get mortgage interest relief, you are not. The Canadian home owner must remember that. If you have a mortgage now of $20,000 and you renew it and get a mortgage for $50,000, you can only deduct the interest on $20,000. That is how the plan works.

You cannot go out and remortgage your home and get a bigger mortgage and take advantage of this plan. But, if you leave that home, sell your present home, and go out buy another home and, in buying that other home, you get a mortgage of $50,000, fine, you can deduct all the interest on the new home. You cannot remortgage your home and get mortgage interest relief and go out and use the proceeds to buy a cabin cruiser or whatever the other party might want you to do. It is to help you to acquire a home. Or, if you have a present mortgage, it will help you better meet the costs of that present mortgage. That is why we have made that rule. It is not a general consumer credit interest deduction.

I hope the hon. lady is listening to this. To ensure the greatest degree of flexibility we have provided that a cash credit might be transferred between spouses. Spouses are those who are married one to the other.

Some hon. Members: Oh, oh!

Mr. Crosbie: This is subject, however, to the proviso that a couple will obtain no more in total than an individual home owner. We are thinking of everything, Mr. Speaker. In other words, if you are two spouses, you can only have the same as one. There is only the one deduction, even though you are two spouses. But you can divide it between spouses. The husband can divide it with his wife, and the wife can divide it with her husband if she is the home owner.

We have also restricted the availability of these credits to individuals who own a home in Canada. We are not going to do what the opposition party might have done, and that is to allow you to deduct the interest on a home outside of Canada, for example, in the Bahamas or Panama or wherever people go when they retire. You can only deduct the interest on a home that you own in Canada. It has to be geographically located in Canada. This will ensure that the benefits from these credits go only to Canadian residents.

The credit is restricted to those who are regularly occupying the particular residence. You cannot deduct interest on a second residence. You cannot deduct interest on a summer home, a seasonal home, a recreational home or a rental property. You can only deduct interest on your own main home, the home in which you live with your spouse, or whoever you live with!

Some hon. Members: Oh, oh!

Mr. Crosbie: Your spouse, or your children.

An hon. Member: Speak for yourself.

Mr. Crosbie: Now we hear the moralists from the NDP perking up.

Some hon. Members: Oh, oh!

Mr. Crosbie: They are paying attention now because they think there is something racy coming.

Some hon. Members: Oh, oh!

Mr. Crosbie: These credits will be available for 1959—

An hon. Member: 1959?

Mr. Crosbie: —should this bill pass the House before Christmas. This is November 19?

Mr. Baker (Nepean-Carleton): It is November 19.

Mr. Crosbie: November 19 is a month and two days before December 21. There is no reasons why members in this House cannot debate and discuss every angle to this legislation and have it passed by December 21.

Some hon. Members: Hear, hear!

Mr. Crosbie: As a matter of fact, two or three days of debate will ventilate all the issues in this bill and then in the committee of the whole, so within a week, a week will be very, very reasonable for us to consider this bill. We ask for co-operation. We know we are going to get it because we know the hon. gentlemen are not going to deprive the Canadian people of a $575 million Christmas present.

Some hon. Members: Hear, hear!

An hon. Member: What about the byelection results?

Mr. Crosbie: The NDP had another sweep in Newfoundland.

Some hon. Members: Oh, oh!

Mr. Crosbie: It is their usual Newfoundland sweep. They never elected a member in the last provincial election, and now they are going to sweep her. They are a contagion that is now held in one part of the country.

When we come to interest rates, I just want to point out to the House that between February, 1978, and May of 1979 the bank rate in Canada went up 3.75 per cent. That is a period when the Liberal government was in office here in Ottawa. I repeat, 3.75 per cent the interest rate went up, the central bank rate and the prime bank rate. Unfortunately, because of the condition in which they left our economy, in the last six months the interest rates have gone up the same, that is, 3.75 per cent. But we are trying to do something about that increased interest rate. We are trying to protect and help the home owners of Canada against the results of the 3.75 per cent increase that has occurred since we have been here, as a result of no fault of our own. It is the result of the economic condition in which we were left.

● (2040)

Hon. gentlemen opposite were here for the year and a half that interest rates went up 3¾ per cent, and did nothing except talk when they got to the election about some other kind of scheme they were going to introduce. I hope that none of them will speak, that they will pass this in silence, that they will be so ashamed at their lack of action when they were in power that they will just let this go through without any talk.

A mortgage of $50,000 at 10 per cent interest would cost $5,000 in a year. A $50,000 mortgage at 10 per cent will give the maximum relief that I described earlier.

An hon. Member: What about 14¾ per cent?

Mr. Crosbie: They are so eager in their juvenile way to call out what about 14¾ per cent. I say it is a great pity about 14¾ per cent. It should not be a subject for partisan badinage that we are trying to do something about it. A $40,000 mortgage at 12½ per cent interest—I want the mathematicians in the corner to listen because they hate spending money when it does not suit them where it is spent—comes to $5,000. A $36,000 mortgage at 14 per cent interest is $5,060 a year which will give you the maximum deduction.

A $34,000 mortgage at 15 per cent interest, God forbid, would give you $5,100 in interest costs and you would get the maximum deduction. For the maximum deductions we are not talking here about $100,000 mortgages or $75,000 mortgages. We are talking about mortgages from $50,000 down to $34,000 to get the maximum at today's interest rates. That is another reason why I trust this will be rushed through the House. Does the public support this plan?

Some hon. Members: No.

Mr. Crosbie: If we are to believe hon. gentlemen opposite, the public is directly against us, the public does not want it, the public hates it. Why is it then that the Gallup poll, Mr. Speaker, if you don't mind me holding this up, shows 76 per cent support mortgage proposals? These are the gentlemen who used to go by the Gallup polls. For the last couple of years with every Gallup poll they practically beat themselves out running to see what the Gallup poll was saying. Despite the Gallup poll they got the poll right where they didn't expect it. Here is the question:

> Prime Minister Clark and the Conservative government in Ottawa have reaffirmed their pre-election promise to allow mortgage costs and property taxes—up to a certain maximum limit--as deductible expenses for income tax purposes. What is your opinion? Would you approve or disapprove of this?
>
> Approve, 76 per cent, disapprove, 13 per cent, don't know, 11 per cent.

If we add up the don't knows and disapprove, they are all over there and they represent 24 per cent of the Canadian people. We are here representing 76 per cent who have approved this plan. We say to hon. gentlemen and ladies opposite, let's get on to the hustings again and thrash this matter out and let the people decide what they want in this matter.

I referred earlier to the article by Mr. David Greenspan, a Toronto lawyer. I am informed he is a Liberal. Nevertheless, he is a sensible man, and one of the few. He is the author of "Down to the Earth". You might say what is "Down to the Earth"? "Down to the Earth" was a report paid for by the Liberal government of Canada when it was in power, a

federal-provincial land prices study. If the Liberal Party of Canada appointed this gentleman to do a land prices study, presumably he must have some expertise in the field of housing and land. That is what I conclude. Otherwise they would be saying they appointed to do this study a dumb-dumb, a ding-ding, a no-no, a know-nothing. Surely they are not going to suggest that. What did he say in *The Globe and Mail* of October 28, 1979? The whole article is worth reading. Here is how he starts:

To avoid being poor when they become old, working people—

The little clutch down in the corner who talk so much of the working people, I hope are listening.

—should spend their working lives building their own equity, not their landlords' equity.

That is just what this bill wants them to do.

Some hon. Members: Hear, hear!

Mr. Crosbie: He continues:

For two generations, ownership in housing has given working people what no government social security system can come close to giving: old age security, effective, non-eroding savings; and an economic stake in society.

That is home ownership.

Working class renters who ceased to be young continued to be poor. But working class home owners were not.

That is the point he starts off making.

It would be iniquitous for public policy to encourage working class tenants to spend working lives building landlords' equity at the expense of their own long-term security.

That is what the NDP wants. That is what they advocate—keep the working class poor in their rental accommodation, let them build up equity for the landlords.

He goes on to say:

The only result for many individuals will be poverty in old age; the only result for the public will be subsidized housing for senior citizens on a massive scale at prohibitive cost; the only result for the large landlords such as the city of Toronto who specialize in low and moderate income housing will be massive wealth in buildings free of mortgages paid off by the rents of generations of tenants.

That is the point Mr. Greenspan makes that I hope hon. gentlemen will consider. They are huddled together in their misery now as a result of the byelection in Burin-St. George's.

Mr. Broadbent: Tell us about Newfoundland.

Mr. Crosbie: Mr. Greenspan says in his article how this is a plan to help the tenants. That is the point he is making.

Three distinct groups of tenants exist and the fact that you don't want to help the first and can't help the second is no reason not to help the third.

The tenants by choice can afford to own houses but prefer not to. Those without choice are the real poor who can never afford to own housing which is not heavily subsidized. The third group of tenants in the middle could afford to own houses if carrying charges were lower.

That is what we are attempting to do here.

This is the prime target group for a mortgage-relief scheme.

This is good stuff so I can't resist quoting Mr. Greenspan. Referring to this government he says:

One analysis indicates that if the government's current proposal had been in full operation in 1974, home ownership could have become accessible to as many as 230,000 tenant households across Canada.

Why don't the members of the official opposition listen to this? If they had adopted in 1974 what we are proposing, by the evidence of their own expert, Mr. Greenspan, 230,000 tenant households across Canada in the metropolitan areas of Toronto, Vancouver, Saskatoon, St. John's, Newfoundland and Halifax could have become home owners.

Some hon. Members: Hear, hear!

Mr. Crosbie: I will skip some.

But the important principle is to give tax relief in some form from the burden of home ownership. The important need is to begin, somewhere. The government's current proposal is a beginning.

That is what this is, a beginning. If we can straighten out the Canadian economy, get it vibrant and strong and throw off the years of deficits and decadence, neo-socialism, and get Canada going on a strong course again economically, in the next few years we can go on and improve this scheme. This is only the beginning.

What else does he say?

A mortgage relief scheme would help not only one large group of tenants to acquire new housing, but also home owners to carry their homes. They are struggling with the triple whammy of high interest rates, high house prices and high mortgage amounts made possible by low downpayment requirements.

He goes on with quite a bit more. He discusses other interesting issues I do not have time to go into tonight. He says this:

—if the working middle class—

That is the middle class that supports this country, pays the taxes, that is in the metropolitan areas, that is being put upon, that is fed up.

—perceives its social policy treatment by Ottawa is fundamentally unfair over a long period compared to the social policy treatment received by other classes, it will inevitably attack some programs which favour the poor.

In other words, it is time for the working middle class to receive some decent social policy treatment, and we are going to see they get it.

Some hon. Members: Hear, hear!

Mr. Crosbie: The author goes on to explain how the wealthy can deduct their interest anyway, and the ways they can do it. We are not helping the wealthy here. They have been deducting it for years in every way you can imagine. He goes on to say:

Giving home owners of the working middle class the right to claim mortgage interest would permit them an advantage already taken by the wealthy.

Are hon. members going to vote against that? Are they going to vote to continue this for the wealthy and not extend it to the working and middle class? He then says this, and this is so right on, so completely accurate, so completely true, and so describes what we hear from the other side, that it is marvellous. He says, and I quote:

● (2050)

Mortgage relief schemes will continue to be attacked by bureaucrats, economists and upper middle class trendies.

That is what we hear.

Some hon. Members: Oh, oh!

Mr. Crosbie: That is what we hear. That is the opposition to this scheme—economists, bureaucrats, socialists, and middle class trendies.

An hon. Member: What do you think about it?

Mr. Crosbie: Oh, it is getting to them! This is my last quotation from this article, and I have never found an article I have more enjoyed quoting from.

Mr. Blenkarn: Particularly since it was written by a Liberal.

An hon. Member: Speak up, Dumbo, in the back seat over there.

Mr. Crosbie: That's a middle class Dumbo. I hesitate to interrupt hon. gentlemen opposite, but listen to this final quotation.

Until now all major housing programs have supported suburban houses and ignored city houses. The mortgage relief scheme will be the first major proposal to help city housing compete with suburban housing.

That is why the members from metropolitan Toronto who are thinking clearly and are sitting over here support this. That is why the members from metropolitan Winnipeg support it, and those from metropolitan St. John's and Halifax and Saint John, New Brunswick and Fredericton and Vancouver, Victoria and Saskatoon, Regina and Edmonton and Calgary, support it. It is because for the first time the people who live in the cities and the metropolitan areas are going to be considered by a government with respect to their housing, the people who have been paying for it all, the people who paid for it down through the glorious halcyon years while the honourable wastrels opposite spent it all on their various schemes and forgot the people who were paying for it. That's why this proposal is going to get support from our side of the House, and any of those who wish to come back to this chamber from the other side had better support it also—that's my advice to them.

What else can I say, Mr. Speaker? Oh yes, the property tax credit. Why is the property tax credit a flat rate? Every home owner in Canada, every person who owns a home, whether he pays a cent in municipal property tax or not—and most of them, unfortunately, have to pay municipal property taxes—is going to get a tax credit of $62.50 starting this year, up to $250. The reason is that in every province they have different schemes for municipal taxation. There was no way to figure out a plan under which you could deduct the actual municipal taxes paid, and be fair.

For example, in some provinces like Quebec, I believe the price of water, sewers and services is paid for by local improvement rates over a period of years, while in other provinces such as Ontario and Newfoundland you pay for the cost of the water, sewage, sidewalks and services at the time you pay for the lot. So you have a different effect by giving relief to property taxes paid in Quebec as compared to taxes paid in Ontario and Newfoundland. In most provinces there is a kind of municipal tax credit scheme engendered by the provincial government, so you have areas where there would be a gross credit and areas where there would be a net credit, and in no area could we figure out any deduction scheme or tax credit scheme through the federal government which would suit all the ten provinces. So it's a flat rate. The good, the bad and the indifferent would all get this flat rate no matter what taxes they pay. Even some home owners in Newfoundland who don't pay municipal property tax are going to get this tax credit. Do you hear me down there?

[Mr. Crosbie.]

Some hon. Members: Oh, oh!

Mr. Crosbie: Many householders down there do not live in municipalities. And if they live in municipalities that don't have a property tax, they are going to get $62.50 allowance for their property tax this year and $112 next year, and up to $250 in the fourth year of this plan, to help them meet the general cost of living and the other higher costs they face in Newfoundland and in other parts of the country. Whether you pay $1,000 in municipal taxes or $500, or $200, or $100, you will be entitled in the fourth year to a $250 tax credit. That is a great improvement over the scheme our leader announced in September of 1978. It is hard to improve on what our leader announces, but in this particular case it is an improvement in that particular.

An hon. Member: In Newfoundland they didn't believe you.

Mr. Crosbie: They must have believed me or I wouldn't be here. By the way, in case hon. gentlemen opposite have never seen one, this is a tax return.

Some hon. Members: Oh, oh!

Mr. Crosbie: A lot of you never bothered to fill these out.

This is a tax return, and those who are eligible for this scheme will see a line "Taxable income—federal tax payable". And they will be able to deduct. Suppose the federal tax payable is $5,000. If they paid $5,000 mortgage interest this year they are going to be able to deduct from that. Suppose it shows they have to pay $5,000. They are going to be able to deduct $375 from it. When you make out that form and you see you owe the federal government $5,000, you are jumping with rage, and then you look down here and it says "Federal mortgage interest property tax credit", and you deduct $375. That is going to calm your rage a bit. That is $375 you would not have had but for this scheme. But in 1982, when you do it and you see $5,000 in taxes and you look down to see what you can deduct, you are going to practically collapse with relief. You are going to get $1,500 relief if you are a home owner who pays the federal government $5,000 in taxes and you are paying $5,000 in mortgage interest and municipal taxes and all the rest of it. So this is not a nothing, as the hon. member

opposite suggested. This is a substantial scheme to help home owners in Canada who are also taxpayers. So this is the tax form. Hon. members opposite should note that if they want to get this tax credit they will have to fill out the tax form first.

There is another improvement on the scheme originally proposed by our leader. Under the scheme proposed by our leader, interest was to be deducted on a first mortgage only.

An hon. Member: Who's your leader?

Mr. Crosbie: Oh, you people are finding out who our leader is, and you will be finding it out for the next 20 years.

Mr. Kempling: Where's yours?

Mr. Crosbie: Yes, where's old disco daddy? Our leader may like discos, but he is usually on the job. He is no sugar daddy or disco daddy.

The interest on this plan is not restricted just to interest on a first mortgage. It is interest on any loan incurred to buy a home—it could be a first mortgage, a second mortgage or a third mortgage, or any indebtedness in connection with a home. I have already mentioned that we have improved the plan by including household improvements. So the Canadian voter is not getting just what we promised, he is getting a vast improvement on what we promised. We are not trying to slinge in and put through a lesser thing than we have promised. It is better than we promised. We have performed better than we knew, or whatever that phrase is. It is a better thing by far we have builded than we knew, or whatever the phrase is.

The benefits of this scheme are the same wherever you live in Canada. The scheme does not discriminate. The plan is the same in every province. It doesn't matter whether you are a home owner in Newfoundland or a home owner in the Yukon or in Quebec. But it is a plan for home owners only, and it is a plan to help apartment dwellers who want to acquire homes. And as interest rates go down in the next few months and years, as we think they are going to, the plan becomes more and more valuable. We have to keep this in mind.

The first year's estimated cost is $575 million. It is estimated that $335 million will relate to mortgage interest and $240 million to the property tax portion. I do not have estimates of the figures for later years, but they will become increasingly great on the mortgage interest side.

● (2100)

So 3.8 million families will benefit, and 2.3 million will receive both the mortgage interest and property tax credit, while 1.5 million will receive the property tax credit only. By 1982 the average benefits per family will be $590. The maximum gained by changing to the credit system from a deduction system was this, that the low income taxpayer—

An hon. Member: You have read that already.

Mr. Crosbie: I have not read it. They do not want to hear about the low income taxpayer. They do not want to hear who is going to get the increased benefits, particularly if it is the low income taxpayer. The maximum gain for a low income taxpayer who pays $5,000 in mortgage interest and little in property taxes is $597 by changing to the credit system. The maximum lost by adopting credits over deductions is $1,080, lost by a taxpayer with over $100,000 in income with at least $5,000 in mortgage interest and $1,000 in property taxes.

Well, Mr. Speaker, I could go on and on. I have only spoken for an hour and I have been moderate in my approach, but I have taken an hour because there appears to be so much uninformed criticism of this proposal, particularly by the official opposition.

From the NDP we have had informed criticism. They are determined in their opposition to anything that is going to help the Canadian middle class or anything that is going to help the working class in Canada, the home owning working class. They have their own great schemes. They have a whole lot of pies in the sky, and one of those pies in the sky is a little scheme to help out in this area, a scheme which they concocted when they heard of the Clark mortgage interest and property tax deduction scheme. So probably when they speak here we will hear about that fantastic scheme of theirs which, of course, will not go into effect in Canada during the twentieth century because they are not going to be in power in the twentieth century, nor will they be in power in the twenty-first century, because they will only be in power in Saskatchewan in the twenty-first century.

An hon. Member: Not even that.

Mr. Crosbie: That is if they survive their wayward ways in the House and the opposition they are presenting to this measure. So it is informed criticism from the NDP, and uninformed from the official opposition. Well, Mr. Speaker, there is a little bit of jealousy from the official opposition.

The other questions I will be able to answer in Committee of the Whole when the House goes to Committee of the Whole. We are asking the House to give this a good examination. Let us hear all points of view. We want to see everything considered, we want the bill discussed and debated in a reasonable period of time, two or three days in Committee of the Whole, and let us pass this and send it up to the Senate to get them working on it and show we can get it through by Christmas, if we can get it through the Senate, for the people of Canada and the home owners of Canada who have been waiting for this and who voted for this. It was the one issue in the campaign, apart from their being fed up with what had been happening over the past ten years, that struck their imagination that they wanted, and that they fought for. It is this plan that is now before the House in an improved form from what it was in the campaign.

This is stimulation, this is everything they are asking for, it is a stimulus for the economy, help for the home owner, help for those who pay mortgage interest rates, help for those who pay property taxes, help for all federal taxpayers. It is everything that they have been calling and crying for. If we pass this, then we can get on with the budget, and we hope there can be other good news there as well, as some of the things

that we have to do to get the economy straightened out and get it going so that we can introduce more and more plans to help the Canadian home owner and the Canadian people generally.

I ask all members of the House to join us in expediting this through the House as quickly as we can.

Some hon. Members: Hear, hear!

Mr. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I am glad to see that the Minister of Finance (Mr. Crosbie) has treated this measure with the seriousness it deserves. I expect we will treat it with the same degree of levity. I am not sure we can quite manage the same technique of the Ted Mack comedy hour that he was able to master, but I think it is unfortunate that in the first made-in-Toryland measure that we have before the House, what we were able to do was to find more bombast than fact or reality. But I do want to pay a compliment to the Minister of Finance for the way in which he master-minded the Conservative campaign in Newfoundland, which turned out exactly as we wished. I am glad to see he is such a strong believer in the voice of the people, especially the *vox populi* of Newfoundland, because they have obviously spoken their own verdict about the first six months of the Conservative government.

Some hon. Members: Hear, hear!

Mr. Axworthy: I am hoping that as he, in his own humble way, was able to tell us that he was prepared to sit here in a minority position and listen to the voice of the House, those who represent a majority, he will take a lesson from what was said tonight in the byelection in his home territory about the wisdom of his course and the particular direction in which his government has gone.

I would say to you as well, Mr. Speaker, that members of this group of the official opposition certainly take in mind the invocation of the Christmas spirit that the minister has brought forward. We think that nothing more is needed in treating this legislation than a good dose of Christmas charity, because what we have for 5.5 million Canadian households is an Ebenezer Scrooge for Canada's finance minister.

He seems to take great delight in patting his own back and lauding the efforts of his government for the way in which they were going to provide such a great number of goodies under the Christmas tree for the Canadian taxpayer, but one of the unfortunate omissions in his remarks is that there would be 5.5 million households who would receive absolutely nothing under that Christmas tree. Nothing is being offered them under these circumstances. Unfortunately, those 5.5 million householders are those who are most in need, who have the greatest problems in housing and in their financial position, and who are probably most subject to the extreme pressures of increased cost which is caused by the present government's program of high interest rates.

Therefore, it seems just a little contradictory, if I may say so, that this minister, who has prided himself on the get tough position, on becoming the realistic finance minister, is engaged really in an exercise of Christmas fantasy and a vision of seeing plum puddings under the tree, and is not really addressing the serious problems of the Canadian economy. He is preparing to commit $2.5 million, of very scarce tax dollars, on a scheme that will have a very limited impact.

So once we cut through all the folderol, the down home Johnnie Carson routine that we have heard for the past hour, once we cut to the bone of what this measure is, we find it is a discriminatory tax measure that is based on bad economics, and is bad for housing. It will do very little to ease the kinds of problems that have to do with the increased cost of housing and increased pressure.

To take an opposite tack to that of the hon. minister opposite, we will try to deal with this matter with some degree of seriousness, because what is important to the Canadian public is to recognize that this is the first piece of legislation that has come before the House with the stamp of Toryism all over it. This is the first piece of legislation that gives you a very clear indication of the tone and character of what the Tory government is all about. What it translates into is discrimination and bad economic management.

When you cut through Bill C-20 and look at what it actually has to say to the Canadian public, you find it says that we are going to discriminate against close to three-fifths of the Canadian public and that we are going to use money badly, unwisely, and inefficiently in dealing with our economic problems. That is the verdict that will really be the end result and end consequence of Bill C-20. That is why we are very pleased to have in front of us the fact that no longer can the Minister of Finance and his cohorts do their little jig and say it is not their responsibility, "it is the responsibility of those guys on the other side", and they are just rehashing old legislation. This is their baby and they will have to live with it.

I believe that when the Canadian public has finished looking at what was really said in the debate, and the facts and figures are brought forward, there will be dismay at what was brought about on May 22, because all those pretences, all those puffed up pretensions that they were going to provide for a realistic economic management, have been thrown out the window. All those pretensions have been placed on the altar of political expediency, have been swayed by the Svengali of the Senate, Mr. Murray, who told them, "You better look tough on this one, so get your act together".

Now we have a poor Minister of Finance who, in his heart of hearts, knows that this is a bad piece of legislation, and rather than getting up here and defending it on the basis of fact, has had to resort to fiction as a way of providing some form of support for what is obviously a bad and unworkable credit to the Canadian people.

What is interesting is the way in which this particular legislation has gone through an evolution with respect to what was brought out about a year ago, by the then leader of the Conservative party as being the cure for everything that ails the Canadian public. It was to cure lumbago. It was to get the economy going. It was a prized jewel in his concept of stimulative deficits. We do not hear that word very often any more.

That word has been wiped out of the vocabulary by hon. members opposite. They do not talk about stimulative deficits any more.

● (2110)

An hon. Member: They only use it in the Senate.

Mr. Axworthy: They only use it in the Senate, where the author exists. They have forgotten that peculiar little piece of election jingleism which they brought forward at that point in time. The reason was that it was simply a word; it had no economic substance to it. At that time the leader of the Conservative party promised that it would create thousands of jobs, that it was to get the economy going, and that it would enable people to purchase new houses. It was to do everything. It was the all-around panacea. It was little mommy Carter's cure. It was Carter's little liver pills. It was going to provide all the solutions. Just open the bottle and out it pours—until they get into the habit of actually having to do something.

If we are going to give some credit, give it to the Minister of Finance. He is making the best out of a bad case. At least he has the sense to know that the proposal put forward by Mr. Carter—

Some hon. Members: Oh, oh!

Mr. Axworthy: At least he knows the proposal put forward by the Prime Minister (Mr. Clark) well over a year ago was unworkable and expensive. He knew that, and he was able to change it, based upon certain proposals put forward by our party and others. At least at that point in time he had not acquired the certain kind of arrogance which he has acquired in the past five weeks. At least in the summer months he was able to listen to some degree of wisdom and turn the pig's ear into a sow's ear. But it has still been left as that particular kind of bad program. He has not been able to refine it any further. We still have in front of us a mechanism which is not a silk purse by any means.

We should take a look at the objectives which Bill C-20 was put forward to accomplish. We were told that it would ease the burden of purchasing, meaning the cost of new homes. This evening the minister opposite spent a great deal of time extolling just how wonderful it would be. The only problem is that it has very little to say about the conditions we are now facing.

One of the tests of any government is its flexibility, its ability to adapt to new conditions and new problems, and not to become locked in rigidly to the past. What exists at the present point in time is an interest rate of 14¾ per cent, or perhaps 15 per cent by the time we reach the Christmas date about which the minister talks.

What has been the result of the 3 per cent to 4 per cent jump in interest rates? Close to one million householders have been eliminated from the housing market. They have not been added to the housing market; they have been eliminated from it. The grandiose picture we received last year of happy Canadian households marching into real estate offices to buy new homes is being replaced by thousands of Canadian households marching in to see their lawyers because they are defaulting on their mortgages due to high interest rates. That is what we have witnessed, not a happy little group of Canadian families looking forward to their first opportunity of owning homes. Approximately 400,000 families must renegotiate their mortgages after the interest rate has risen by close to 4 per centage points.

What does that mean in actual dollar terms? On an average $50,000 mortgage, $1,800 will be added to the carrying costs. It far surpasses any benefit achieved under this program, even at the four-year mark. We are not facing a lot of new home owners; we are facing a lot more bankruptcies and defaults. That is what we are facing.

What has the government said in response when repeatedly queried in the House and before the Standing Committee on Finance, Trade and Economic Affairs? We have asked the government what it intends to do about that problem. The minister in charge of housing, to his credit, said, "It is a problem but I do not have any money to do anything about it because the Minister of Finance is taking all my money to put into this tax credit program". The minister in charge of housing has a closer grasp on the situation. He is far more sensitive to what is going on. He was sort of wringing his hands before the Standing Committee on Health, Welfare and Social Affairs and saying, "I know what has happened. I know the problem is there. I know people have to pay far more, but all my money has been spent. I have nothing left".

Now the Minister of Finance, sort of like little Joey Chipmunk, comes out and says, "I have all kinds of nuts to give away at Christmastime". The nuts he is giving away are the wherewithal which should be going to help families forced into bankruptcy and default. These families are receiving no assistance from the government. All the Tory government can offer them in return is, "Because of all these defaults we will have to get tougher in the law and start taking people to court". That is the only policy announcement we have heard. That is why this piece of legislation is an interesting example of how Tories deal with problems. Rather than responding to a real issue, rather than responding to something which is here and now, they are being locked into their own past and the grand words about the future which we heard from the Prime Minister. All the words are the same. They are the words which run through his speechwriter's hands.

Approximately three months ago a family trying to purchase a new home at a $60,000 mortgage level needed an income on par of about $24,000. Today the same family trying to buy the same home needs an income of close to $32,000. That is the result of Tory economic policy, those are the consequences we are facing. The minister rises and tries to bluff his way through the House by saying that somehow this will end and that there will be all kinds of new home owners. Simply, he is engaging in an exercise in delusion; simply, he is trying to fool Canadians. This jewel of Tory economic policy has turned into fool's gold. It has nothing to offer in those cases.

An hon. Member: Come to my riding and say that.

Mr. Axworthy: If the hon. member wants me to come to his riding, I will ask him right now to issue an invitation. I will be there as soon as I can.

An hon. Member: Your leader came there.

Mr. Axworthy: Issue an invitation, get the meeting hall and I will be there. Let us do it next week. I have the time; you pay for the hall.

An hon. Member: Come down and call my people fools.

Mr. Axworthy: If the hon. member wants a meeting, he can hire the hall and I will be there. Perhaps he can be quiet for the rest of my remarks this evening and we can debate it in his constituency.

The fact of the matter is that we have proven and shown that this proposal does nothing to create new home owners. In fact in the last few months we have scared people away. Furthermore, when we talk about stimulating the economy, we can only double over in laughter at that one. The Minister of Finance, in his old standup routine, pulled out a statement from David Greenspan, who, he said, was a lawyer consultant. He said, "My God, the Liberals paid money to him and look what he had to say about how wonderful the scheme is".

I should like to read something said by a Tory consultant who had a few comments to make about the mortgage credit plan. I am referring to Mr. Larry Smith who is the analyst of the Tory government. He was just hired to examine CMHC. Do we know what he had to say? He said that the Tories have added a grotesque new twist, that if one saves up enough money to pay off one's mortgage—that if you stay in debt, that is good, because one can deduct the loan charges. But he said that it would have been far cheaper to provide outright government grants for would-be home owners to meet their down payments, rather than going through this whole exercise of a mortgage credit plan. Those comments were made by a Tory consultant to whom the government is paying good money to analyse its housing programs.

If Mr. Greenspan can be pulled out on the carpet for evidence, we can pull out Mr. Smith. Obviously the Tories felt he was good enough to examine their entire housing program. He said that the mortgage tax credit program put forward by the government is inefficient, does not make sense, and is bad economic policy. Either they should change their consultant, or start listening to him and getting proper value for their money. Their consultant is telling them what is wrong with the program.

An hon. Member: You will take all the advice you can get.

Mr. Axworthy: I will take all the advice I can get. The Minister of Finance, with great glee, was prepared to take advice from a Liberal. The only thing is that he chose the wrong Liberal from whom to take his advice. We are suggesting that now they have a newly minted consultant paid for by them. They should follow their own advice and take some information from him.

Some hon. Members: Oh, oh!

Mr. Axworthy: Also it is interesting that the Minister of Finance said that we will get a lot of jobs out of this, that it will be wonderful for the economy, and that it would be great. But one should look at the figures and read what the president of CMHC said: "In order to meet the demand this year, we will need 235,000 units of housing." Do you know what the expected projection is for this year? It is 170,000 units of housing, almost 60,000 short of what we are going to require. What a wonderful benefit this program has been.

● (2120)

Again it is the product of Tory policy, and again members from this side have been arguing since Parliament opened, saying that because of our high interest rates the housing market is in deep trouble. Builders are not building any more. They are simply not making the commitments. On doing a cross country interview and talking to members of HUDAC in every province, they indicated that housing starts again next spring will be down close to 20 per cent, and that we will fall far short of what we need.

What is far more drastic is that the rental market in Canada, the market that supplies accommodation for the young and the old, has already fallen 30 per cent this year and has come to a dead stop. When members of this House ask what the government is going to do about that, again the minister responsible for housing, a man for whom I have acquired great admiration, and also great sympathy, because of the job he has, says he knows this is a problem. He got up in the House on Thursday and said, "I admit the rental market is in a serious, grave situation but we have no proposals to offer."

The reason they do not have any proposal is because all the money is being gobbled up by that big turkey called the mortgage tax credit program. That is the big Christmas turkey the Canadian public is going to be given. We will not have any rental housing in Canada but we will have a mortgage tax credit program which only has benefit for 32 per cent of Canadians. You call that fair and equitable? Is that what we are to consider to be Tory programs and policies today—they propose to ignore the accommodation that is necessary for close to 40 per cent of Canadians for the sake of living up to one of Mr. Clark's silly campaign promises? Is that what we are to call good government?

It was interesting to note an article by one of the columnists the other day who said that the problem with the Prime Minister is that he has not stopped campaigning yet. He does not realize he is head of a government. He still thinks every-time he gets up on his feet he has to make another campaign speech. He wrote, "Isn't it about time he started recognizing that he has a country to govern, that he has to make some hard decisions, and that he has to establish some priorities? Is it not about time that he—"

An hon. Member: At least he doesn't have to campaign for the leadership of his party.

Mr. Axworthy: I am not so sure, Mr. Speaker. It is no wonder there is no contest for leadership in the Conservative party, because there is no leader. They do not believe in leadership. The only leadership you get from the Conservative party is from Mr. Lougheed, Mr. Davis, Mr. Hatfield and Mr. Lyon. They run the Conservative party. All the Prime Minister does is carry their coffee for them. No wonder there is no leadership problem, because who would want to be a doorkeeper?

For goodness sake, Mr. Speaker, leadership is getting some motivation, having some direction and purpose. Who would want a job simply when you are there to sort of call the meetings and keep the notes? That is not leadership, so who wants it? The fact of the matter is that leadership in this day and age in Canada is setting priorities, and what we have in front of us is a government that has gone the wrong way in setting its priorities.

You know the old story about "wrong-way Corrigan," the guy who got in his airplane heading for Los Angeles and ended up in Ireland. We have a good example of "wrong-way Crosbie" and "wrong-way Clark." They are going the wrong way on economic policy. They do not know where they are headed.

Perhaps the most serious problem we have to face in these circumstances is the problem with the program we have in front of us, that is, that it is simply not equitable. It simply does not serve the people who need help. I would make a direct appeal to members opposite, those who profess their concern for those in need, simply to look at one substantial fact. Let us measure the housing need according to the percentage of income that must go to housing.

The fact of the matter is that on a survey done by the Canada Mortgage and Housing Corporation, the government's own Crown corporation, printed in July of this year, it is pointed out that on average across Canada 28 per cent of renters must pay over 30 per cent of their income for housing, and only 12 per cent of home owners. When you look at the figures across Canada—Mr. Crosbie, the Minister of Finance, got up and said that the people of metropolitan Toronto and Victoria will be out in the streets dancing; the apartment dwellers are so happy about this program, he said, they are clapping their hands with glee—in the highrises, in downtown Toronto and English Bay. Well, I have some news for him. In my own city of Winnipeg 39 per cent of those who rent must pay over 30 per cent of their income for housing, and only 12 per cent of home owners. That is a disparity that should strike to the very marrow of this legislation.

Let us talk about Vancouver. It has 30 per cent of tenants who must pay over 30 per cent, and only 13 per cent of home owners in the same situation. Let us talk about Ontario. Let us look at London. Some 27 per cent of renters must pay 30 per cent of their income, and only 9 per cent of home owners. The case is obvious. If the analysis goes down to a simple fundamental question of need, then the argument is very clear. Who has the need?

The fact of the matter again is that needs even go deeper than that. Fifty per cent of senior citizens pay over 30 per cent of their income for rent. Fifty-one per cent of single parent families pay over 31 per cent, and 30 per cent of unattached individuals pay over 30 per cent. How are all these people being helped by the wonderful Tory credit plan? In what way have they been receiving assistance in those kinds of problems? How gleeful are they going to be at Christmastime when this House passes this legislation and they open up that tax return that Mr. Crosbie has presented us? They will ask what is in it for them. They will look at their tax return and say, "Where is my line so that I can deduct something, because I am the one who obviously has a need?" All they are going to find is a big fat zero, which again adds up to how Tories think about economics and how they think about the community. That is the kind of example we see before us.

We also have serious disparities when it comes to the age and sex of people, because what is also true is that a large number of home owners who are elderly will not receive any kind of benefit under this program. In the first year the amount is $62.50—alleluia! The government is talking about additional energy costs of $500 to $600. Again is that what we call Tory economics, upside down, topsy-turvy, that will give you $60 and take back $600, a ten to one deal? Boy, are the people at Christmastime going to be happy to hear about that one. The people who own those houses and do not have mortgages, which amounts to over two million households in this country, they are just going to be so happy with what you fellows have brought in for them! Boy, are they going to like that! That is just great for them.

The fact of the matter is that we add up again and again and again the fact that all kinds of Canadians are being discriminated against by this program.

What about the regional program? Again we have to look at who gets the benefits under this particular program. What is very clear is that provinces like the maritimes, where most of the homes are mortgage free, will receive something like 10 per cent less than the benefits in the province of Ontario. And Quebec which happens, by its own choice to have far more renters than home owners, will receive only 18 per cent even though it has 27 per cent of the population. Is that fair? Is that a contribution? We are trying to hold this country together by showing people they get treated equally, and that from region to region there is some sense of equal treatment.

We have a government that says actions will speak louder than words. The Prime Minister got up in this House all last week and said, "I am not going to go into Quebec and discuss federalism because my actions will speak louder than my words." We have his actions in front of us tonight. We have a tax bill that is going to discriminate substantially against the people of Quebec. Those are his actions to put against his words. We also have the maritimes and a province like my own province of Manitoba which will receive fewer benefits than their populations deserve.

While we are talking about those who deserve, I have heard the Minister of National Health and Welfare (Mr. Crombie), again a gentleman whom I admire and respect, make some statements in this House about the problems of the real core, the inner city people. I agree with the concern, but are they helped by this program? Are they going to get any assistance under this program? I suggest not, when 60 per cent or 70 per cent are renters who will receive, again under that Christmas tree, simply a piece of black coal. They are not going to receive any benefits under this program. So, let us cut through the illusion and delusion and the unreality of the Minister of Finance.

● (2130)

Let us cut the bombast and get down to real facts. If the government were trying to design a program that is measured against housing needs and against where the real pressures of increased costs are being felt, and if it were trying to develop a program that would respond to the present demands and imperatives of the 15 per cent mortgage rates, then this program has nothing to offer. It is bad economic management. The same amount of money could be used to get a better bang for the buck. The money could be reallocated to other priorities, and directed to where the real problems are. There is nothing that will give incentive to a first time home owner, a person renegotiating a mortgage, a renter, or an apartment owner.

We cannot take the Minister of Finance seriously, even if he tried to be serious, which he does not do very often. When we look at the facts on the matter, it has nothing to say.

Other than the problems associated with the fact that this program has nothing to do with helping housing, we should also look at whether or not it is a good economic package. I do not think there was any statement heard more often during the past election campaign from Tory members opposite than, "we are the efficient managers; we will really put the economic house in order; just watch us get there because we are really going to clean things up".

To show how responsible this Minister of Finance is, he is prepared to bring in a program which commits the Canadian taxpayer to a locked-in expenditure of $2.5 billion in four years, and $575 million this year, without even knowing where the money will come from. That is Tory economic policy. How can the minister expect members of this House to pass this legislation when he has not given us the foggiest notion, even Newfoundland the foggiest notion, of where the money is coming from? Is it coming from family allowances? Will he eliminate the index on pensions, or is he simply going to add that money to the deficit? It this going to be the additional Tory deficit that he is talking about? It is an act of sheer irresponsibility to bring in a fiscal measure and not give any indication or present anything in what he has said tonight on how he intends to pay for the measure.

The minister would like the members here to treat him seriously. He would like proper consideration of this bill. But the minister is not prepared to provide even the most common of courtesies to the Canadian taxpayer and say, "If you are going to get this benefit, this will be taxed in return". That is not an act of a minister of finance; that is the act of a member who is trying to play black magic and who is using smoke and mirrors, not economic tools. He has no responsibility in those circumstances.

What the Tories are really trying to do is blackmail this House. We have the President of the Privy Council (Mr. Baker), the Minister of Finance, and all their assistants getting up and saying, "That nasty opposition is going to obstruct this bill. We want it passed by Christmas." The government is not bringing its budget in until December 11. Why is the minister not prepared to tell us now how he will pay for this program? When will he start fessing up with the other side of the equation, that if you are going to spend the money you must show where it is coming from?

We cannot accept that kind of pig in a poke proposition. It is simply not good economics, and any member of this House who wants to have any credibility when he returns home at Christmas will not want to vote for this spending program of $600 million without even knowing where it is coming from. I am amazed that the Minister of Finance would try to pull this stunt off in this House tonight. We have been waiting to hear where the money is coming from.

Perhaps equally serious is the fact that when this minister talks about his economic management he is committing the cardinal sin of a minister of finance, which is to bring in a structural measure that will be permanent to deal with a cyclical problem. Why is this measure being introduced—to stimulate the economy? What will the economy be four years from now? The Minister of Finance does not know because even his crystal ball will not predict that. In fact some of the economists who have looked at this measure have said that we may be in a period of fairly heavy growth in four years and why would we be spending $2.5 billion—it is probably closer to $3 billion—at a time when the economy may be overheated?

The Minister of Finance is committing the major cardinal sin of committing money down the road when he does not know what the conditions will be. He does not even have a road map of where we are going. He is flying blind. He is doing his wrong-way Crosbie act. The minister is going in the opposite direction to where he has to go. We could accept it if he brought forward measures and said, "we have some housing problems in this country, inflation is going up and there is additional pressure, and I would like to bring in some measures this year to see what we can do about them. And if the problem is not solved, then we will take a look at it next year and the year after". But to make a commitment for four years down the road, God forbid!

When the Minister of Finance challenges us for an election, I think it would be in the best interest of the Canadian people to have a change of government so that at least there would be a government which is not committing that kind of hara-kiri with this country. That is what the minister is engaged in; he is foreclosing with hara-kiri.

What is even more of a problem is the fact that the minister is using discretionary income now which may be far more necessary for something else in later years. He is committing $3 billion that may be necessary for pension plans, urban transportation, or some other measure. That money will not be there then because this minister has foreclosed his mortgage. He has spent his money. He is taking out the moveable rule. He has obviously foreclosed his mortgage on a very shaky foundation.

What is maybe a more serious difficulty with this kind of measure is that it will divert scarce capital away from necessary projects into the area of housing, without knowing what our capital requirements will be. The Minister of Finance has said that the Americans love their plan and that they are delighted. On reading the study by the Brookings Institute, and I would be glad to send it to the minister, I learned from that learned institution that one of the problems with the American economy is that, as a consequence of the tax deductibility program, scarce capital was funnelled away from critical investments in productivity such as new machinery, engineering and energy, into a consumer item.

One of the reasons why the United States is falling somewhat back from other industrial areas like Japan and Western Germany is because it has had this tax credit program. That is a clear assessment by people who have analysed the American problem. This minister is castigating us for committing suicide when in fact he is condemning the economy to using up scarce capital from other critical areas four years down the road. Is that the kind of management the Canadian people can expect from this government for the next month or two while they are in power? Is this the kind of pride that they are taking in their ability, their intelligence and rationality, that they fly in the face of facts and in the face of reality?

They do not respond to problems, nor are they concerned about them. That is why this legislation is poor. It tells us a lot about how the Tories will govern. It tells us a good deal about the kind of economic programs that they are prepared to introduce.

An hon. Member: The people will love them.

Mr. Axworthy: We have probably heard the truth there, because from the mouths of babes comes wisdom.

The full hour taken by the Minister of Finance has been summed up in one sentence; it is a crass gimmick for votes. Now we know what the reason is. Let us push away all of the fancy economics and the aforementioned stimulants and get down to the reason, which is that they think they can worm their way into the hearts and minds of the middle-class Canadians by giving them something.

An hon. Member: It really hurt when we announced that program.

Mr. Axworthy: No, it does not. I have a lot more confidence in the Canadian taxpayers. I do not think that they are prepared to be hornswoggled. I have a great deal more trust in their ability to see through the flim-flam, hogwash, and nonsense which we have heard tonight. There are alternatives.

One of the interesting omissions in the speech by the minister tonight is that he could not tell us what his other options were. He was so busy trying to do his cute routine, which he has obviously been practicising more than he practises his fiscal one—that he forgot to do what he should do as Minister of Finance and ask what his options and choices were, what different actions were open to him with the same amount of money.

● (2140)

In a document prepared for the government by officials of the Department of Finance and Canada Mortgage and Housing Corporation, it was pointed out that if it was important for the government to go ahead with the tax credit program, it would be equally important to bring in a shelter allowance program or something for rental assistance. They said it could be phased in, and gave the economics of it. It would ultimately cost less than the program that is now before us. The rental allowance program could be available as part of the package.

The point that we would like to make in this debate is that with the same amount of money, with the same commitment and expenditures, we could get far better programs directed at far more important targets in the economy and housing, than those presented by the Minister of Finance.

We acknowledge that there are problems and pressures in those areas which are brought about by increased costs. Some relief is necessary.

An hon. Member: That is a true statement.

Mr. Axworthy: It is a true statement, and we will agree with it. What we are saying, however, is that it does not take a great deal of wit or intellect to realize what the problems are, but it takes imagination to find the best solution and use the money wisely and well. Our condemnation is that there are much better ways of spending this money. The government could have started where the real problem lies and could have provided something for rental assistance. They could have afforded an expenditure in the neighbourhood of $130 million to provide direct relief to the 50 per cent of senior citizens who pay over 30 per cent of their income for rent, and they could have provided the same amount of money for single parent families. For $120 million they could meet the enormous pressure of those increased rental costs.

Old Ebenezer Scrooge over there, who comes from Newfoundland, could have enriched his happy Christmas package for the people with the biggest problems.

An hon. Member: He is not worried about a roof over his head.

Mr. Axworthy: That is right. The hon. gentleman opposite likes to say how much he cares and is concerned. We know how much he cares and is concerned. As his first minister says,

actions speak louder than words. We have the actions in front of us in the legislation, so we can dispense with the words.

For a much smaller amount of money we could have provided assistance, and could have written down interest rates for first-time home owners. We could have brought 100,000 people on to the market, rather than scaring 900,000 away.

Mr. Crosbie: Why didn't you do it in 16 years?

Mr. Axworthy: I do not know where the Minister of Finance was for the last 16 years.

Some hon. Members: Oh, oh!

An hon. Member: Where were you?

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please.

Mr. Axworthy: I thought we made an agreement with the hon. member opposite, Mr. Speaker. I thought he was to keep quiet for the rest of my speech. I thought we had a bargain, but maybe he looks at bargains as every other Tory does—you break them after five minutes. If he has broken that one, I will come in anyway—I will get the Liberal candidate to invite me.

The fact is, we could have provided direct assistance to first-time home owners which would have provided the stimulus for an envelope of something like $60 million.

Hon. members opposite want to talk about expenditures of money. The poor minister responsible for housing does not get invited to the inner cabinet meetings to talk about the problems. In committee and in this House, he says he would love to do something about it but has not got the bucks. We just showed how to get the bucks. The Minister of Finance likes to say he is prepared to take recommendations and propositions. He has just received one—put some money into first time home owners; put some money into writing down interest rates for those who have to renegotiate their mortgages, give bridge financing so that people can get into the housing market or stay in it. The major beneficiaries of this program are not first time home owners but existing home owners who already have large mortgages at low interest rates.

The topsy-turvey equation that we are dealing with is that this amount of money is going to the people who need it least.

Mr. Fraleigh: Come into my riding and say that.

Mr. Axworthy: I will. We have received the invitation again, Mr. Speaker. He has just renewed the bargain. We will go back into his riding.

We think that with the same envelope—that magic word we now use—that same horizon of expenditures that we are talking about in terms of the initial $600 million going into $3 billion in four years' time, a tax credit program could have been introduced that would have been available for renters and home owners alike. With a little imagination and a little care and concern for the three-fifths of the Canadian population who receive nothing, we could have provided a basic residential operating expense tax credit in the neighbourhood of $200 per year to provide for the increased expenditures they face through property taxation, and that they face through increases in maintenance costs and other carrying costs.

If that was the concern of the minister, and it is a legitimate concern and one that we share, a concern that cuts right across the housing market and right across every household, then he could have provided important relief and important cushioning, but on an equitable basis. Apparently that is not the Tory way of doing things. When it comes down to basic values and the basic proposition of who they think they are serving, then, as the Minister of Finance has said, they take the attitude, "We did not promise those renters anything so why should we do anything for them?" The point of dispute is that he had the capacity to do something for them. He had the opportunity to do something for them. He is making that kind of commitment. He could have aided and abetted his colleague, the minister responsible for housing, who is trying to do something for them.

Old Mr. Scrooge at Christmas time is not prepared to provide Christmas gifts for all Canadians. He is just doing it for those he thinks are his friends or, as the hon. gentleman from Kamloops said, just those people he thinks are going to vote for them. I have heard nothing more crass or more expedient in this House or in any other legislature, than that statement that "all we are doing is buying votes." That is the testimony that we have in front of us.

In conclusion, Mr. Speaker, what we can really say is that this is bad economic policy and bad housing policy. In his first major test the Minister of Finance has come up with a clinker. I will take at face value his offer that what we should try to do is be constructive about what is going on and try to offer alternatives. God knows it is going to take a more charitable spirit than has been displayed so far to penetrate that deep fog and mist in which the Minister of Finance exists.

The fact is, Mr. Speaker, that this bill is badly in need of amendment. It needs to have its benefits extended; it must concentrate on the real problems in society; it must use its money more wisely, and it must have a much shorter—

Mr. Crosbie: What about Greenspan?

Mr. Axworthy: Mr. Speaker, the Minister of Finance just waved at me with Mr. Greenspan's remarks. I will wave back with Mr. Smith's report. He is a Tory consultant who says the plan should be changed, revised, and thrown out. We could exchange consultants—they give us back ours, we give them back theirs, and it is an even trade. The fact is that their consultant says their program does not make sense, that it is too expensive, and that it is bad economics. I suggest they read their own consultant's report and stop reading Mr. Greenspan's. They should read the people they are giving money to, who give the same advice.

We should set the tone of this debate right now, Mr. Speaker. If the Minister of Finance thinks he is going to have a short, two-day stay here, I would suggest to him that he had better extend his reservations.

A lot of members on this side of the House have things to say about this bill. We want to make it a better bill and do something that really counts for Canadian home owners. We want to do something that really affects renters. We want to eliminate regional inequalities and to help the people in the maritimes whom the Minister of Finance and the minister responsible for housing purport to represent. They are getting snookered under this bill. We want to help the people in the big cities who are also getting snookered under this bill, and we want to help people in the other regions who receive little benefit under this bill.

Our dedication and commitment, Mr. Speaker, are to spend as much time as is necessary and do as much work as is necessary to help this government in its maiden effort, its virginal launching into the field of being a brand new government. It is obviously still in need of a great deal of assistance and, Mr. Speaker, we are pleased to provide it.

Some hon. Members: Hear, hear!

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, it is always a pleasure to listen to the contribution of the Minister of Finance (Mr. Crosbie). I am reminded of the marginal notes in many a speech where it says "weak point, shout louder," because whenever the minister makes his speeches he is always shouting.

An hon. Member: Louder, louder.

Mr. Rae: I do not have to speak louder.

• (2150)

The minister knows full well that there is no economic justification for this measure, that there is no tax justification for this measure, that there is no justification for this policy as a housing policy, and as a social policy it is one of the most unfair, regressive, and selfish pieces of legislation that we have ever had brought before this House. If he is the man who is going to bring economic responsibility and fiscal restraint to Canada, where does this measure stand in this policy?

Where does this line up with the policy that we are going to have the lowest deficit in Canada's history, and that over night the $11 billion deficit is going to be wiped out? The minister knows that and we all know that the Minister knows that, and we all know that the minister fought tooth and nail to prevent this legislation from coming to the floor of this House. We know that he did not believe what he just said. The fact that he had to spend his whole speech reading from some recondite Liberal lawyer in Toronto whom no one has ever heard of, buried deep in the pages of the *The Globe and Mail*, in order to salvage this pathetic piece of legislation, is an indication of how desperate he has become. If the minister believes in this legislation, why does he not stand up?

An hon. Member: Louder, Bob.

Mr. Rae: Why does the minister not speak to us and speak directly to the Canadian people, and tell us how this fits directly into the policy of restraint? It has nothing to do with restraint, and he knows it has nothing to do with restraint. It has nothing to do with providing help to those people in Canada who face a difficult economic situation, and who are facing a problem of meeting the rising cost of interest rates, housing and rent. This is not a bill that deals with that problem.

Another thing that has to be said—I know the minister has rejected it out of hand, but it has to be said—is that you went to the Canadian people on May 22, and I think there are many Canadians who voted for you because of the mortgage interest deduction scheme, but I think most Canadians are now asking themselves why they voted for you. I think those people who did, still cannot figure it out.

Many of them voted for you because you promised a stimulative deficit. Many of them voted for you because you promised lower interest rates. Now we have "Crazy Rates" as the Minister of Finance. He is giving figures for a 10 per cent mortgage. Mr. Speaker, if one goes to the bank today and asks for a 10 per cent mortgage, see how long the bank manager looks at you before he makes a phone call to the local hospital. The rates that are being charged now are 14 per cent, 14.5 per cent and 14.75 per cent, and every single benefit that you would have got back on May 22 has been more than wiped out.

The figures speak for themselves on this score. The figures show that you will get $3,750 over the four years. That is the total the minister himself quoted, namely, $3,750 in tax credits. Yet the impact of the 20 per cent rise in interest rates since May 22 has been to wipe that out entirely, and in fact has increased the cost of borrowing over a four or five-year period on a $50,000 mortgage to approximately $2,500 more than $3,750.

We have a government that gives and a government that taketh away. We have a government that bases its social policy on that old Billie Holiday song: "Them that's got, shall get; them that's not, shall not." So the Bible says, and it is still not news. "Papa may have; mama may have, but God bless the child who has its own." It is God bless the child who owns his home and the devil take everybody else. Those millions of Canadians who do not own a home or have a home, and those millions of Canadians who have paid off their mortgages, those millions of senior citizens who have paid off their mortgages, do not get the benefit from this particular scheme.

Some hon. Members: Oh, oh!

Mr. Rae: It is all very well if you want to sacrifice people on an illusion of what they will be able to buy in the future at the same time you give them 15 per cent interest rates. If that is what the hon. member for Mississauga South (Mr. Blenkarn) is offering as a coherent economic and social policy to the Canadian people, then I wish him luck.

There has been much talk of the May 22 election. I simply want to talk about my own region. I am here as a representative of that region and it is of it that I want to speak. It is a diverse riding in the sense that there are many tenants in it. I would say about 20 per cent of the riding is made up of tenants

who live in highrise apartments. Another 20 per cent is made up of people who live in housing which they rent. There are many people who have paid off their homes and there is a large number of young people who are buying homes at the extravagant interest rates which are being charged by the banks, at the instigation of the Liberal government up until May 22 and of the Tory government after May 22.

As a representative of that riding, I think that the mortgage interest deduction was one of the issues in the campaign. It was made an issue by my Conservative opponent. All I can say to him is: what kind of a policy is it where people on the same street, where people who are neighbours living cheek by jowl, some renters, some home owners, some have paid off their mortgages, some have not, get together at church meetings and talk about what the social policy of the government is, and we have this policy of organized selfishness which is put forward as a social policy by the Conservative party? We have said it before that it was in the 19th century that the Tories said in order to be able to vote one had to own property. That was the message of democracy that came forward from the Tory party in those days. Just as that was a travesty of the democratic principle, we have a travesty of economic democracy in this principle which is being put forward today as a basis for a tax credit.

Mr. McKinnon: You are going back quite a way.

Mr. Rae: They are telling us that in order to get a tax credit you have to own a home and be owing a mortgage. That is the qualification. So we have that old division created in our society between those people who own property and those people who do not own property. You cannot justify it as a social policy.

May I call it ten o'clock, Mr. Speaker?

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. I have the honour to inform the House that a message has been received from the Senate informing the House that the Senate has passed Bill S-3, an Act to amend the Coastal Fisheries Protection Act, to which the concurrence of this House is desired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

[Mr. Rae.]

[*Translation*]

PUBLIC WORKS—STATUS OF GUY FAVREAU COMPLEX

Hon. André Ouellet (Papineau): Mr. Speaker, I should like to remind the House that on March 29, 1972, the then minister of public works, the Hon. Jean-Hugues Dubé, announced in Montreal, in the presence of the mayor of that city and the then minister of regional economic expansion, the Hon. Jean Marchand, the construction of a vast complex of office buildings for the civil servants of the Canadian government in Montreal. The complex was made up of three towers, which were to be built at an estimated cost of $100 million within the quadrilateral bounded by Dorchester, Lagauchetière, Jeanne-Mance and St-Urbain. The notice of expropriation was sent at that time, that is in March of 1972, to the 16 owners concerned in this project.

The decision of the Canadian government to built a huge federal building in that part of east Montreal was not reached without careful deliberation, and especially without consultation with the provincial and municipal authorities of the day. The decision to build in that particular spot was intended to move the heart of the downtown area slightly to the east of Montreal, and to integrate a federal presence in that most important area of social, cultural and economic buildings now located between Place des Arts and Place d'Armes in Montreal.

• (2200)

Of course, a lot has happened since 1972, especially when the construction plans of this building were finished around the end of 1973 and when construction of the complex should normally have started. This was just before the Olympic Games, Place Desjardins was not completed yet, there was a lot of construction activity in Montreal, and there were even fears that the Olympic facilities would not be completed in time for the games in 1976.

The Canadian government, therefore, had to postpone its project for building this government complex. It was decided to defer it until after the Olympics. After the games, after more consultation with those responsible, especially the municipal authorities, and following many representations made by various citizen groups, this government complex, which was supposed to have three towers and to be reserved for public servants, became the new project for the Guy Favreau complex which was designed for multiple uses. It was decided to replace the original project, which called for an office complex for public servants, by a project including one tower for offices and two other housing towers to allow for the reintegration in downtown Montreal of an active population willing not only to work, but also to reside in the centre of the city.

I therefore find it strange, now that this project has been announced and decided, that the plans are completed and that the foundations have nearly all been poured, that the Progressive Conservative government, right after its election, would

bring to a halt the work already under way. This enormous gaping hole in downtown Montreal is what I would call the hole of shame of the Progressive Conservative government, which has decided to commission a study from an eminent Progressive Conservative, the former president of the Progressive Conservative Party in Quebec, an engineer named Dupras. I find it strange that the government is willing to waste public funds by using, as the Minister of Supply and Services, the hon. member for Joliette (Mr. La Salle), has said so well, patronage in Quebec to reward certain Progressive Conservative friends by asking them to find out whether or not this project is useful.

The Minister of Public Works (Mr. Nielsen) knows quite well, even if he seemed to suggest the other day in parliamentary committee that the project was launched without any market study, that he does not have to ask a Progressive Conservative engineer to make a study to know that both provincial and municipal authorities want the Guy-Favreau complex to be built there as planned, that is, in the quadrilateral area bounded by Dorchester, Lagauchetière, Jeanne-Mance and St-Urbain.

Everybody obviously knows that construction workers in Montreal are desperately looking for work. There is no major construction project now under way in Montreal. Finally, recent studies have shown that the vacancy rate in buildings in Montreal was at its lowest level. In conclusion, Mr. Speaker, those are the many reasons fully justifying the Canadian government to undertake and complete the construction of such an important complex for the economic life of Montreal.

● (2205)

[*English*]

Hon. Erik Nielsen (Minister of Public Works): I am surprised that the hon. member should raise this question again after the answer he was given when he first asked it in the House.

I was astonished on first taking over responsibility for the portfolio of Public Works to find that absolutely no studies had been done as to the need for office space in Montreal and that no studies had been carried out with regard to the economic feasibility of this particular project. So we are left with a hole in Montreal, a hole which says something symbolically about the country—perhaps it could be viewed as the one the previous administration got us into and left us in as a result of its caps-off economic policies. The fact is that no studies were completed.

A study is now under way. The hon. member criticizes me for selecting, as he put it, a member of the Conservative party for the conduct of this study, but I am sure if he is in touch with his political friends in Montreal a little more closely than he was in touch with his own department here—I am informed he was not even on the premises of the Tupper Building where the headquarters of the Department of Public Works is located—if he was, he would know that the firm selected consists of Mr. Dupras, a Conservative, and two other partners, Mr. Ledoux and Mr. Primeau, both of whom are known Liberal supporters. That, at least, makes it two to one, with the Liberals in the majority. And as a matter of interest I am sure the hon. member, who I see smiling, is aware of the fact that both Messrs. Ledoux and Primeau are former Liberal workers for the hon. member for Blainville-Deux Montagnes (Mr. Fox) and—who else—the hon. member for Papineau (Mr. Ouellet). So here are two staunch Liberal party workers in a firm appointed to carry out the survey of the economic feasibility of the Guy Favreau complex.

Let me inform the hon. member that if there is economic justification, if there is a need for that project to go ahead, if the Government of Canada is justified in expending the taxpayers' money, it will go ahead. But if there is no need and the economic justification is not there—a position which should have been established by the previous administration by taking appropriate steps prior to deciding in 1972 it would go ahead with the project which it did not start until 1978—another decision will have to be taken on the matter.

The report is due by the end of this month. It will be studied and all the necessary considerations will be given with respect to the economic feasibility of the project. If those add up to a plus position, it will go ahead, but if the study indicates that it would be a waste of the taxpayers' dollars to go ahead with a project which was decided upon without adequate studies being conducted by the former administration, then, I am afraid, the people of Montreal will have to be prepared for a negative decision and will have to find some other way to put people in the construction industry in Montreal to work which will be productive, rather than to build a great edifice which will not be occupied, as the previous administration thought it might be but never took the trouble to find out whether it would be.

● (2210)

NORTHERN AFFAIRS—SETTLEMENT OF ABORIGINAL LAND CLAIM

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, on November 12 I asked of the Minister of Indian Affairs and Northern Development (Mr. Epp) if he was going to cabinet shortly with the COPE settlement and if he would recommend approval of the agreement in principle signed by the previous Liberal government on October 31, 1978, or whether he would recommend changes or a postponement of the agreement. The final agreement was to be signed on October 31 of this year. Unfortunately, the minister did not answer my questions, nor has he clarified the issue for COPE which represents the 2,500 Inuvialuit in the Mackenzie Delta.

On October 31 the Inuvialuit, that is, the COPE people, issued a press release in which they said the following:

> October 31, 1979 will be remembered as the day when the Honourable Jake Epp failed to meet the moral and legal obligations of Canada to northern native peoples.

On October 31, 1978, the Hon. Hugh Faulkner signed an agreement in principle with COPE respecting their aboriginal claims to land and resources for political and economic self-

determination. Approximately 98 per cent of the 2,500 Inuvialuit people, an overwhelming majority, voted in favour of the agreement in principle. Part of the agreement in principle was to sign a final agreement by October 31, 1979. What has happened since the Conservative victory? The federal negotiator has not met COPE since May 20. The minister has met COPE twice since his appointment but has not seriously dealt with the agreement and his concerns with the agreement.

Six months after the election the process is no further advanced. COPE negotiated in good faith with the previous government, but is becoming more and more concerned with the minister's refusal to negotiate. In fact COPE alleges that the minister is in breach of the provisions of the agreement. When I asked the minister if he would meet the COPE officers to resolve these differences, he said he was doing this on November 14, but, as I pointed out, the meeting on November 14 was with the counsel for COPE and he said he would be willing to meet with them at a further meeting. I understand that at the meeting with the lawyers on November 14 he did not give his views on the so-called alleged breaches, but he gave a commitment to submit to COPE documentation in writing of his concerns with the agreement by last Friday. Here it is Monday evening and I was told by COPE at a late hour this evening that they have not received those documents as promised.

How can negotiations be resumed when the minister continues to stall? All Indian and Inuit groups are watching the situation very closely, and the government's response and actions will seriously affect all other negotiations, the ITC Nunavut, the Dene claim, the counsel for Yukon Indians, plus specific claims. When I failed to get answers from the minister in the House of Commons, I put further questions to him in the Standing Committee on Indian Affairs and Northern Development on November 13. At that time the minister replied that the Conservative government was delaying its approval because, first, some native groups in the Northwest Territories had made recommendations to him about the claim. I think he had in mind the Dene and the Kititmeot Association, that is, the Inuit of the central Arctic. But as I mentioned to him, he could have signed a final settlement and made provision in it for these objections or fringe disagreements which could be settled by arbitration, as they were with the James Bay agreement, the Montagnais and other groups in the area. Also he said that he received representations from members of the House about the agreement. No doubt he was referring to the member for the western Arctic and the Yukon who are well known for their negative views respecting aboriginal claims.

● (2215)

An hon. Member: Oh, oh!

Mr. Allmand: That is a fact. I heard the Minister of Public Works on Sunday morning, and it was quite revealing.

[Mr. Allmand.]

Finally the minister said that the COPE claim was being delayed while the cabinet reviewed the comprehensive claims policy. We still do not know how long that will last.

Many Canadians, including native groups, consider the policy of the present government to be a complete betrayal of their rights. The credibility of the minister and the department is in serious doubt. In committee the minister failed to tell us what he understood by an agreement in principle. Does he not feel bound by its provisions? Does he think the Government of Canada can set it aside unilaterally? Would he tolerate a native group taking the same unilateral action, if it just elected a new executive?

Today the hon. member for Cochrane (Mr. Penner) pointed out that the Yukon council, because of the new power given it by the minister, passed amendments to the game ordinance whereby virtually they have taken away the hunting and fishing rights of the people in the Mackenzie Delta in the northern Yukon.

Mr. Nielsen: Garbage.

Mr. Allmand: That is a fact. We did not receive any answers to that in the House today. We would like some answers to these questions. We would like to know what the minister considers to be an agreement in principle? Will he respect it? Will he get on with the final agreement in this case and not make us wait forever?

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, I will try to outline once again to the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) the situation with COPE. He indicated that a telex had been sent on October 31, that it was a black day, and that I have not signed a final agreement. I would suggest to him that he better look at the weather reports again because I received another telex the same day from a community in the Northwest Territories indicating it was a sunny day that I had not signed it. I think the hon. member better check a little closer.

I want to indicate to the hon. member that I had a meeting with the lawyers of COPE on Thursday last, as well as another member who has been representing them constantly, Mr. DeLurry. I indicated to the lawyers at that time my understanding of the COPE agreement and the interim arrangements which relate to the money to be paid by the Government of Canada at fixed periods and in fixed amounts, amounting to $10 million by 1981. Also I indicated that the lands which had been selected cannot be withdrawn or sold to another group. I asked them whether in the interim arrangements, which we regarded as contractual, the government at any time had breached the COPE agreement. Not only once, but a number of times the lawyer for COPE indicated that the Government of Canada had not breached the interim arrangements of the COPE agreement.

Mr. Allmand: That is not what they said in the press release.

Mr. Epp: I do not mind what they say in their press releases. I am saying that I had a meeting with them. I know what he

said, and there were witnesses to that meeting. That is the first thing which should be understood.

Second, the member said that I have not indicated the disagreements to COPE. I met with COPE in Ottawa and in Inuvik. I met with their lawyers last week. As well, on October 26, I sent them a six page telex which outlined in detail the various areas where there was serious question about the possibility of coming to a final agreement if those were not clarified first.

When the member says to me that I have not outlined clearly to COPE some of the outstanding issues, I say in all sincerity that he is wrong, because I have done it, not only verbally in person here in Ottawa and in the Northwest Territories, but also in writing. I say to him that the government wants to settle land claims, but I say to him in all sincerity that there is no point in settling a land claim and having a final agreement until such time as the rights of all native people and non-natives alike are met in such a way that they can live in harmony in the Northwest Territories.

● (2220)

EXTERNAL AFFAIRS—FOREIGN AID EXPENDITURES FOR COMING YEAR

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, tonight I must address a grave issue, the discrepancy between the aid of hollow rhetoric and real aid.

On November 6 I asked the Secretary of State for External Affairs (Miss MacDonald) for assurance that the $15 million aid commitment to Kampuchea, a commitment that we all fully support was not made at the expense of any existing aid programs provided by either the government or non-governmental organizations. I was shocked at her cool evasion of the question, at her flippant avoidance of what seems to be emerging as her policy on aid. It looks suspiciously like a policy of hypocrisy. I feel somewhat like Emile Zola penning his famous "J'accuse" article in pursuit of truth and justice for Louis Dreyfus.

No one would dispute the crying need for immediate and massive aid to Kampuchea. One million children are starving to death; in total, roughly 2.5 million people are near death, weakened by hunger and disease. All of Canada has been moved by their plight, and all of Canada is committed to the $15 million promised to relieve the tragedy that is unfolding in that country. But, what pride is there in knowing that the money to meet that commitment has been taken from previous commitments to other refugee relief efforts?

I understand that $2.5 million has been drawn from the food aid budget and another $2 million has come from the emergency fund. Is this true? I also have been told that a further $500,000 of the aid commitment to Kampuchea has been taken from budget moneys that had already been assigned to various non-governmental agencies' aid projects, projects that could include refugee assistance in other parts of the world.

The NGOs themselves do not know; they were not even consulted on the matter. All they know is that the money to back up previous commitments is no longer there. There is just the hollow shell of rhetoric, plus project work going on without the funds that were intended to pay for them, yet the Secretary of State for External Affairs had the gall to say on November 6:

> I can assure the hon. member that the attention and the importance we shall be attaching to the work of the non-governmental organizations will increase, not decrease, in the years ahead.

Increase? How can it increase when it will be minus $500,000?

In repeating my question I would also like to ask about the last $10 million which has yet to be sent to Kampuchea. I understand that there is no new money left in CIDA's coffers to fulfil this commitment. Where, then, is the money to come from? What other program is the government planning to cut to satisfy the slasher, the President of the Treasury Board (Mr. Stevens)?

Finally, Mr. Speaker, I would like to return to the first part of the question I asked on November 6. Again I was treated to fancy political footwork rather than an honest answer to a genuine concern. I asked for assurances that Canada's aid expenditures this coming year would be adjusted for the inflation factor in Canada and around the world so that there would be no decrease in real aid given. I was told that "there will be no fewer dollars paid out next year than there has been this year". That is no answer; that is avoidance.

Every Canadian knows how much inflation has eaten into the real value of the dollar. Every Canadian can feel for the people of Zaire, struggling with a 112 per cent inflation rate this year, and the people of Ghana, struggling with an inflation rate some people have quoted as close to 150 per cent this year.

These are the people the hon. minister referred to in her maiden speech at the United Nations when she called for a recommitment to the basic human rights of "enough food, health care, education and shelter". "Problems of want must be attached directly and urgently in the 1980s", she said. I ask again, as we sit here within 50 days of the 1980s, is this government going to do its share by adjusting for the inflation rate in these struggling countries, plus adjusting for the Canadian inflation rate, and increasing its dollar commitment accordingly?

I hope, Mr. Speaker, that I can have an answer to both of these questions; whether the facts I have cited are true about the money that has been taken to fulfil our commitment to Kampuchea, and whether in fact there is going to be a real increase in aid this coming year.

● (2225)

Mr. John Reimer (Kitchener): Mr. Speaker, I am pleased to respond to the hon. member for New Westminster-Coquitlam (Miss Jewett) on behalf of my colleague, the Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Roche). I will try to confine my remarks to the questions raised by the hon. member.

Let me first confirm the assurances given a few days ago by the Secretary of State for External Affairs (Miss MacDonald) in this House that the over-all budget and aid program for the coming year will be no less in dollar terms than it is at the present. In fact, it will be higher. I am sure that the hon. member will agree that considering the difficult economic circumstances in which we find ourselves today we must exercise the utmost restraint in government spending, and no single program is exempt from restrictions.

However, I believe that the effectiveness of our aid program will not decrease in any way. On the contrary, the current environment will challenge our imagination and may very well lead to a more effective and better quality aid program. It will be our responsibility to ensure that every aid dollar spent does indeed reach its target and achieves its objectives fully, and that is to benefit the people for whom it was intended. I can assure this House that whatever new direction is given to our aid policy, the budgetary restrictions will not prevent us from responding generously to situations of emergency, as demonstrated by our recent pledge to refugees in and from Kampuchea, the emergency assistance extended to Dominica in the Caribbean, and the new food aid program to Bangladesh.

With respect to the non-governmental organizations, the importance the government attaches to them is to increase, not decrease, their activity, as suggested by the hon. member. I am pleased to inform this House that the preparation of the background documentation for the aid policy review process is now well advanced. In the near future consideration of the aid policy will be taken up by a parliamentary body, and there will be ample opportunity for members of this House to make their input to the orientation of the future aid policy. I am sure that the hon. member for New Westminster-Coquitlam will make a very valuable contribution to this effort, and I look forward to her participation.

Miss Jewett: Where is the $15 million coming from?

Mr. Knowles: That is still no answer.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock p.m.

Motion agreed to and the House adjourned at 10.29 p.m.

HOUSE OF COMMONS

Tuesday, November 20, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

AIR TRANSPORT

INVESTIGATION INTO TWIN OTTER ACCIDENTS—ATTITUDE OF DE HAVILLAND—MOTION UNDER S.O. 43

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43.

In view of the fact that the commission of inquiry into air safety, in its investigation of 29 Twin Otter accidents in the last three years, is being impeded by the refusal to co-operate in providing information or documents by de Havilland Aircraft of Canada Limited, and in view of the fact that de Havilland is a federal Crown corporation, I move, seconded by the hon. member for Laprairie (Mr. Deniger):

That the Minister of Industry, Trade and Commerce, who is responsible to Parliament for the said corporation, instruct the officials of de Havilland to co-operate to the fullest extent with this very important commission.

Mr. Speaker: Such a motion can be introduced for debate only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

NATIONAL UNITY

CONDEMNATION OF CONDUCT OF VANCOUVER HOCKEY FANS DURING SINGING OF NATIONAL ANTHEM—MOTION UNDER S.O. 43

Mr. Jacques Olivier (Longueuil): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

In view of the present situation in Quebec, where the provincial government is seeking independence; considering that Quebeckers must be shown that English Canada sincerely wishes to keep Quebec within confederation and thus show consideration and respect for its cultural characteristics; considering that French and English are the official languages of this country, and since many spectators hooted, the few words of the national anthem sung in French at the hockey game between Vancouver and Montreal in Vancouver last Sunday night, I move, seconded by the hon. member for Louis-Hébert (Mr. Dawson):

That the House condemn the negative attitude of those people which is prejudicial to Canadian unity.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Pursuant to the provisions of Standing Order 43, this motion can be presented for debate only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

CONSUMER AFFAIRS

BRAND NAMES OF MARGARINES CONTAINING HIGH PERCENTAGE OF TRANSFATTY ACIDS—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, several weeks ago the government refused to make public a federal government-commissioned study that lists the brand names of margarines that contain a high percentage of transfatty acids that are potentially dangerous for people with heart problems.

With the co-operation of the *Kitchener-Waterloo Record,* we now have access to a partial list, and in order to allay the fears of the public I move, seconded by the hon. member for Timiskaming (Mr. Peters):

That this House instruct the government to make public the entire list of the brand names of margarines found to have a high incidence of transfatty acids from the study called "Fatty Acid Composition of Margarines" conducted by Alpha Laboratories in Toronto and commissioned by the Canadian Dairy Commission.

Mr. Speaker: Such a motion can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

[*Translation*]

DECORATIONS AND AWARDS

GONCOURT PRIZE—TRIBUTE TO GREAT ACADIAN, ANTONINE MAILLET—MOTION UNDER S.O. 43

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, under the provisions of Standing Order 43, I request the unanimous consent of the House to present a motion dealing with an important and urgent matter.

As the Goncourt prize is the most prestigious award bestowed upon a Francophone writer for her complete literary works, and as, for the first time since its inception, this prize has been awarded to a Francophone writer born outside the boundaries of France, thus acknowledging on a worldwide basis the outstanding talent of this great Acadian writer, Antonine Maillet, I move, seconded by the hon. member for Madawaska-Victoria (Mr. Corbin):

That this House pay tribute to Mrs. Maillet for the honour bestowed upon her yesterday which in turn is shared by her province, Acadia and Canada.

* * *

PUBLIC WORKS

REQUEST FUNDS BE GRANTED FOR CONSTRUCTION OF FEDERAL BUILDING IN ROUYN-NORANDA—MOTION UNDER S.O. 43

Mr. Henri Tousignant (Témiscamingue): Mr. Speaker, under the terms of Standing Order 43, I request the unanimous consent of the House to present a motion dealing with an important and urgent matter.

I should like to appeal to the Postmaster General (Mr. Fraser) and to the Minister of Employment and Immigration (Mr. Atkey) with regard to an abnormal situation in my riding, more specifically in the towns of Rouyn and Noranda.

Over seven years ago—that is, in 1971—to meet the urgent need created by cramped quarters and unacceptable working conditions for the postal employees, the Manpower Centre staff and the employees of the Department of National Revenue who are now working in old obsolete buildings, the Public Works Department purchased a lot. Can the ministers—

Mr. Speaker: Order. Would the hon. member put his motion?

Mr. Tousignant: Mr. Speaker, could the ministers responsible for those departments advise the Minister of Public Works of their needs at this time so that he might take them into account in his budget for this year with a view to erecting a federal building?

[Mr. Speaker.]

• (1410)

AGRICULTURE

POULTRY—REASON FOR CANADA-U.S. IMPORT AGREEMENT—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a very important matter.

In view of the fact that the Canada-U.S. agreement grants American poultry producers 6.3 per cent of the Canadian chicken market until December 31, 1979, and that this agreement will make it possible for American producers to deliver to this country up to 52 million pounds in 1981, which will be detrimental indeed to Canadian producers, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the Minister of Agriculture be instructed to inform the House of the reasons behind this Canada-U.S. agreement which appears to favour American producers at the expense of their Canadian counterparts.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

ENERGY

GLACE BAY, N.S.—DEMONSTRATION PROJECT FOR CLEANING COAL—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the terms of Standing Order 43.

In view of the concern in the nation and in this House expressed recently about the effects of acid rain, and in view of the large potential of energy in the Nova Scotia coalfields, I move, seconded by the hon. member for Brant (Mr. Blackburn):

That the Department of Energy, Mines and Resources co-operate financially with the government of Nova Scotia in establishing a demonstration project of a fluidized bed combustion chamber in Glace Bay for the purpose of cleaning coal with a relatively high sulphur content.

Mr. Speaker: This motion can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

EXTERNAL AFFAIRS

SPAIN—EXPRESSION OF SADNESS AND CONCERN OVER KIDNAPPING OF MR. JAVIER RUPEREZ—MOTION UNDER S.O. 43

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

Dr. Rafael Caldera, former President of Venezuela and presently President of the Interparliamentary Council of the Interparliamentary Union, has brought to my attention the fact that Mr. Javier Ruperez, a member of the Lower Spanish House and Foreign Affairs Secretary of the Union of the Democratic Centre, has been kidnapped by terrorists. Therefore, I move, seconded by the hon. member for Saint-Denis (Mr. Prud'homme):

That this House views with sadness and concern the kidnapping of Mr. Javier Ruperez, a member of the Lower Spanish House and Foreign Affairs Secretary of the Union of the Democratic Centre, a staunch defender of human rights, and expresses its earnest hope for his immediate release.

Mr. Speaker: Such a motion can be introduced for debate at this time, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Motion agreed to.

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BYELECTIONS

APPOINTMENTS TO SENATE—MOTION UNDER S.O. 43

Mr. Gilbert Parent (Welland): Mr. Speaker, I rise under the provisions of Standing Order 43 on a motion of urgent and pressing necessity.

Considering the results of yesterday's byelections, despite the Prime Minister's personal involvement in them, and considering the fact that he may feel personally responsible for his defeated candidates, I move, seconded by the hon. member for Restigouche (Mr. Harquail):

That the Prime Minister assure this House that he will not fill up the other place with these or any other defeated Tory candidates.

* * *

[*Translation*]

DECORATIONS AND AWARDS

GONCOURT PRIZE—SUGGESTION GOVERNMENT CONGRATULATE ANTONINE MAILLET—MOTION UNDER S.O. 43

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I rise under Standing Order 43 and ask for the unanimous consent of the House to discuss a motion relating to a current and urgent matter, although it is not put in the same words as the motion of the hon. member for Sherbrooke (Mr. Pelletier).

Given the fact that for the first time in its history the famous Goncourt prize for literary excellence has been awarded to an author who is not only a Canadian but also an Acadian, and that the laureate, Mrs. Antonine Maillet, author of *Pélagie-la-Charette,* contributes through her writings to the dissemination of Acadian culture throughout the world, I move, seconded by the hon. member for Mercier (Mrs. Hervieux-Payette) and the hon. member for Sherbrooke (Mr. Pelletier):

That the Secretary of State for Canada, the foremost patron of assistance programs for official language minorities, formally commit himself to congratulating Mrs. Maillet on behalf of all hon. members and to doubling his efforts to encourage all Canadians, particularly those who are part of a linguistic minority, to achieve the same level of excellence as Mrs. Maillet.

● (1415)

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

HIGH INTEREST RATES—EFFECT ON SMALL BUSINESS

Mr. Arthur Phillips (Vancouver Centre): Mr. Speaker, my question is for the right hon. Prime Minister. It is quite clear from the results of yesterday's byelections that not only do we have some potential new senators, but that considerable public concern was expressed over the government's record. We noticed, also, from this morning's *Globe and Mail* that considerable public concern was expressed in the government caucus about the government's record, particularly with respect to interest rates, the reversal of the policy on interest rates and the effect on small business.

My question, Mr. Speaker, is this: these are very difficult times for small business, and in view of the fact that the minister for small business—

Mr. Speaker: Order, please, I must ask the hon. member to put his question.

Mr. Phillips: In view of the fact that the Minister of State for Small Businesses and Industry has a long list of responsibilities, including metric conversion, Crown corporations—

Some hon. Members: Order.

Mr. Speaker: Order, please. The hon. member must realize that he is now on the third preamble. I think he had better put the question.

Some hon. Members: Hear, hear!

Mr. Phillips: My question is a simple one, Mr. Speaker. Can the Prime Minister tell us what happened to the Conservative promise to have a full-time small business secretariat fighting for the interests of small business in this country in these difficult times?

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I am very pleased with the amount of time and the amount of practical experience that the Minister of State for Small Businesses and Industry is bringing to the development of effective small business policies in the country.

Some hon. Members: Hear, hear!

Mr. Clark: We are acting on that commitment, as on others, and measures relating specifically to the encouragement of small business will be introduced later this session.

Mr. Phillips: A supplementary question, Mr. Speaker. I wanted to refer the Prime Minister—

An hon. Member: Another speech.

Mr. Phillips: —to the then opposition's small business critic last November when he was in opposition, who demanded that the minister of state for small business protect small businessmen from what he called "exuberant bank rates". They have now gone from "exuberant" to "exorbitant". Can the Prime Minister tell us specifically what measures, if any, will be brought in to protect the small businessman against the effects of rapidly rising interest rates?

Mr. Clark: Mr. Speaker, I cannot give the hon. member that information now. As he becomes more acquainted with this House, he will know that some of those measures will be brought forward in the course of the budget.

SMALL BUSINESS—AMENDMENTS TO LEGISLATION TO REDUCE BANKRUPTCIES

Mr. Maurice Harquail (Restigouche): In light of the fact that the Minister of State for Small Businesses and Industry is not in the House today, in view of the fact that the Minister of Industry, Trade and Commerce is not in this House, and in view of the fact that I am not convinced that his seatmate, the Minister of State for International Trade, who I am told is supposed to be responsible for industry, trade and commerce—

Some hon. Members: Question.

Mr. Baker (Nepean-Carleton): What poor taste.

Mr. Harquail: Therefore, I put my question to the Prime Minister. I wonder if the Prime Minister could tell the House, with respect to his former critic's position, his government's position with respect to the question of the reduction of the bankruptcy rate in Canada affecting small businesses. Could he also tell the House when he intends to introduce amendments to the Small Businesses Loans Act to alleviate this serious situation?

An hon. Member: It is not a serious situation.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, we remain concerned about the incidence of bankruptcy amongst small businesses in the country. We are, naturally, directing our economic policies now toward the establishment of a set of economic circumstances in Canada which will allow Canadian large business—and, particularly, small—to flourish in this country.

● (1420)

Mr. Harquail: Mr. Speaker, my question is, again, to the Prime Minister. On many occasions, the former opposition small business critic said that a PC government would expand the small business loans program to include working capital as well as investment capital. Can the Prime Minister tell the House, today, what the government's policy is now, what it is going to be, and when we can expect his government to introduce the policy to this House?

Mr. Clark: Mr. Speaker, I cannot give a precise date. I presume the hon. member is asking a serious question. But we are looking seriously at a range of measures which the government can introduce to help Canadian small business.

* * *

SOCIAL SECURITY

MEASURES TO IMPROVE THE LOT OF OLD AGE PENSIONERS AND PERSONS ON FIXED INCOME

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the right hon. Prime Minister. In view of the report today by Statistics Canada that manufacturing profits for the third quarter of this year are up 54.1 per cent over the same period last year, in view of the fact that pensioners and others on low and fixed incomes are having a continuing struggle with the cost of living, and in view of the clear message yesterday to this Parliament and to this government that the Canadian people want something done about the high cost of living, will the Prime Minister not reconsider the answer he gave to me last Friday when he said that his government was not prepared to do specific things, such as bringing in a bread subsidy or a milk subsidy, to bring immediate relief to Canadians who are having such a desperate struggle with the rising cost of living?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, let me take the opportunity to congratulate the House leader of the New Democratic Party on the victory of his party yesterday in the byelection in Prince Albert.

Some hon. Members: Hear, hear!

Mr. Clark: Let me say to him that we are not planning to reconsider the position that I stated in the House in relation to the specific measures regarding which he questioned me the other day.

Mr. Knowles: Mr. Speaker, in view of the fact, and especially in light of the repeated references to increasing costs in fresh fruits and vegetables, that profits were up also in manufactured and processed goods, so that right across the board pensioners and others are having such a difficult time, will the Prime Minister not consider the fact that it is not good enough

just to ask old age pensioners who endured the depression of the thirties simply to endure until things turn better? Is there not something specific that this government can do now to get immediate assistance to those who need it?

Mr. Clark: Mr. Speaker, it is our judgment that the most effective action we can take now, in the interests not only of older Canadians but others, is to get strength back into the Canadian economy, including strength in the manufacturing sector, so that there will be the capacity to have the kinds of benefits that come from economic strength available to all Canadians.

I share the concern of the hon. member for the plight of older Canadians, particularly people on fixed incomes. I have already indicated to him in this House that if there are changes in relation to oil pricing, one of the matters that we will be bringing forward as either part of the package or part of the budget will be a measure to be of particular help to Canadians, including elderly Canadians, most seriously affected by the impact of those increases.

Mr. Knowles: Mr. Speaker, when I asked the Prime Minister the night he reported on the first ministers' conference whether the sentence to which he just referred was an indication that there would be a supplement or an increase to old age pensioners, he said that I had misinterpreted it, that I would have to wait.

May I ask him if what he is now saying means that the government is considering some kind of a supplement, or some kind of an allowance to older Canadians so that they will not just have to endure to the end but that they will get help now to cope with the worsening cost of living that Canadians are experiencing under this government?

Mr. Clark: Mr. Speaker, I will have to ask the hon. member to await the details of any proposal, and that will be coming forward shortly. I should clarify for him, however, that we are not proposing an across the board increase in old age pensions or, indeed, in the supplement. We are looking at means related specifically to increases in the cost of energy, means by which we can help offset the impact of that cost upon Canadians, including elderly Canadians, who will be most seriously affected.

* * *

● (1425)

FINANCE

HIGH INTEREST RATES—STEPS TO ASSIST SMALL BUSINESS

Mr. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is for the Minister of Finance. In view of the fact that small businesses in this country are being ravaged by these historically high interest rates, can the minister tell us whether he intends to follow through with the promises made by a number of spokesmen in his party some time ago, to the effect that tax credits would be given to Canadians investing in the small business sector, and shares in the small business sector, and in this way alleviate—by providing equity capital—the tremendous burden being borne by these companies which have debt?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, there are already a number of provisions in the law for assistance to small businesses, as the hon. member knows. When the budget is brought down we will see what else we can do to assist small business, which suffers from high interest rates the same as farmers, fishermen and everybody else in the country.

This is a temporary condition, we trust, of higher interest rates. The best solution, of course, is to operate an economy and to get conditions so that interest rates come down generally. That is what we are hoping will happen. In the meantime, he will have to wait for my budget as to any other measures.

Mr. Johnston: Mr. Speaker, I take it from that answer that the idea of a tax credit for such investment, which was promised in the past, has been abandoned. My supplementary relates to the budget secrecy rule behind which the minister tends to hide. I wonder if he would give consideration to the report of the Canadian Tax Foundation to the minister of finance back in, I believe, 1977 to try to modify this rule so that we can carry on a more meaningful dialogue in this House during the pre-budget period.

Mr. Crosbie: Mr. Speaker, after the last 16 years it is certainly nice to hear that hon. members opposite want to loosen up on budget secrecy and secrecy in general. They were the paragons of secrecy. I am glad to see they have been converted. The hon. member should take nothing for granted, whether it is about tax credits or anything else. Take nothing for granted.

* * *

[*Translation*]

TRANSPORT

INQUIRY WHETHER GOVERNMENT CHANGED DEFINITION OF "DOMESTIC" IN POLICY RESPECTING RENTAL CARS AT AIRPORTS

Mr. Pierre Deniger (Laprairie): Mr. Speaker, my question is directed to the Minister of Transport and deals with his policy regarding car rental counters in airports.

Could the minister indicate to the House and the Canadian people why in his policy he saw fit to change the definition of the word "domestic" which covered companies such as Tilden, Holiday, Host, and to replace it with the word "Canadian" so as to include companies such as Avis, Budget, Hertz, Thrifty and Dollar?

[*English*]

Hon. Don Mazankowski (Minister of Transport): In answer to the hon. member's question, Mr. Speaker, we did take into

consideration the definition of a Canadian enterprise under the car rental program. We opted to use a Canadian definition which is consistent with legislation that is on the statute books, such as the Foreign Investment Review Act, the Income Tax Act, the Bank Act and, indeed, the air carrier regulations wherein the enterprise being defined as Canadian is based upon ownership rather than a logo or trademark. I am sure the hon. member is not suggesting that we bar all franchise operators who possess a franchise that is foreign in nature.

[*Translation*]

Mr. Deniger: The minister should realize the difference between individual and legal entities as well as the one between a definition applying to a general policy and another applying to a particular policy. Then could he tell the House and the Canadian people if he has received representations from Tilden and Holiday in this respect and if he intends to change his policy, which in our judgment is discriminatory for Canadian companies, and the program which is due to expire any day now?

[*English*]

Mr. Mazankowski: Yes, Mr. Speaker, I have received representations from Tilden and Holiday. I received many representations from members on both sides of the House who take a different point of view. It might be interesting to note—and I am sure the hon. member knows this—the fact that Holiday operates a substantial amount of its business outside Canadian borders, and Tilden is connected with a couple of foreign firms which gives them an equal opportunity.

As the hon. member knows, this is a very difficult question. I have looked at it. I have received representations from both sides of the House. I think we have arrived at a definition which is consistent and which does, in fact, provide preferential treatment to Canadian operators.

* * *

● (1430)

REGIONAL ECONOMIC EXPANSION

INQUIRY HOW INTERPROGRAM IS PROCEEDING

Mr. Rod Blaker (Lachine): Mr. Speaker, in the absence of the Minister of Supply and Services, I wish to direct my question to the Minister of Regional Economic Expansion. He will not need to hide to behind the upcoming budget, because a couple of months ago the government announced a program whereby several ministers will combine for the benefit of small business—his own department, DREE, as well as Supply and Services and Small Businesses. That program disposes, perhaps, of several billion dollars for the benefit of small businessmen. Could the hon. gentleman tell the House exactly how that interprogram, as it is called departmentally, is proceeding?

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): I think it is proceeding reasonably well. I must tell the hon. member that unfortunately DREE does not control several billions of dollars; it is associated with other departments which collectively have approximately $8 billion on the economic development side. We are hoping we can achieve something which has been difficult for his party to achieve up to this point, that is, increased co-operation between DREE and other line departments.

We are hoping to be in a position to make some announcements in the future which will indicate that we do, indeed, have a priority in the field of economic development and will be able to introduce new initiatives.

Mr. Blaker: A supplementary question, Mr. Speaker. The minister is responsible for these DREE programs and similar programs of CMHC. With the upcoming referendum in Quebec, there is difficulty in that federal grants are somewhat hidden; they are not seen in the province as deriving from the federal government. What specific steps is the hon. gentleman taking, in the light of the coming referendum, to assure us that moneys spent in this fashion in the province of Quebec will be seen by the people of Quebec to be derived from the taxes of all Canadians?

Mr. MacKay: I can appreciate the hon. member's concern. His point is a valid one and it has been expressed not only by some of his hon. friends but by other members of this House as well. Apart from a reasonable public relations and advertising campaign, I can think of no measures which can be taken except to enlist the aid of all hon. members to tell their constituents fairly and honestly that a substantial contribution is being made by the federal government. But to spend a great deal of money in advertising, or to be unreasonably aggressive in claiming credit for some of these shared programs, might have an effect the reverse of what was intended.

* * *

[*Translation*]

AGRICULTURE

INQUIRY WHETHER MINISTER RECEIVED REPRESENTATIONS FROM QUEBEC FOR REDUCTION IN POULTRY IMPORTS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is for the Minister of Agriculture.

On November 9, since the minister was not in the House, I asked a question of the Prime Minister regarding the agreement between Canada and the United States in relation to the importation of poultry from the United States. The Prime Minister answered then that he would consider the matter and discuss it with the responsible ministers. Could the Minister of Agriculture tell the House whether he has received, following that agreement, representations from the Quebec minister of agriculture and food expressing the discontent of poultry producers in the province of Quebec and also the intention of the provincial government to withdraw from the national agreement on the marketing of poultry meat in Canada.

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I want to assure the hon. member, in response to his question, that I am, indeed, in communication with my provincial counterpart on a frequent basis. I have read stories that my provincial counterpart has been making some statements with respect to that subject, but to my knowledge I have had no direct communication from him indicating that he is suggesting that broiler producers within Quebec withdraw from the board. If that is his thinking, I would hope that he would reconsider his position.

[*Translation*]

POULTRY IMPORTS—REQUEST THAT PERMITS BE GRANTED TO VOLBEC

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, on a supplementary, considering that one must always beware of press reports on ministerial statements, and since last November 9 Ontario and Quebec poultry producers came to Parliament Hill to ask the government to review the Canada-U.S. agreement, could the minister assure the House and also, of course, producers that all future permits issued for imports of poultry will be issued to the Canadian marketing agency, in order to protect the production quotas of poultry producers?

[*English*]

Hon. John Wise (Minister of Agriculture): In response to the hon. member's supplementary question, I want to make it clear that my department does not issue supplementary permits. But I am certain that should the question of a requirement for a supplementary permit arise, the national board would have the opportunity to supply the product first. In the event it was not possible to supply that product to the Canadian market from Canadian sources, the Minister of Industry, Trade and Commerce would then have to consider the advisability of issuing supplementary permits.

* * *

LABOUR RELATIONS

ALLEGED GOVERNMENT INTERFERENCE WITH COLLECTIVE BARGAINING PROCESS

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Labour. At the end of last week, the minister tossed off from the top of his legs a suggestion regarding a public interest disputes' commission which, by its very existence and powers, would circumvent Parliament since reportedly this commission could order a 20-day deferment of a legal strike. Indeed, it is a deliberate attempt on the part of the government to distract attention from the serious economic problems facing Canada. Can the minister tell us why he thinks it is necessary at this time to interfere with the collective bargaining process by taking such Draconian measures as this?

Hon. Lincoln M. Alexander (Minister of Labour): I want to thank the hon. member for giving me the opportunity of answering that question again. He knows that what we are attempting to do, and what we hope to do this session, is to introduce legislation which will remove the incidence of work stoppages in essential aspects of services. As I said, we would attempt to introduce it in this session of Parliament.

There was no unwarranted or undue intervention into the collective bargaining process. We would hope that when the legislation is introduced in order that the hon. member might have an opportunity of looking into the definitive aspects of it, he will realize that there is a need, no matter how small, for such legislation to be introduced and give it his complete support.

Mr. Rodriguez: Obviously, a deliberate attempt to bamboozle Parliament.

Some hon. Members: Hear, hear!

Mr. Rodriguez: In view of the fact that this proposal makes the Department of Labour both a mediator and a cop, and in view of the fact that the minister recently boasted of declining wage settlements, stating that 95 per cent of labour negotiations and disputes in this country are settled peaceably, why is he changing the policy of the Department of Labour from being a supporter of Canadian labour to being a policeman for the Canadian Chamber of Commerce?

Mr. Alexander: I am so used to the hon. member and his rhetoric that I just look at him with complete amazement. The whole gist of this measure, as devised by officials in the Department of Labour, will be a means to reduce the incidence of strikes in essential aspects of service. It is time we bit the bullet, whether the hon. member likes it or not. I feel there is a need and that there is public support in this regard. If the hon. member does not want to go along with whatever legislation we intend to introduce, and that we will introduce, that is his problem and his risk.

Some hon. Members: Hear, hear!

* * *

● (1440)

NATIONAL DEFENCE

REPORTED DIFFICULTIES WITH ENGINES OF NEW FIGHTER AIRCRAFT

Hon. Judd Buchanan (London West): Mr. Speaker, my question is for the Minister of National Defence. The minister is in possession of information indicating that there are substantial difficulties with the engine for the F16 as well as with the industrial offset package, and that the F18A is falling short of its expected performance standards on speed, cost and range. In view of this, would the minister again give further consideration to enlarging the competition to include the F18L?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I would like to thank the hon. member for raising the same question on this occasion that he did a week or so ago. The fact of the matter is that we have an extremely good industrial offset package from both of these companies. The problems General Dynamics is having with the F100 motor for the F16 are well known, and they will either have to develop a new motor, I expect, or do something about the current one. It would appear to me unlikely that a large company such as that, which has sold something in the neighbourhood of 1,600 planes, would be content to go along with an inefficient engine.

As far as the F18A is concerned, the faults which were pointed out in the article to which the hon. member referred are relatively minor and I feel certain they will be corrected.

* * *

[*Translation*]

NATIONAL UNITY

ALLEGED ANTI-FRENCH CANADIAN INCIDENT IN VANCOUVER—GOVERNMENT POSITION

Mr. Jacques Olivier (Longueuil): Mr. Speaker, my question is for the right hon. Prime Minister. The Prime Minister has no doubt been informed of a serious event that took place in Vancouver this weekend, namely that several spectators at a hockey game between Vancouver and Montreal booed the part of the national anthem that was sung in French. Is the Prime Minister ready to condemn such acts and to support the bilingual character of Canada?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I deeply regret acts such as the one described by the hon. member, and I think that one of the things which we, as members of a federal and bilingual Parliament, can do is to use both languages in Vancouver as well as in Chicoutimi.

* * *

[*English*]

ST. LAWRENCE SEAWAY

DEVELOPMENTS RESPECTING TOLLS

Mr. Gilbert Parent (Welland): Mr. Speaker, my question is to the Minister of Transport. During the May 22 election campaign, many of the candidates of the peninsula were going around the area saying that the Seaway tolls were going to be lowered. Since that time, the Minister of State (Transport) has said no, that the Seaway tolls are going to come in as of April 1. Then there was another flip-flop just recently.

Have there been any discussions with the shipbuilders of Canada and, second, are there any new developments with regard to the Seaway tolls which the minister could share with this House and with the people of Canada?

[Mr. Buchanan.]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the position of the Conservative party in the last election was that the matter of further increases in Seaway tolls would be deferred until such time as there was a full and adequate examination of the increases. We are now in the process of establishing an advisory board which will, among other things, have the opportunity to look into the prospect of future increases in the tolls and to determine whether such increases are, in fact, necessary.

Mr. Parent: Mr. Speaker, with regard to the advisory board the minister intends to set up, could he please inform this House as to the possible make-up or probable make-up of the men and women who are going to sit on this advisory council? Also, when is it going to be established, so that the rules under which they will be working can be understood by them and all of us who are involved with the Seaway and with the tolls which emanate from it?

Mr. Mazankowski: Mr. Speaker, I will undertake to do that. The terms of reference are presently in the process of being drafted. The positions will certainly be made known to the House and to the Canadian people. I can assure the hon. member that I will personally see that he gets a copy of the terms of reference, and I hope he has some suggestions to make.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

REFERENDUM DEBATE—ATTITUDE OF CORPORATION PRESIDENT—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is for the Secretary of State. Basically, I would like to receive some clarification concerning the role of the CBC in the referendum debate in Quebec.

In view of, among other things, the terms of reference of the corporation as defined in the Broadcasting Act, which are to strengthen the Canadian mosaic, can the minister say how he reacted to the position adopted last week by the president of CBC who said that the corporation would not take part in the debate, that it would content itself with reporting accurately and impartially both the federalist and the separatist points of view. And while we are on the subject, I would like to know how the minister feels about the present policy of the corporation, which consists of refusing consistently to broadcast the publicity messages of the pro-Canada movement? Finally, if the minister has any courage, maybe he could tell us whether he intends to direct the corporation to play a more positive role in the referendum debate.

[*English*]

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, as the hon. member knows, the CBC functions as an independent agency responsible to

Parliament under a very clear mandate passed by statute some years ago.

With respect to the sensitive and obviously difficult situation of acting responsibly and fairly in the period of the referendum, I believe the recent statement last week by the president of the CBC, in Montreal, referred to by the hon. member was indeed a responsible position on his part in an attempt to fulfil the mandate of the CBC to inform Canadians on major issues, of which this obviously is one.

[*Translation*]

QUEBEC REFERENDUM—INQUIRY AS TO GOVERNMENT POLICY CONCERNING POSITION OF CBC

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, even if the minister intends to sit on the fence, just as the president of the CBC is doing, in order to get an answer I should like to ask the Prime Minister of Canada this question. His information services may have finally told him, among other things, that the CBC intends to stop broadcasting the program *La politique fédérale* during the referendum campaign, but his advisers are not telling him that the Quebec premier is presently broadening the powers of Radio-Québec. I should like to ask the Prime Minister if the position just stated by his minister, namely, to sit back and watch the collapse of the country without doing or saying anything, actually reflects the government's policy.

An hon. Member: "Sit on the fence".

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, we certainly do not intend to let Canada disappear or be dismembered. We do not intend, either, to reflect on the good reputation of an instrument of national unity, namely, the CBC. Under the circumstances, the difficult role of the CBC is the one indicated by its president, Mr. Johnson. This role has been stated in the past by his predecessor presidents of that Crown corporation. As the minister said, it is a role which we think is wise in the circumstances.

* * *

[*English*]

SHIPBUILDING

PURCHASE OF FERRY FROM EUROPE—REASON NOT BUILT IN CANADA

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, before I put my question to the Prime Minister, I wonder if I might be permitted time to state, on behalf of my colleagues, that we share with the Prime Minister his regret at the behaviour of Vancouver fans in terms of our national anthem, and to say that as far as I am concerned, a great many of my friends and British Columbians in the Vancouver area support Les Canadiens often over that other eastern team run by that great Canadian patriot, Harold Ballard.

According to reports, the B.C. government intends to purchase a car ferry in Europe to serve on the B.C. coast. Since both employment prospects and balance of payments problems will be endangered, or at least perhaps damaged by such a contract if it were let abroad, I wonder if the Prime Minister can tell us whether the Minister of State (Transport) was expressing government policy the other day when he said, and I quote from *Hansard:*

—I feel very strongly that any ferry to be paid for by Canadian dollars and to be supported by Canadian citizens should be built in Canada.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the Minister of State (Transport), speaking in this House, expresses government policy.

Mr. Rose: A supplementary, Mr. Speaker—

Mr. Speaker: Order, please. The hon. member for Cape Breton-The Sydneys.

● (1450)

SUBSIDIES PAID TO CLARKE STEAMSHIPS FOR OPERATIONS TO NEWFOUNDLAND

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Transport. I was wondering whether the minister could tell me if his department is considering increasing any of the subsidies paid to Clarke Steamships Ltd. for its shipping operations to Newfoundland.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as I indicated in committee this morning, that matter is currently under study.

* * *

FINANCE

AMENDING OF MORTGAGE TAX CREDIT PLAN—GOVERNMENT POSITION

Mr. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have a question for the first minister. In light of the byelection results last night, which indicated a substantial rejection of his government's performance over the past six months and which drives home the point—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Axworthy: —that this is a minority government which must rest on the confidence of this House, is the first minister prepared to have his government accept amendments to the mortgage tax credit plan to provide assistance for the severely damaged rental industry and for those who must renegotiate their mortgages, or will he accept the position put forward by his Minister of Finance in his table-thumping, sword-rattling mugwumpery deliberately designed to provoke an election?

Some hon. Members: Oh, oh!

Mr. Axworthy: Is he prepared to have them brought in?

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member will realize that there are two or three disabilities in the same question: anticipating legislation, and ending with an argument. He may want to put a supplementary.

Mr. Axworthy: Mr. Speaker, I would like to raise a question with the minister.

Some hon. Members: Oh, oh!

Mr. Axworthy: Is the government prepared to accept amendments to the legislation to provide assistance in the housing field, or will it simply provoke an election as the Minister of Finance indicated last night?

Some hon. Members: Oh, oh!

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, if I might reply to the first candidate—

Some hon. Members: Hear, hear!

Mr. Clark: —this government, naturally, will consider reasonable amendments, just as this government, naturally, will resist any efforts at obstruction which would deny Canadians the advantage of this tax credit proposal next year.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

SOCIAL SECURITY

BILL C-20—PROVISIONS RESPECTING OLD AGE PENSIONERS AND SINGLE-PARENT FAMILIES

Mrs. Céline Hervieux-Payette (Mercier): Mr. Speaker, my question is for the Prime Minister.

I believe the matter we are discussing is serious enough for hon. members to listen to my question. I ask the Prime Minister whether, while reconsidering amendments to Bill C-20, he is prepared to give assistance to tenants, particularly to elderly and single-parent families, when amending this bill.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, as I just stated, we are prepared to consider serious amendments to our bill. However, we hope there will be a determination on the part of opposition parties to grant speedy passage of this bill so that Canadians can benefit from our tax credit program next year.

[Mr. Axworthy.]

ENERGY

INQUIRY CONCERNING GOVERNMENT POLICY ON TRANSFER TO PROVINCES OF HOME INSULATION PROJECTS

Mr. Henri Tousignant (Témiscamingue): Mr. Speaker, my question is also directed to the Prime Minister.

At the recent federal-provincial conference held last week he mentioned that he was prepared to consider transferring to the provinces the various home insulation programs. Could the Prime Minister clearly state the policy of his government on this?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the policy, as I asserted during the conference of first ministers, is that this is something we are prepared to consider as part of a general agreement with the provinces, aimed at making progress toward energy self-sufficiency.

Mr. Tousignant: Mr. Speaker, on a supplementary, can the Prime Minister tell us where the government will stand in case of conflict once Canada has turned all these jurisdictions over to the provinces, given the fact that powers do not fall from heaven and that the federal government will not have any power left? What will be the position of the federal government to reconcile provinces when difficulties or disagreements arise?

Mr. Clark: Mr. Speaker, I wonder whether the hon. member speaks on behalf of his party when he suggests that we cannot consider changing the administration of the home insulation program to help facilitate its implementation. The idea is to have the most efficient and effective program possible and we think that we could certainly be more efficient without this transfer being a loss of jurisdiction and power.

* * *

[*English*]

MULTICULTURALISM

GOVERNMENT ADVERTISING IN ETHNIC PRESS

Mr. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of State for Fitness and Amateur Sport and Multiculturalism. I should like to ask the minister if he is aware that since the last election the Government of Canada has cut very substantially—it is estimated, by about 90 per cent—its advertising in Canada's ethnic newspapers. Will he look into it, and will he take steps to support government support for this extremely vital voice in Canada's multicultural communities?

Some hon. Members: Hear, hear!

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism): Yes, Mr. Speaker, I am aware of what the hon. member is talking about. We are looking at the advertising which is to go into the 220 ethnic

newspapers and some 30 ethnocultural groups: we are looking at the whole aspect of the matter.

We do not feel that advertising should be part and parcel of keeping these papers in existence. I think these people should look to private industry for further advertising; I do not think they should depend upon the government for the whole aspect of advertising just for those particular papers, not like the previous government which only did it 30 days prior to the forthcoming election.

Some hon. Members: Hear, hear!

Mr. Kaplan: Mr. Speaker, I should like to ask the minister whether this policy of eliminating ethnic advertising was done following the last election to punish the readers of those newspapers for their substantial support of this party.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): That is hardly a serious question.

Mr. Speaker: Order, please. The hon. member for Northumberland.

* * *

FINANCE

OPPOSITION TO MORTGAGE TAX DEDUCTIBILITY PROGRAM

Hon. George Hees (Northumberland): Mr. Speaker, I have a question for the Prime Minister. Is it not a fact that the only objection the opposition has to the government's very excellent mortgage tax deductibility program is that they did not think of it first?

Some hon. Members: Oh, oh!

Mr. Speaker: The hon. member for Vancouver-Kingsway.

* * *

BELL CANADA

PROPOSED RATE INCREASES—PUBLIC HEARING

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a question for the Secretary of State and Minister of Communications. Unlike the western Liberal friends to my right—who are understandably a little upset today—I will try to come to my question very quickly.

Is the minister aware that Bell Canada has proposed an experimental usage sensitive pricing program? In plain English, there will be no flat fee for telephone calls and one will pay by call. Is the minister aware of that? Is he in favour of that system? Is he prepared to order a public hearing on this matter before Bell Canada starts on the experimental system, controls the experiment and in fact brings the matter in as a *fait accompli*?

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, my understanding is that there can be no *fait accompli* without extensive public hearings being held by the appropriate regulatory authority. Quite obviously, the proposal by Bell with which they would like to proceed on a pilot basis raises a number of critical questions, not the least of which is the notion of user-pay that certainly has never been espoused by this particular government when it comes to flat rate service.

Mr. Waddell: Mr. Speaker, I am sure the minister is aware that with "Ma Bell" experiments have the habit of turning into practice, such as with the data pack systems and the phone centres. Could the minister tell the House whether he is prepared, in a future system, to allow the option between the user-pay and the flat rate system which we now have, and whether he is prepared, if Bell does an end-run around the CRTC in order to receive some more profits, to roll back those profits as the CRTC did with British Columbia Telephone?

Mr. MacDonald (Egmont): Mr. Speaker, the hon. member is a lawyer and he knows the law better than I do. He knows that there is no possibility whatsoever of Bell doing a so-called end-run. There would have to be very full public hearings and an examination by the appropriate regulatory authority before that sort of thing could happen.

* * *

● (1500)

SOCIAL SCIENCES COUNCIL

PAY CHEQUES FOR STAFF OF SOCIAL SCIENCES AND HUMANITIES RESEARCH COUNCIL

Mr. John Evans (Ottawa Centre): Mr. Speaker, I would like to pose a question to the Secretary of State. Will the minister tell the House whether he is aware that the staff of the Social Sciences and Humanities Research Council have received a letter which indicates that they will not receive their pay cheques tomorrow; and can he explain if this is just restricted to that council, or is it fully across the board in the Secretary of State's department?

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, as the hon. member knows, the Social Sciences and Humanities Research Council is an independent agency. But I will be quite happy to check into the matter. I have not heard about it, but I will certainly find out the details and report to him.

* * *

PUBLIC SERVICE

PAY CHEQUES FOR PERSONNEL

Mr. John Evans (Ottawa Centre): In that case, Mr. Speaker, I would like to place my supplementary question with the President of the Treasury Board. Will he tell the House if the

reported cash shortage of the government is, in fact, the reason public servants are receiving letters saying they will not get their pay cheques tomorrow?

Hon. Sinclair Stevens (President of Treasury Board): Mr. Speaker, I am very pleased that the hon. member now realizes the significance of the delay that we had in the passage of the appropriations bill that was only last week before this House.

Some hon. Members: Hear, hear!

Mr. Stevens: That bill is now before the other place. We trust it will be passed later today and that royal assent will be forthcoming, as this will facilitate various cash outlays to which the hon. member is referring.

* * *

HOUSE OF COMMONS

LEVEL OF LIGHTING IN CHAMBER—STATEMENT BY MR. SPEAKER

Mr. Speaker: Order, please. Before dealing with one or two matters of privilege of which I had notice last week, the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre) raised a question regarding an apparent increased intensity of the lighting in the House. In fact, he was correct; we were operating in the first days of this Parliament with a lighting intensity that was about 10 per cent higher than what we had utilized in the last Parliament. We have been experimenting with other light levels, and in fact at the moment we are back to the lighting level of the last Parliament, which I hope members will find more satisfactory.

Some hon. Members: Hear, hear!

* * *

PRIVILEGE

MR. NYSTROM—FATTY ACIDS IN FOODS—ALLEGED DENIAL OF INFORMATION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question of privilege arises from an answer I received from the Minister of Agriculture (Mr. Wise) on October 31, as it appears at page 805 of *Hansard*. The question I put regarded a study that was done by the Canadian Dairy Commission on unnatural acids in margarine that are potentially dangerous to people with heart conditions. He responded at that time, as it appears at page 805 of *Hansard*, by saying:

Personally, I would have no objection whatsoever—

He was referring to the release of the brand names, but he did indicate that he had to check on the legal technicalities. He has not released that list of brand names in spite of the fact that legal interpretations I have from a lawyer for the Canadian Press—and I understand the Canadian Dairy Commission feels the same way—would indicate that legally there is no problem in making public the list of brand names of margarines which are potentially dangerous to people with heart conditions.

In the House today I also presented a motion asking the government to make that list of brand names public so that people concerned would not have to be afraid that they may be doing something they should not be doing when consuming margarine. When unanimous consent was asked for that motion it was denied.

One newspaper, namely the *Kitchener-Waterloo Record*, on Saturday was able to obtain a partial list of the brand names concerned and I have that partial list before me. In spite of the fact that this partial list is now public, the Minister of Agriculture is still denying freedom of information in respect of the complete list, though he suggested he personally thought the House should be provided with it.

I feel that my privileges as a member have been violated because I do not have access to that information which the government has and which the minister has said, as reported at page 805 of *Hansard*, he sees no objection whatsoever to the House having. The lawyers I have checked with told me there are no legal technicalities regarding why we should not have that information. The government has that information and some of it has been leaked to the press, although only a portion of it. The government has still more information, and because of the sloppy way they have handled the issue they are causing needless concern to the Canadian public regarding the types of margarine they are consuming in this country.

If you see that I have a legitimate question of privilege, Mr. Speaker, I would ask you to allow me to move a motion which would require the Minister of Agriculture and the Government of Canada to make public the complete list of margarines in this country that are potentially hazardous to people with heart conditions. I would do that because this is a federally commissioned study that we paid for, the government has the information and they are denying it to the Canadian public.

Mr. Speaker: I see that the Minister of Agriculture (Mr. Wise) wants to participate and I will certainly give him that opportunity. I would not want that to be taken as an indication that a search for any kind of document at any time by members of the House has been transformed from the present procedure to matters of privilege.

Hon. John Wise (Minister of Agriculture): Thank you, Mr. Speaker. In response to the hon. member's question of privilege—and I really question whether he does have a question of privilege—I want to make it very clear that what I indicated to him in response to his question was that personally I had no reservations but wanted to check the legal technicalities simply because of the fact that the test was based only on one sample of the 95 brands, and that obviously brings into focus a number of questions.

Subsequent to that I checked with the Canadian Dairy Commission and their legal opinion was that there was no problem in releasing the results of the study. I checked with the legal branch of the Department of Agriculture and, indeed, they took the opposite view, that in view of the fact that only

one sample per brand was taken that really brings into question the reliability of the study. In the intervening time I really have been on the horns of a dilemma.

In view of the fact that a partial list has been published, although I have not seen that partial list I am still persuaded to proceed. My own personal feeling is that since this was paid for out of public funds, public disclosure should be made, in keeping with the freedom of information and the open government of my Prime Minister (Mr. Clark) and my colleagues on this side. I have made the decision that we should go forward and make the study public, attaching the brand names to the 95 brands. But we should also, in making a press statement, point out that this study was simply based on only one sample per brand and, therefore, this brings into question the reliability of that study.

Subsequent to that my colleague, the Minister of National Health and Welfare (Mr. Crombie), has asked officials in his department to set up a special group within the Department of National Health and Welfare to look specifically at the matter of fatty acids in relation to the health of Canadians.

[*Translation*]

MR. LAMBERT (BELLECHASSE)—REQUEST FOR DETAILS OF POULTRY IMPORTATION PERMITS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I rise on a question of privilege, and in accordance with your recommendations, I will be very brief. I would not want to upset the Minister of Agriculture (Mr. Wise) because I know he has rather heavy responsibilities.

In question period today, I asked the Minister of Agriculture if he would care to tell the House whether he would be prepared to recommend that the national chicken marketing agreement should be amended so as to make the agricultural products marketing agency the first receiver for all chicken imports. Perhaps the minister misunderstood my question because he answered that no new poultry import permits had been granted since October 22, the date of the Canada-U.S. agreement. There will be a substantial increase in exports as of January 1, 1980, and to reassure Ontario and particularly Quebec poultry producers, I believe it is my privilege and the privilege of the House to get an answer from the minister assuring us that any additional permits for the importation of poultry would be granted through the Canadian marketing agency so as to protect Canadian producer quotas and maintain stabilization of the farming industry. The minister should have told the House that it was a result of insufficient production and the incapacity of Canadian producers that Canada has to resort to poultry imports.

And in concluding my question of privilege, Mr. Speaker, I would like to be allowed one more comment so we know exactly where we stand. We had enough difficulty in having Bill C-76 passed to allow poultry producers across Canada to set up marketing agencies at the provincial level in order to establish a national agency. It has given excellent results so far and I would like to draw the attention of the minister to the danger that might exist in granting import permits without prior consultation with the chicken marketing agency.

• (1510)

[*English*]

Mr. Speaker: Once again, I have severe reservations as to whether or not we are in a procedural area, but the minister seems to wish to participate again.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the hon. member's raising the point of privilege but, again, like the matter raised by his colleague in the NDP, I question whether it is a point of privilege. It is true that I did misunderstand the first part of his question, which was to the effect, was I considering providing the first receivership for the importation of U.S. chicken into Canada by the national chicken marketing agency. The answer is no. I have answered the other questions raised by the hon. member.

* * *

POINT OF ORDER

MR. MACEACHEN—INCORRECT DESIGNATION IN OFFICIAL REPORT

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I rise on a point of order. On reading yesterday's *Hansard* I noticed at page 1481, during the adjournment debate, that the question put by the member for New Westminster-Coquitlam (Miss Jewett) on the subject of external affairs was answered by the hon. member for Kitchener (Mr. Reimer), who was standing in for the Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Roche). I find that the member for Kitchener is not a parliamentary secretary. It may be that this is a printing error, but if it is not I would draw to the attention of the government that having persons who are not parliamentary secretaries answering for ministers is a very undesirable practice to which we would object strenuously.

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): Mr. Speaker, I thank the hon. gentleman for his intervention. I give him the undertaking that I will look into the matter and report to him directly. I agree with the view that he has expressed with respect to the parliamentary practice.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I merely suggest that when the government House leader is looking into the matter, he might ascertain whether the mistake was *Hansard's*. I think it was the Parliamentary Secretary to the Postmaster General (Mr. Reid) who answered last night. All Tories do not look alike, but—

Introduction of Bills

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Mr. Speaker, there have been discussions among the House leaders with respect to the designation of an allotted day. Last week I designated tomorrow, November 21, as an allotted day. There have been discussions about changing that day. I would like to have the designated day undesignated and to designate Friday, November 23, 1979, as an allotted day.

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Second report of Standing Joint Committee on Regulations and Other Statutory Instruments—Mr. Robinson (Etobicoke-Lakeshore).

* * *

PUBLIC SERVICE

TABLING OF DOCUMENT "LA RÉFORME LINGUISTIQUE DANS LES INSTITUTIONS FÉDÉRALES"

Hon. Perrin Beatty (Minister of State (Treasury Board)): Mr. Speaker, pursuant to Standing Order 41(2), I would like to table, in both official languages, the document entitled "La Réforme Linguistique dans les Institutions Fédérales".

* * *

NATIONAL ANTHEM ACT

AMENDMENT RESPECTING CHANGE IN WORDING OF ANTHEM

Mr. Hal Herbert (Vaudreuil) moved for leave to introduce Bill C-492, respecting the national anthem of Canada.

Some hon. Members: Explain.

Mr. Herbert: Mr. Speaker, the purpose of this bill is to designate "O Canada" as the national anthem of Canada and to change one word in the English version of the national anthem as it is sung today and as it was printed in a government bill which was introduced in the last Parliament.

Mr. Baker (Nepean-Carleton): Sing it.

Mr. Herbert: The word "native" will be replaced by the word "cherished", so as to make our national anthem equally applicable to the millions of Canadians who were not born in Canada.

Some hon. Members: Hear, hear!

[Mr. Knowles.]

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

* * *

ELECTRICITY AND GAS INSPECTION ACT

MEASURE TO ESTABLISH

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs) moved for leave to introduce Bill C-26, relating to the inspection of electric and gas meters and supplies.

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

* * *

COASTAL FISHERIES PROTECTION ACT

REVISION OF PENALTIES FOR VIOLATION

Hon. Walter Baker (for the Minister of Fisheries and Oceans) moved the first reading of Bill S-3 (from the Senate), to amend the Coastal Fisheries Protection Act.

Motion agreed to and bill read the first time.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the government will reply to the following questions today: Nos. 24, 43, 155, 164, 199, 391, 394, 461 and 553.

[*Text*]

PRIVY COUNCIL OFFICE—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 24—**Mr. Orlikow:**

1. For the fiscal year (a) 1977-78 (b) 1978-79, what contracts for professional services were let for studies, surveys and analyses into (i) present or future policies, programs or information analysis and their efficiency and effectiveness (ii) the examination of the administration or internal operation of the Privy Council office?

2. How much was committed on each contract and to whom?

Mr. John Bosley (Parliamentary Secretary to Prime Minister): 1. None.

2. Not applicable.

ECONOMIC COUNCIL OF CANADA—EXECUTIVE

Question No. 43—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of the Economic Council of Canada?

2. What is the annual salary in each case?

Mr. John Bosley (Parliamentary Secretary to Prime Minister): 1. (a) Dr. Sylvia Ostry, Chairman; (b) None.

2. (a) $55,600—$72,400; (b) Not applicable.

UNEMPLOYMENT INSURANCE—BENEFITS RECEIVED BY MONTREAL STAR EMPLOYEES

Question No. 155—**Mr. Herbert:**

1. Between June 13, 1978 and February 12, 1979, how many employees of the *Montreal Star* newspaper, who were employed on June 13, 1978, received unemployment insurance benefits?

2. What amount did they receive in total and what was the average period during which payments were made?

Hon. Ron Atkey (Minister of Employment and Immigration): Unemployment insurance statistics are not kept in such a way as to permit the provision of the requested information.

EMERGENCY PLANNING CANADA

Question No. 164—**Mr. Herbert:**

Is there a government department or agency known as Emergency Planning Canada and, if so, what is its budget (a) for Canada (b) by province?

Mr. John Bosley (Parliamentary Secretary to Prime Minister):

There is a government organization known as Emergency Planning Canada, which is tasked by the emergency planning secretariat in the Privy Council office for the co-ordination of emergency planning among federal departments and agencies; and between them and the provincial governments.

Emergency Planning Canada's budget is carried in the estimates of the Department of National Defence and, for the current fiscal year, includes approximately $1.4 million for salaries and $4,921,000 for operating expenses. Out of the latter, $3,827,000 was identified for the provision of assistance to provinces and territories in their emergency planning. However, since $2 million of this was budgetted for a change in program which did not take place, that amount has been frozen, leaving $1,827,000 available to provinces as under:

Newfoundland	$ 58,405	Manitoba	$ 90,146
Prince Edward Island	28,252	Saskatchewan	83,956
Nova Scotia	76,815	Alberta	151,721
New Brunswick	66,817	British Columbia	190,920
Quebec	444,998	Yukon	21,428
Ontario	590,685	Northwest Territories	22,857

JUSTICE—NUMBER OF EMPLOYEES

Question No. 199—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Department of Justice's payroll on March 31, 1979?

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations): In so far as the Department of Justice is concerned: On March 31, 1979 there were: (a) 1034 permanent employees and (b) 51 term employees on the Department of Justice payroll.

ST. LAWRENCE SEAWAY

Question No. 391—**Mr. Cossitt:**

During the current navigational season in the St. Lawrence Seaway area, how many vessels were (a) warned for exceeding set speed limits (b) charged for exceeding set speed limits and, in each case (i) what is the name and nationality (ii) what was the speed being travelled and the actual limit applicable (iii) what penalty was issued (iv) in what location did the incident occur and who enforced the regulation?

Hon. Don Mazankowski (Minister of Transport): The St. Lawrence Seaway Authority advises as follows: (a) 116 (b) 29 (i), (ii), (iii) and (iv) See list below.

(b)(i)	(b)(ii)		(b)(iii)	(b)(iv)
"Lake Aniara"— Norway	Speed Travelled Speed Limit	15.0 knots 13.0 knots	Fine—$400	Brockville—Prescott Area
"Betts"— Malaysia	Speed Travelled Speed Limit	14.4 knots 13.0 knots	Fine—$300	Brockville—Prescott Area
"Steelcliffe Hall"— Canada	Speed Travelled Speed Limit	12.4 knots 11.3 knots	Fine—$200	Mariatown Area
"Lisana"— Liberia	Speed Travelled Speed Limit	12.6 knots 11.3 knots	Decision Pending	Mariatown Area
"Kathleen"— Liberia	Speed Travelled Speed Limit	13.3 knots 11.3 knots	Decision Pending	Mariatown Area
"Sun Maria"— Greece	Speed Travelled Speed Limit	11.6 knots 10.4 knots	Fine—$200	Stonehouse Point—Hamilton Island Area
"Algoway"— Canada	Speed Travelled Speed Limit	11.6 knots 10.4 knots	Fine—$200	Stonehouse Point—Hamilton Island Area
"Olympic Power"— Liberia	Speed Travelled Speed Limit	9.9 knots 8.6 knots	Fine—$300	Stonehouse Point—Hamilton Island Area
"Ungava Transport"— Canada	Speed Travelled Speed Limit	11.6 knots 10.4 knots	Decision Pending	Stonehouse Point—Hamilton Island Area
"Fort York"— Canada	Speed Travelled Speed Limit	10.0 knots 8.6 knots	Fine—$300	Stonehouse Point—Hamilton Island Area

(b)(i)	(b)(ii)		(b)(iii)	(b)(iv)
"Stolt Sydness"— Liberia	Speed Travelled Speed Limit	13.0 knots 10.4 knots	Fine—$500	Stonehouse Point—Hamilton Island Area
"Erica"— Panama	Speed Travelled Speed Limit	11.8 knots 10.4 knots	Fine—$300	Stonehouse Point—Hamilton Island Area
"Durhambrook"— England	Speed Travelled Speed Limit	12.4 knots 10.4 knots	Fine—$400	Stonehouse Point—Hamilton Island Area
"Federal Saguenay"— Liberia	Speed Travelled Speed Limit	9.7 knots 8.6 knots	Decision Pending	Stonehouse Point—Hamilton Island Area
"Canadoc"— Canada	Speed Travelled Speed Limit	10.8 knots 10.4 knots	Decision Pending	Stonehouse Point—Hamilton Island Area
"Jos Simard"— Canada	Speed Travelled Speed Limit	12.2 knots 10.4 knots	Fine—$400	Stonehouse Point—Hamilton Island Area
"Tozui Maru"— Japan	Speed Travelled Speed Limit	12.0 knots 10.4 knots	Decision Pending	Stonehouse Point—Hamilton Island Area
"Brage Pacific"— Norway	Speed Travelled Speed Limit	12.4 knots 10.4 knots	Decision Pending	Stonehouse Point—Hamilton Island Area
"Maplecliffe Hall"— Canada	Speed Travelled Speed Limit	11.5 knots 10.4 knots	Decision Pending	Stonehouse Point—Hamilton Island Area
"Ziemia Lubelska"— Poland	Speed Travelled Speed Limit	11.8 knots 10.4 knots	Fine—$300	Stonehouse Point—Hamilton Island Area
"Lake Nipigon"— Canada	Speed Travelled Speed Limit	11.5 knots 10.4 knots	Decision Pending	Stonehouse Point—Hamilton Island Area
"Alida Smits"— Netherlands	Speed Travelled Speed Limit	10.2 knots 8.6 knots	Decision Pending	Stonehouse Point—Hamilton Island Area
"Georgian Bay"— Canada	Speed Travelled Speed Limit	11.5 knots 10.4 knots	Decision Pending	Stonehouse Point—Hamilton Island Area
"Vassilis"— Greece	Speed Travelled Speed Limit	12.1 knots 10.4 knots	Decision Pending	Stonehouse Point—Hamilton Island Area
"Lake Nipigon"— Canada	Speed Travelled Speed Limit	12.0 knots 10.4 knots	Fine—$150	Beauharnois Canal Area
"St. Lawrence"— Canada	Speed Travelled Speed Limit	9.3 knots 8.6 knots	Fine—$200	Beauharnois Canal Area
"C. Mehmet"— Turkey	Speed Travelled Speed Limit	10.2 knots 8.6 knots	Decision Pending	Beauharnois Canal Area
"Nicolaos Pateras"— Greece	Speed Travelled Speed Limit	9.8 knots 8.6 knots	Decision Pending	Beauharnois Canal Area
"American Neptune"— United States	Speed Travelled Speed Limit	13.9 knots 9.5 knots	Fine—$400	Thousand Islands Area Regulations are enforced by St. Lawrence Seaway Authority personnel

UNEMPLOYMENT INSURANCE—MATERNITY BENEFITS

Question No. 394—**Mr. Cossitt:**

With reference to maternity benefits permitted under the Unemployment Insurance Act, are such benefits permitted for those who adopt small babies considering the fact that adoption regulations require them to spend a certain number of weeks at the beginning at home with their child and, if not, will the government consider giving the same rights to a mother of an adopted child as to a natural mother of a child under the act?

Hon. Ron Atkey (Minister of Employment and Immigration): Section 30 of the Unemployment Insurance Act does not permit the payment of maternity benefits to adoptive parents. The issue of adoptive parents' eligibility for benefit is currently under review.

NATIONAL CAPITAL COMMISSION—STORAGE OF WINE

Question No. 461—**Mr. Cossitt:**

1. With reference to the answer to Question No. 2,722 of the Second Session of the Thirtieth Parliament which stated in part "The wine intended for use at 10-12-18 York Street is on National Capital Commission property in safe storage", what is the exact municipal address where the wine is presently located along with its location within that address?

2. Was an attempt made to recover this expenditure of public funds and (a) if so (i) on what date (ii) what amount was recovered (b) if not (i) for what reason (ii) what measures does the National Capital Commission intend to take to correct the situation?

Hon. Erik Nielsen (Minister of Public Works):

1. The wine is stored in the basement of the building located at 18 York Street in Ottawa.

2. Yes.

(a) (i) An offer for part of the shipment was received in June, 1979, and the National Capital Com-

mission is actively soliciting orders for the sale of the balance of the wine.

(ii) $25,300.70;

(b) (i) and (ii) See above.

CHILD TAX CREDIT

Question No. 553—**Miss Bégin:**

1. According to (a) sex (b) marital status (c) province of residence, how many persons required a child tax credit for the fiscal year 1978 and for how many children?

2. For the same year, what amount was paid, by child, according to income and marital status of the applicant?

3. For the same year, how many persons entitled to the child tax credit had no income tax to pay?

4. For the fiscal year 1979, will Canadians be provided with a simplified form to claim the child tax credit?

Hon. Walter Baker (President of Privy Council and Minister of National Revenue):

Statistics are not maintained in the exact form requested. The statistics provided are for the number of claims allowed for the child tax credit by the breakdown specified. It should be noted that the statistics given for all parts of the question are based on an incomplete processing program and represent about 95 per cent of the taxfilers expected to file this year.

Order Paper Questions

1. (a)

	Number of Claimants	Number of Children Allowed
Men	53,466	97,758
Women	2,389,724	4,932,262

(b)

	Number of Claimants	Number of Children Allowed
Single	504,629	891,576
Married	1,938,561	4,138,444

(c)

	Number of Claimants	Number of Children Claimed
Newfoundland	80,694	191,833
Prince Edward Island	15,210	34,054
Nova Scotia	104,405	225,635
New Brunswick	89,373	196,889
Quebec	689,997	1,426,357
Ontario	824,527	1,732,400
Manitoba	115,198	260,379
Saskatchewan	101,938	234,171
Alberta	180,953	403,450
British Columbia	231,081	483,629
Other (Yukon, Northwest Territories and outside Canada)	9,814	24,950

Here the number of children allowed is somewhat overstated as the figures given are for the number of children claimed, whether they were eligible or not. For the whole of Canada the figure is overstated by 183,727 children.

2. The attached tables indicate the amount paid by child according to net family income and marital status of the applicant.

3. 1,847,119.

4. Yes.

Married Claimants
Number of Children

Range of Net Family Income	One		Two		Three		Four		Five or More		Total	
	Number	Amount ($000)	Number	Amount ($000)	Number	Amount ($000)	Number	Amount ($000)	Number	Amount ($000)	Number	Amount ($000)
Under 501	15,639	3,126	11,957	4,783	5,266	3,159	2,718	2,714	4,146	5,357	39,726	18,599
501— 1,000	1,598	320	4,323	1,729	1,467	880	550	440	200	280	8,138	3,649
1,001— 1,500	1,727	345	1,536	614	1,428	857	1,047	838	228	254	5,966	2,908
1,501— 2,000	2,519	504	2,090	836	997	598	632	506	1,248	1,360	7,486	3,804
2,001— 2,500	2,312	462	1,798	719	939	563	690	552	1,051	1,295	6,790	3,592
2,501— 3,000	2,894	579	2,026	810	1,104	662	282	226	493	528	6,799	2,805
3,001— 3,500	3,182	636	3,646	1,458	1,694	1,016	698	558	822	1,105	10,042	4,775
3,501— 4,000	3,800	760	2,832	1,133	1,373	824	581	465	621	783	9,207	3,964
4,001— 4,500	3,839	768	3,207	1,283	884	530	1,577	1,262	362	459	9,869	4,301
4,501— 5,000	4,988	998	4,181	1,672	2,048	1,229	877	702	518	580	12,612	5,180
5,001— 5,500	5,086	1,017	5,476	2,190	2,262	1,357	1,037	830	932	1,130	14,793	6,525
5,501— 6,000	6,360	1,272	4,893	1,957	1,927	1,156	802	642	441	575	14,423	5,602
6,001— 6,500	8,986	1,797	6,373	2,546	2,776	1,666	1,301	1,041	351	400	19,787	7,450
6,501— 7,000	7,519	1,504	9,492	3,797	3,256	1,954	1,182	946	862	1,150	22,311	9,349
7,001— 7,500	7,415	1,483	9,281	3,712	4,201	2,521	1,013	810	1,528	1,724	23,438	10,251
7,501— 8,000	7,805	1,561	6,617	2,647	4,773	2,864	2,750	2,200	1,371	1,516	23,316	10,787
8,001— 8,500	10,048	2,010	9,954	3,982	4,224	2,534	1,777	1,422	732	798	26,735	10,746
8,501— 9,000	11,181	2,235	11,136	4,454	3,968	2,381	1,165	932	991	1,109	28,441	11,111
9,001— 9,500	10,854	2,171	14,000	5,600	6,323	3,794	2,217	1,774	647	731	34,041	14,069
9,501—10,000	10,838	2,168	11,545	4,618	5,003	3,002	2,640	2,112	800	905	30,826	12,804
10,001—11,000	27,523	5,502	25,560	10,224	11,576	6,946	4,719	3,775	2,712	2,900	72,090	29,347
11,001—12,000	29,890	5,978	32,215	12,886	13,609	8,165	4,334	3,467	3,298	3,582	83,346	34,078
12,001—13,000	36,448	7,289	35,370	14,148	13,969	8,381	6,194	4,955	2,371	2,775	94,352	37,548
13,001—14,000	34,598	6,919	36,042	14,417	16,002	9,601	5,734	4,587	4,066	4,404	96,442	39,928
14,001—15,000	41,599	8,320	47,296	18,918	20,639	12,383	4,956	3,965	2,466	2,770	116,956	46,356
15,001—16,000	40,859	8,172	49,863	19,944	19,935	11,956	5,573	4,458	2,962	3,388	119,192	47,918
16,001—17,000	46,499	9,299	47,006	18,801	24,653	14,791	6,282	5,025	2,020	2,145	126,460	50,060
17,001—18,000	47,045	9,407	56,679	22,665	23,266	13,950	5,471	4,370	1,902	2,027	134,363	52,419
18,001—20,000	79,244	11,728	105,891	36,955	38,836	21,237	13,824	10,335	5,027	5,239	242,822	85,495
20,001—22,000	65,095	3,382	99,194	24,762	37,788	17,011	10,602	6,876	3,742	3,437	216,421	55,468
22,001—24,000	0	0	83,517	12,721	35,691	12,630	9,186	5,051	3,239	2,690	131,633	33,093
24,001—26,000	100	0	58,459	3,127	29,819	7,556	8,158	3,673	2,053	1,390	98,589	15,745
26,001—28,000	0	0	40	0	18,333	2,787	5,260	1,845	2,031	1,251	25,664	5,883
28,001—30,000	0	0	0	0	13,504	766	3,375	879	1,389	753	18,268	2,398
30,001—32,000	0	0	0	0	0	0	3,239	499	926	484	4,165	983
32,001—34,000	0	0	0	0	0	0	1,408	58	709	227	2,117	285
34,001 & Over	0	0	0	0	0	0	0	0	935	201	935	201

Order Paper Questions

Single Claimants
Number of Children

Range of Net Family Income	One		Two		Three		Four		Five or More		Total	
	Number	Amount ($000)	Number	Amount ($000)	Number	Amount ($000)	Number	Amount ($000)	Number	Amount ($000)	Number	Amount ($000)
Under 501	65,740	13,148	20,732	8,293	6,690	4,014	3,020	2,416	1,856	2,142	98,038	30,013
501— 1,000	9,530	1,906	23,095	9,238	8,736	5,242	354	283	240	260	41,955	16,929
1,001— 1,500	7,457	1,491	6,381	2,552	4,340	2,604	4,669	3,735	290	290	23,137	10,673
1,501— 2,000	6,848	1,370	4,134	1,654	1,980	1,188	2,370	1,896	2,349	2,565	17,681	8,672
2,001— 2,500	7,985	1,597	3,733	1,493	1,881	1,129	742	594	726	946	15,067	5,758
2,501— 3,000	6,631	1,326	2,392	957	1,178	707	444	355	792	1,004	11,437	4,349
3,001— 3,500	5,276	1,055	4,873	1,949	1,496	898	530	424	490	550	12,665	4,876
3,501— 4,000	6,860	1,372	3,756	1,502	1,479	887	938	750	418	470	13,451	4,982
4,001— 4,500	5,571	1,114	2,202	881	1,560	936	520	416	270	273	10,123	3,620
4,501— 5,000	6,957	1,391	2,063	825	1,643	986	233	186	313	341	11,209	3,729
5,001— 5,500	5,387	1,077	3,648	1,459	794	476	124	99	704	752	10,657	3,864
5,501— 6,000	4,951	990	1,926	770	1,017	610	234	187	64	66	8,192	2,624
6,001— 6,500	5,472	1,094	2,362	945	1,337	802	421	337	460	460	10,052	3,638
6,501— 7,000	6,123	1,225	4,283	1,713	1,547	928	606	485	37	40	12,596	4,391
7,001— 7,500	7,468	1,494	3,463	1,385	1,438	863	161	129	0	0	12,530	3,870
7,501— 8,000	6,773	1,355	4,380	1,752	1,337	802	207	166	114	121	12,811	4,196
8,001— 8,500	7,135	1,427	2,640	1,056	1,615	969	272	218	53	53	11,715	3,723
8,501— 9,000	6,907	1,381	3,750	1,500	1,284	770	318	254	39	41	12,298	3,947
9,001— 9,500	7,292	1,458	2,825	1,130	765	459	434	347	200	208	11,516	3,603
9,501—10,000	6,108	1,222	2,585	1,034	789	473	297	238	96	132	9,875	3,099
10,001—11,000	11,657	2,331	7,381	2,952	2,141	1,285	651	521	170	186	22,000	7,275
11,001—12,000	10,641	2,128	6,527	2,611	2,731	1,639	746	597	230	265	20,875	7,239
12,001—13,000	8,531	1,706	7,212	2,885	2,236	1,341	319	255	146	173	18,444	6,361
13,001—14,000	5,924	1,185	5,135	2,054	2,120	1,272	369	295	34	35	13,582	4,841
14,001—15,000	5,754	1,151	3,493	1,397	1,213	728	473	378	169	172	11,102	3,826
15,001—16,000	5,182	1,036	3,643	1,457	1,539	923	248	198	119	122	10,731	3,738
16,001—17,000	4,688	938	3,330	1,332	804	482	423	338	105	105	9,350	3,195
17,001—18,000	3,857	771	3,636	1,454	968	581	86	69	25	25	8,572	2,900
18,001—20,000	5,602	864	3,520	1,235	1,464	812	361	271	39	38	10,986	3,219
20,001—22,000	3,911	208	2,189	541	276	127	139	92	35	41	6,550	1,009
22,001—24,000	0	0	2,248	340	550	189	58	32	40	36	2,896	597
24,001—26,000	0	0	1,196	71	399	90	209	98	1	1	1,805	260
26,001—28,000	0	0	0	0	249	36	35	11	0	0	284	48
28,001—30,000	0	0	0	0	313	16	70	15	0	0	383	31
30,001—32,000	0	0	0	0	0	0	14	3	6	2	20	5
32,001—34,000	0	0	0	0	0	0	42	4	0	0	42	4
34,001 & Over	0	0	0	0	0	0	0	0	2	0	2	0

[*English*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

AMENDMENT TO PROVIDE TAX CREDIT IN RESPECT OF MORTGAGE INTEREST AND PROPERTY TAX

The House resumed from Monday, November 19, consideration of the motion of the Minister of Finance (Mr. Crosbie) that Bill C-20, to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax, be read the second time and referred to Committee of the Whole.

[Mr. Baker (Nepean-Carleton).]

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, last night we were treated to the humour of the Minister of Finance (Mr. Crosbie) and the humourlessness of the hon. member for Winnipeg-Fort Garry (Mr. Axworthy). I do not want to take up endless hours of the time of the chamber today but I do hope to focus the attention of the House on some constructive criticisms of this bill. I want to make it clear to the House, being the lead-off speaker for our caucus, that it is not our intention on this bill or any other bill to obstruct, hold up in any way or prevent the government from carrying on with its legislation.

However, there are two things which need to be said. The first is that important differences of principle need to be expressed and discussed both at second reading and in the committee. The second is that the government has the obligation to act in a manner expected of a minority government. If

there are constructive proposals coming forward from this caucus on second reading—which there will be and I will be outlining them at the end of my speech—we expect the government to look at them carefully, to consider them and to act as it must, particularly in view of what took place yesterday in Newfoundland and in Saskatchewan. It is a government that needs the support, consensus and agreement of more than its own members.

I suggest to the Minister of Finance that, while I find his remarks as entertaining as the next person and while I certainly do not mind his bluffs and challenges that we step outside and have a fight like some bar room bully in the back streets of one of our major cities, it would be far better if he were to take seriously the comments, criticisms and remarks which have come forward from this caucus. I remind the minister that we have had over a year and a half to consider this legislation and that there has been a considerable amount of discussion about it.

● (1520)

I am happy that the minister came to his senses with respect to the differences between a deduction and a credit. I recognize that he has taken a small step—a "banana step", as we used to say—toward a reasonable position on the problem. We do not think he has gone far enough. There are still some very severe problems with this legislation and it cannot be passed in its present form.

I am going to outline very carefully, Mr. Speaker, why we want this legislation improved. The first thing we must do is address ourselves to the problem. What is the problem being faced today by many Canadians? I suggest to the government that there are two major problems with respect to housing and poverty in Canada. The first major problem is that there is an affordability crisis in Canadian housing. That is to say, there are far too many households spending far too much of their money on housing. The ironic thing is that the majority of the people who are paying too much money for their houses are not home owners, not mortgage holders, but in fact are renters. Over one million households in Canada are spending more than 30 per cent of their income on housing costs. The vast majority of those people are not home owners, they are tenants. That is the first aspect of the problem the government has to deal with. It is an affordability problem, a crisis related to how much money you have and how much of that money you are spending on housing.

The second problem is the deterioration of the physical standards of housing in many parts of the country but particularly in the inner cities of major urban centres. The inner cities face serious problems in the condition and standards of housing, as do many parts of rural Canada.

So we have two problems. The problem of affordability is tied to how much money you make and is not tied to whether or not you own a house or pay a mortgage. Then there is the deterioration of the physical standards of housing.

I think we are entitled to ask ourselves what the Liberals did when they were in power. We heard the speech of the hon. member of Winnipeg-Fort Garry who spoke as if he was not one of the brains behind Liberal social policy for the past five years. He spoke as if he were not responsible for AHOP, CHIP, ARP, MURB and all the other features of Liberal genius which we have experienced for five years.

An hon. Member: He was behind us but he was not one of the brains.

Mr. Rae: We are entitled to ask ourselves whether Liberal policy was directed to those particular problems. We are also entitled to ask whether this measure put forward by the Minister of Finance deals with those two problems. If it does not deal with them, then I think we are entitled to ask how we can get a better piece of legislation that will deal with them. I do not think that is being obstructionist, ideological, foolish, or is any of the myriad of adjectives the minister has thrown our way this session.

I might say, Mr. Speaker, that I am always intrigued by the amount of attention the Minister of Finance devotes to this party's caucus. It is getting bigger with every byelection that is held in this country. That may be a sign that we are starting to get to him a little bit.

Let us look at what the Liberals did. Their housing policy can be summarized in one word: retreat. They retreated from CMHC and abandoned it to the provinces. They retreated from their RRAP program by depriving it of funding. We all know that program of assistance for residential property was critical. It would have allowed low income people in the inner cities to improve the physical standards of their housing.

Mr. Darling: Right on.

Mr. Rae: The hon. member for Parry Sound-Muskoka (Mr. Darling) agrees with me. He knows how important the RRAP program was in his area. I know how important it was and still is in mine.

I also know, Mr. Speaker, how dishonest the Liberal position was. In their last piece of legislation they promised to make the program universal. It was no longer to be tied to NIP. We had NIP, RRAP, CHIP, AHOP, ARP and MURB. That was Liberal social policy. They made it universal but there was no money behind it. That was typical of the Liberal party in their dying days. They were attempting to satisfy those people who knew that they deserved assistance in upgrading their homes. One the other hand, the Liberals were saying there was no money for the programs they were putting forward. That was the hypocrisy of the Liberal government.

General funding for public housing and co-operative housing was cut back in the final years of the Liberal government. At the present time in the city of Toronto, for instance, no public housing is being constructed, apart from senior citizens' housing. We recognize that senior citizens' housing is very important. On this side of the House we are glad to see that some is still being constructed, but not at the expense of the general level of public housing and not at the expense of the vitality of the co-operative housing sector.

I think Liberal social policy can be described as "nothing for everybody". The policy of the Conservative party is "something for a very special few". It is a Hobson's choice between these two parties, Mr. Speaker—there is either nothing for everybody or something for some people, depending on whether you happen to have a mortgage or own property.

If we can leave for the moment the bankruptcy of Liberal social policy, I think we are entitled to ask the minister what the mortgage tax credit plan does to solve the problem of affordability, which is a concern of renters and home owners, and what does it do for people in inner cities and rural areas who need federal government assistance to fix houses that are deteriorating.

I want to tell the minister about a trip that I took to Washington in company with the hon. member for Vancouver Quadra (Mr. Clarke), Mrs. Pigott, who has moved on to bigger and better things, and two members of the Liberal party. We went there to examine the American taxation scheme with respect to housing. We attended a meeting that I will not readily forget with a group of American economists who were advisers to the Congress.

They asked the members of the Conservative party about their proposal so that there could be a free discussion on its merits. First of all, our Conservative colleagues said it was a tax proposal and that it was tax reform designed to give people a tax break. They were asked why they did not bring in a tax credit or tax deduction that would apply to everybody and be universal, and not restrict it only to people who own property. They were asked why they would engage in a policy of hidden expenditures which, we are coming to realize in a more sophisticated understanding of our tax system, is very expensive. It cannot be readily controlled by the government, it creates an additional deficit and it is far more difficult for the government to control when it wants to reduce its deficit. It is a form of hidden spending which is regressive. If it is a tax proposal, why engage in a tax proposal that will give something to people who have property and give nothing to people who do not have property?

● (1530)

Generally speaking, this proposal is going to redistribute income away from poor people and toward people who have more. Well, they hemmed and they hawed and said that it is not only a tax proposal but really an economic proposal. It is really designed to stimulate the economy. One of the economists said that if you want to stimulate the economy, there are much more efficient ways of doing so. There are forms of direct government spending. This is not really a stimulative measure, it is a stimulus that lasts forever. It is not something that you can take away.

The minister knows—he understands something about economic theory, even if he does not always follow it—that there are times when it is important to provide for some stimulus and there are times when it is important to take away. This bill does exactly the reverse. Regardless of what the economic condition of Canada is in 1982, this government will be spending probably more than $2.4 billion on housing subsidies than it is spending today, regardless of whether there will be a downturn, an upturn, a slump or an inflationary cycle at that time. Regardless of what the economic situation is, the minister has committed himself. This completely ties his hand with respect to government economic policy.

Then they said that it was not really economic policy, it was a social policy designed to encourage people to buy their own homes. They replied that if you want to encourage people to buy their own homes for the first time and if you want to focus your attention on new home buyers, why not subsidize interest rates for those first-time home buyers and let them stimulate the new housing market? By doing this you will save a lot of money and accomplish your objective. They finally said that it is really none of those things, it is political. It is politically a very attractive proposal.

To me that was the final revelation of what this proposal is all about. It has nothing to do with taxation because it is an affront to every canon of taxation and tax policy since Adam Smith, and the Minister of Finance knows it. It redistributes income away from lower income people. It is a hidden expenditure. It does nothing for the economy. It is not an effective, efficient, useful or intelligent stimulus for the economy because you cannot take it away once you have given it. As a social policy it stinks because it does not deal with those people who are in most need. Our rate of home ownership is exactly the same as the American rate of home ownership, just hovering over 60 per cent; and we have not had this proposal, they have.

It was a revelation because it told us what the real intentions of the government were. It told us what the objectives were. The objectives were to win an election with an election promise and an election gimmick. Having gone to the people with a gimmick, the government now feel they have to deliver the goods regardless of the cost, the effect, the fairness, the common sense of it, or whether it fits in with the intention of the government to cut down on the deficit. Regardless of any of those things, we have a government that is determined to go ahead.

The Minister of Finance came into this House yesterday and said that if we did not like it we could step outside and have an election.

An hon. Member: Bully.

Mr. Rae: I like to think better of the Minister of Finance than that.

An hon. Member: Big bully.

Mr. Rae: He talks like a bully, but he acts like Clark Kent. We know what the minister's real intentions are. If the minister wants to have an election on the mortgage tax credit—

An hon. Member: Yes, okay.

Mr. Rae: —if that is what the minister wants to do in the middle of winter and that is his determination, then so be it.

I suggest to the minister that there are more intelligent ways of conducting the affairs of this House. There are more intelligent ways that will be more in tune with what the Canadian people really want.

Mr. Axworthy: There is a premise there.

Mr. Rae: Let me suggest to the minister that there are a number of amendments which he could consider to deal with the problem. They would allow him to provide the kind of break that he wants to provide and which would also meet some of the criticisms of the opposition, and certainly some of the criticism that has come from this party.

The first is that the credit should not be tied to property. The credit should not be tied to the ownership of property. The credit should be tied to the fact that tenants and homeowners alike are strapped by rising property taxes, rising interest rates and rising rents. If there is room for manoeuvre, I would suggest to the minister that that room is a cost of living tax credit, or, if you like, a shelter tax credit, rather than a tax credit that is tied to mortgage payments and the payment of property tax.

Second, it is said that the credit can be made refundable. I would point out to the minister that hundreds of thousands of citizens, particularly senior citizens, will not get the benefit of this credit because they do not pay any tax. If the minister is determined to carry on with the tax credit the way he seems to be, there is no reason why that tax credit cannot be made refundable even if a person pays no tax. Then a person would get that flat rate regardless of whether he pays tax or not. That would be a message, a message that my friend the hon. member for Winnipeg North Centre (Mr. Knowles) has been trying so hard these past days to get out of this government. The message is that yes, this government is prepared to do something for the senior citizens of Canada, that this government is prepared to do something for those people who have no income.

I know the minister very proudly paraded before the House yesterday his statement that, "Well, you want to be quite clear; this does not give anything to people who do not pay tax." I think that is a shame. There are hundreds of thousands of Canadians who do not qualify for this tax credit for the simple and only reason that they do not have any income to declare by April 30, 1980.

I do not think it is beyond the power and imagination of this government, and certainly not beyond the compassion of the hon. member for St. John's West, to think of the people in his own riding, my riding and ridings throughout this country where there are senior citizens who need a tax break just as much as anybody else. These people can certainly use the cash and deserve it just as much as anybody else. There is no reason why that cannot be accepted by the Conservative government, and the minister knows it.

Another point the Minister of Finance could consider is: why should the tax credit not become greater as one's income becomes lower? Why does the tax credit have to be a bulk sum which is totally unrelated to income? There is no reason, apart from the fact that the Conservative party appears to be determined to distribute money away from those people who are renters towards those people who are not renters, the home owners.

I am prepared to say today I know that home owners are strapped. I know the home owners in my riding are strapped. There are not too many middle-class trendies in my riding, I can tell the minister that right now. There are not too many middle class crazies either. We are determined to see that the government do not benefit home owners at the expense of those people who do not have the political power and clout. Tenants have less influence locally, provincially and nationally over the affairs of this government than the home owners in HUDAC who are a very powerful lobby.

I do not think it is beyond the imagination and capacity of this government to design a tax relief program that goes to people who rent as well as to people who own homes, if that is what the government wants to do. I think the government could do it if it wanted to, if it was not determined for its own private, ideological reasons to see that a particular lobby got a particular boost at a particular time.

I am trying to be as reasonable as I can in making these suggestions to the government. I have given a number of speeches on this subject in the House. We debated it last year when the Liberals were dying. We certainly discussed it during the election and I discussed it during the byelection in Broadview in 1978. Each time I am always struck by the fact that of course there is a problem. What is the problem? The problem is that housing is too expensive and interest rates are too high. Housing is deteriorating in our inner cities and too many people do not make enough money. That means they are paying too much of their money in rent. Those are the four problems. It is not beyond the genius of this government to devise a policy that does not discriminate between tenants and home owners.

● (1540)

I am sorry but I do not accept the view that this mortgage interest tax credit, as the minister says, will cure the common cold, will provide cheap water and give every young person in Canada a chance to buy a house. It is a fraud. It reminds me of the nineteenth century medicine man who came to the frontier and tried to see sell some kind of elixir. We have crazy rates elixir here, snake oil. It is not going to work. It will not cure the common cold.

We cannot avoid the fact that if we carry out the policy the government wants to carry out, it will be inflationary and will increase the cost of housing. You are giving people money, but interest rates are already taking it away. We saw that yesterday. I saw in this morning's *The Globe and Mail* that the hon. member for Niagara Falls (Mr. Froese) was saying the same thing. I understand there are others on the Conservative side who feel the same way, and that does not surprise me. They get up in the morning and look in the mirror and know what side their right and their left hand is on. They know what the score is in terms of interest rates. They know the effect. It is only when they come into this House and have to follow a policy line that they find themselves in the position of forgetting which side is up.

The Minister of Finance knows which side is up. He knows what is happening to the housing market. He knows how difficult it is for young people to be able to afford to buy a house. The minister knows that the interest rates we are currently suffering from make it impossible to buy a home. He knows that the effect of a nearly 30 per cent rise in the cost of money since May, 1979, has made it practically impossible for people to buy new homes. He also knows this tax credit does not even go part way toward solving that problem.

I say to the Minister of Finance today that we are prepared to put forward serious and constructive proposals. We are prepared to discuss with him until the cows come home the virtue of bringing in a tax credit program that will stimulate the economy when it needs to be stimulated—and we think it does need to be stimulated. It should be a program that will provide the government with some flexibility, one that will give relief to tenants and home owners alike. However, we are not prepared to support a policy which gives to one group at the expense of another.

Earlier I talked of my trip to Washington and the reality that became evident at that time. The reality was that the Conservative party thought they had found manna from heaven. When this idea caught on they thought it was the best thing since sliced bread. However, they are now the government. The Minister of Finance knows that. He has to recognize that not every economist and not every person who has looked at this scheme and has opposed it—and they have opposed it and opposed it—is a bureaucrat, a socialist or an idiot, as he described us yesterday.

The minister knows he cannot dismiss the criticisms of this scheme as some sort of naive attempt at creating political castles in the sky. He knows he cannot get away with that any more. He also knows that some of the criticisms that have been coming forward have been responsible, that some come from people deeply concerned about the fairness of this scheme. They are deeply concerned about the efficiency of it simply from the point of view of effective government spending. The minister knows it comes from people who are concerned about the real effects.

Will it bring down the cost of housing? No, it will not. It will inflate the cost of housing. That is as simple an economic equation as one that tells you if demand goes up, when supply is constant, when there has been a consistent drag on supply, you know there will be an increase in price. I appeal to the economic common sense of any member of this House to tell me how that cannot be true and how this proposal cannot be inflationary.

It is important for us to realize that the government is somewhat confused. For example, one need only look to the speeches of the Minister of Regional Economic Expansion (Mr. MacKay), the minister of housing, as the hon. member for Winnipeg-Fort Garry called him. If he had been in the last Parliament, he would know that we do not have a minister of housing. Why not? Because the Liberals got rid of him, with Tory support.

Mr. Axworthy: That's not true.

Mr. Rae: It is true. The ministry of state for housing and urban affairs was abolished by the Liberal party. That is why we had a minister for public works under the old government who was responsible for housing, and why we now have a Minister of Regional Economic Expansion who is responsible for CMHC. It is that neglect of the housing sector from the federal point of view which has created this policy, which is a lousy housing policy, lousy social policy, lousy economic policy and lousy tax policy. However, it can be improved. We are ready to stay here and try to improve it.

I have with me a speech delivered by the Minister of Regional Economic Expansion, the minister responsible for Canada Mortgage and Housing Corporation. He talked of the need for rehabilitation. It was a very sensible speech about the need to preserve and enhance the standard of construction and standard of housing for many people in our inner cities and rural areas. He talked of the importance of rehabilitation. He said, and I quote:

> Rehabilitation serves two important social and economic goals: it helps to conserve and recycle scarce resources, and, because it is more labour-intensive than new construction, helps to create more new jobs. To a large extent our efforts will be directed at encouraging the revitalization of inner-city neighbourhoods—building and rebuilding new communities within the existing urban framework.
>
> Where new housing is concerned, I'm sure that the tax credit scheme announced recently by my colleague, the Minister of Finance, John Crosbie, will help substantially in supporting housing demand.

One cannot have it both ways. One cannot talk about spending $2 billion on subsidizing a relatively well-off group of Canadians—not wealthy, but well-off—albeit three million strong. One cannot spend that much money on that group and have very much left over for all that the Minister of Regional Economic Expansion would like to see done.

He says the new housing scheme is going to be directed to new housing. That is rubbish. It directs itself to all housing. It is the most inefficient way of encouraging new housing. If you want to encourage new housing demand, the NDP scheme announced in 1974 and brought to this House since that time, not as a response to the present proposal but as a reiteration of long-standing party policy, simply makes the most sense.

If you want to subsidize interest rates, Mr. Speaker, subsidize interest rates. Do it. If you want to do it, say you are

going to do it and tell everybody how much it is costing. Go to the Canadian people and tell them the cost of this program. Do not hide it in tax expenditures the way this proposal is being hidden.

Why should the government pay for all of the subsidy? Why not get the banks, whose profits have been exceedingly high and who have been benefiting from the deferred income debentures which we have been talking about in this House over the past three weeks—they have been benefiting systematically from that—to come into a housing development fund that would be used to subsidize interest rates directly? This is quite apart from the folly of the government's interest rate policy. It is quite apart from the crazy rates we have been suffering from for the past months and years under Liberal and Tory governments. This is a scheme that says that if you want to get interest rates down, do it and tell the people you are doing it. Don't pretend you are selling something, some snake oil that is not really there. Tell them. Be responsible. Live up to the rhetoric which the Minister of Finance has been giving us since he took office.

● (1550)

The difficulty about this government is that it has broken the promises it should have kept and kept the promises it should have broken. If the government was serious about stimulating the economy, it could have brought in a tax cut that applied to all Canadians. There is no reason the two groups singled out by the government in its tax policy since it was elected should have been chosen for special treatment. Who makes up these two groups? First, the doctors, lawyers and accountants who got the benefit of the small business tax credit. The second group consists of the 2.1 million householders who will benefit from this scheme.

[*Translation*]

Mr. Fabien Roy (Beauce): Mr. Speaker, we have before us Bill C-20 entitled an act to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax. Obviously, some aspects of this bill were to be found for many years in the program of the Social Credit Party of Canada but, Mr. Speaker, I should like to come back immediately to the reasons which have prompted the present government, the Progressive Conservative government, to bring this bill before the House. I shall refer to the words spoken yesterday by the Minister of Finance (Mr. Crosbie), as reported on page 1462 of yesterday's *Hansard*, and I quote the minister:

> This plan is to be phased in over four years, as was promised in September of 1978 by the Prime Minister. It was a commitment which aroused a lot of interest during the election campaign. I was one of the principal reasons, I believe, that people supported this party—

I think the Minister of Finance and his government are mistaken in their assessment of the situation, because if the Progressive Conservatives were elected on the basis of that promise, how is it then that they were placed third in Quebec in the last general election and managed to have only two members elected of 75! It is certainly not this measure announced by the government during the campaign which prompted Quebec voters to support the government. And if it is an election promise, then I think my colleagues on the government side should be a little more careful when making such assessments. How is it that the government lost both byelections yesterday? It is a much more serious matter, Mr. Speaker, even though the government claims this measure is aimed first of all at relieving home owners. It must be specified that it will relieve some home owners and not all of them, because not all Canadians who own a mortgaged home will be able to benefit from this legislation.

Moreover, the government has stated that it meant also to encourage private ownership. To what extent? Are there any statistical data about this? Were there studies carried out to indicate to hon. members and the Canadian people just how many people this new legislation would encourage to become home owners? My colleagues and I are in doubt about this, Mr. Speaker. I suggest therefore that this second objective should have been looked into more seriously by the government.

And then, it is to give impetus to housing construction. Well, during the last election campaign which ended on May 22 the present government had made all sorts of promises and undertaken not to follow in the steps of the previous government which had always agreed with the decisions of the U.S. Federal Reserve Bank to increase the discount rates—and God knows that the new government has followed these steps, along the same narrow and winding streets of the previous government, not only to adopt but to approve, so to speak and without any qualification, the decisions taken outside our own country in areas which concern us, our country and our fellow Canadians.

To what extent will such legislation stimulate housing construction? I invite the government members and the Minister of Finance to reply to this question. What will be the economic impact of such legislation on the good administration of public affairs and national affairs? Usually, when an incentive program is offered to the population, certain economic consequences are expected, perhaps indirectly, but they still allow the government to increase fiscal and government revenues.

When programs are established to stimulate employment and manpower, a number of Canadians can join the labour market and contribute to increasing public funds through their taxes. However, when restricted economic policies are introduced so that individuals, instead of contributing to public funds, can benefit from social legislation aimed at helping people who would otherwise live in unacceptable circumstances, what are the consequences of this on the budget and the Canadian economy?

Mr. Speaker, I listened to and reread the comments made by the three previous speakers: the Minister of Finance, the spokesman for the official opposition and the representative of

the New Democratic Party. Not one of them took the trouble to get to the bottom of this issue. The government legislates to reduce arbitrarily the consequences of its action so that legislation is passed which benefits small groups without any guarantee that there will be revenues in return for the state, which means that someone else must pay.

Does this legislation hide anything, since there will be no economic impact to increase public funds? Can we deduce from the start, Mr. Speaker, that we shall have to face increased taxes and direct or indirect income taxes in the next budget tabled in the House by the Minister of Finance? That is the question, that is the problem. They merely act upon the consequences, as the previous government did for 15 years before leaving such a heavy heritage to this government. The present Minister of Finance is in a position to know. In view of the situation he is now experiencing and in view of the previous government's negligence, what is he himself prepared to do so that, as far as the Canadian economy is concerned, we could move toward progress, not toward foreign dependency where others take decisions for us? No, Mr. Speaker, they do not have any solution to put forward.

Yet that measure will cost $575 million to the public treasury in 1979. That measure will cost $1.245 billion in the 1980 budget; that measure will cost $2.015 billion in the 1981 budget. How does the government intend to balance its budget which is already showing a $11.5 billion deficit, and this for three consecutive years, so that the generation of tomorrow will not be left with a heritage of mortgages, debts and taxes which would make practically unthinkable a decent standard of living for them? What do they intend to do to redress the Canadian economy?

● (1600)

Mr. Speaker, the governor of the Bank of Canada himself appeared before the Standing Committee on Finance, Trade and Economic Affairs and stated candidly: Gentlemen, I have practically no room to manoeuvre, the budget deficits of the government are so high, the balance of accounts deficit is so high we have practically no room to manoeuvre. Without any room to manoeuvre, we have a choice between two solutions: either we raise the discount rate, which is going to lead to higher interest rates, or we accept the devaluation of our currency, which is going to place us in a terrible position of dependence on foreigners. This will hurt the Canadian economy and fuel inflation, something which nobody dares assess or predict.

If we have a measure that has no incentive to promote new ownership because the law, even if it is good for a certain category of people, is not part of a more general context, a much broader context, a comprehensive economic policy, a realistic financial and monetary policy taking into account the immense capacity of Canadians, taking into account the enormous resources we have, taking into account both our tremendous energy and scientific potential. If those laws are not part of a more general context, then we are just further increasing public management, government deficits and Canada's dependence on international finance and foreign financial powers.

When you reach the point, Mr. Speaker, where the man who is supposed to be responsible for Canada's monetary policy says to Canadian parliamentarians of all political parties represented in this House of Commons: Listen, I have no other choice but to follow the decisions made abroad. Because those who governed this country—and I am adding this myself because the governor could hardly say so, but you have to add it if you want to have a general overview, if you want to make an objective and realistic assessment of the situation—one just imagines the governor of the Bank of Canada felt like saying: had the government taken its responsibilities, had the country been managed according to sound corporate principles, with balanced budgets, with the kind of programs and policies needed to put Canada on the road to prosperity and development in order that we take up the challenge of the future, we could say this is not legislation for a large number of people but legislation to improve the situation of Canadians and to promote the economy as a whole.

This unfortunately we cannot say because the available information tells us this legislation will benefit only a certain number of home owners while putting pressures on the government deficit and thereby increasing Canada's dependence on foreigners, so that tomorrow, in two or three or five years from now, I wonder what will be left for members to do in this House. We will be rubber stamps, they will tell us. I would like to answer the opposition; unfortunately, Mr. Speaker, I do not have the answer. I cannot answer because we will have to consult with foreign powers, with outside financiers, with the United States, because we do not control our own decisions, we are not masters of our own future. Power has gone into foreign hands. This is the sad part of it. This legislation, which the government themselves boast they got thousand of votes and got elected for, is but a deception act.

By the way, although there are benefits for some home owners, they are preparing sooner or later, tomorrow or next year, to impose new taxes in order to bring back into balance the Canadian economy. Apparently they are at a loss, they have no real solution, nothing of real significance. They show no imagination, they are incapable of showing Canadians from all provinces that there is a future for Canadians, that we have an active government, a resolute government, a government with imagination, a government that is capable of taking up a challenge. They come up with non-measures, under the pretence of having some kind of concern, but this only puts us in a position where we increase our dependence on other countries.

Mr. Speaker, many people will not be eligible for a tax credit under this bill. At the outset of my remarks, I said it was going to "relieve some home owners, not all of them".

Moreover, there are all those who pay no income tax. How can someone with a mortgaged home who does not pay any income tax be granted a tax credit? Yet, according to statistics, some 200,000 people have mortgaged homes and pay no income tax. And those who pay no tax are those, need I say, who have comfortable incomes.

Some home owners have already paid off their mortgage because they have worked hard to avoid getting into debt, unlike their governments, and have paid cash so as not to mortgage their future. Those Canadians will not benefit from this measure, and there are millions of them. And what about tenants? Interest rates are included in the rents. What about tenants? These people have to pay their rent. The owner of multiple units pays interest and includes capital costs, interest costs, maintenance costs, etc., in his rents.

Then what will this bill bring indirectly to this group of citizens later on? The budget will then have to be balanced, a hidden tax will have to be collected somewhere. More than half of those five million home owners, Mr. Speaker, will not benefit from it. One has only to refer to the figures given to us by the minister in the House yesterday. Who will benefit most from it? The big owners, those with the largest mortgages, those with the most mortgaged property—it is therefore an incentive to debt—those with the most recent mortgages, those who pay the highest interest rates. The higher the interest rate, the higher the tax credit, within the limits set by the government, of course. Therefore, I say that in the latter case, for those who pay the highest interest rates, it might become a hidden subsidy to financial institutions.

Mr. Speaker, as far as the distribution by province is concerned—because we do have constitutional problems—let us not play the ostrich and bury our heads in the sand. There are regional economic disparities that are extremely important and serious, and which threaten the political structures of our country. Let us look at the number of home owners by province. We see for instance that in Quebec, only 47 per cent of the people own their home, while in Ontario and in the prairies, the percentage of home owners is about 62 per cent. Have compensatory measures been considered in order to counterbalance such inequity? I did not hear a single word from the government—

Mr. Rae: Right on!

Mr. Roy (Beauce): —hence, indirectly, the federal government contributes by its measures to maintaining the economic disparities which exist in the country. One also finds that in the maritimes the problem is different since this is where the number of mortgages is the lowest. That means of course that the people in the maritimes will benefit much less from this legislation than others, and yet the maritimes also have their problems. Have those things been considered? That is why, Mr. Speaker, I say that even if the measure benefits a number of home owners, it is an ill-designed, ill-conceived and half-baked piece of legislation. It is not part of a legislative package that should be put forward by a new government intent on putting our economy on the road to progress and prosperity.

Mr. Speaker, this legislation would indirectly contribute to higher mortgage interest rates and that is true whether we are prepared to admit it or not. Some people are still paying interest rates of 6 per cent. Of course they are fewer than those who pay 7 per cent, 9 per cent, 8 per cent, 11 per cent. And we know all about mortgage renewal clauses. Moreover, a few days ago a member from the official opposition introduced a motion pursuant to Standing Order 43 to suggest a measure which would prevent financial institutions from renewing their mortgage contracts at higher interest rates. Now we have here an indirect stimulus for financial institutions to raise their mortgage interest rates. I also read an advertisement published in *Le Devoir* dated November 9, 1979, on page 17 and I quote:

Montreal Trust reducing mortgage rates.

—because this is news we are not used to—

At last, some good news in the troubled sector of interest rates: Montreal Trust announced yesterday that it was lowering from 14½ per cent—

—no less—

—to 13⅞ per cent the interest rate on conventional five-year mortgages.

Mr. Speaker, I would like to know if this is not an incentive to prevent financial institutions, which would be tempted to lower their interest rates, to maintain their present rates so as to share between them, one might say, the government measure that is proposed now. So, Mr. Speaker, before concluding, I suggest some recommendations should be made in order to avoid the two dangers I just brought to the attention of the House, namely, the indirect incentive to raise interest rates, or rather an indirect intention to prevent the lowering of interest rates. The law should be amended so as to have an interest rate of 3 per cent or 4 per cent, whatever the interest rate is, but it should be limited to around 3 per cent or 4 per cent for everybody, for anyone benefiting from the act. Thus, whoever pays 9 per cent interest can benefit from the same rate of decrease on his mortgage rate as whoever pays 12 per cent or 13 per cent, and financial institutions will not be encouraged to increase their rates, nor banks to do the same when they already make outrageous profits. I must say I am somewhat surprised to hear the NDP talk about the banks. Our friends the Creditistes have been doing so for 25 years: I think they are starting to get the message across the way.

I do not know whether the message is better understood because we sit across the way from each other nor if that is the reason why our colleagues of the New Democratic Party are finally looking into that question; because we sit across from them perhaps it helps them to understand better. But, in this connection, all legislation on banks, including the Bank of Canada, should be examined. When, Mr. Speaker, will Canada be able to depend on a Canadian monetary policy? The governor of the Bank of Canada has said that, in fact, there is no Canadian monetary policy. That is our problem.

The NDPs are becoming Creditistes. That is our problem. There is no Canadian monetary policy. When are we to have one? In a month, six months, five years or ten years?

Can hon. members on the government side tell us whether we are now in a position to face the challenges of the future with interest rates reaching 14 per cent, 15 per cent, 16 per cent, and perhaps tomorrow, if they ever follow the policy of the Labour party in Great Britain, we will have, as they did there, interest rates of 17 per cent and even 18 per cent, and an inflation rate reaching almost 20 per cent as was the case there at a certain time because there was too much state control, too many public servants, too many bureaucrats and too many restrictions? Are we heading now into that kind of situation? It is about time this government, which is expected to run the affairs of our country, learned the lesson which it was given yesterday when, after only six months in office, it found itself rejected by people in two byelections.

It casts serious doubts on the policies, decisions and attitude of the government. Hon. members on the government side should reflect on this as it means that Canadians who had this opportunity to express their views in two completely different provinces very far from one another have rejected this government, maybe for different reasons, and chosen another political party; but they nevertheless rejected this government. However, there is a common denominator. They chose different political groups for different reasons but they rejected the present government. We should reflect seriously on this. The government ought to respond to the challenge, fulfil not only its electoral promises but also its commitment to govern in the interest of our country and make available to everyone the wealth which is within our reach, Mr. Speaker. To conclude, I say that all property taxes should be deductible from income tax. There should be a provision to offset the cost of property taxes paid by tenants so that something be done too for that category of citizens who have been unable to buy a home in their country, in their own province for reasons that would take too much time to explain.

Yet, Mr. Speaker, we are just starting the discussions on this important legislation which gives us the opportunity to discuss an issue that goes far beyond the law itself, dealing as it does with the whole government economic policy. I hope the government will change its mind and that government spokesmen will act positively and announce really effective political, budgetary, legislative and economic measures that will not hide tax increases tomorrow or the day after.

● (1610)

[*English*]

Mr. Albert Fish (Guelph): Mr. Speaker, it is my pleasure to speak on behalf of the government in support of Bill C-20. This being the first occasion I have had the opportunity to speak in the House, I trust I can preface my remarks with some comments about the riding which I have the honour and privilege to represent in this Parliament. In addition, I should like to touch briefly upon the reasons I chose to seek election to Parliament and why I am here in these critical times. I will do so within the context of Bill C-20, a bill which is fundamental to my belief in the importance of encouraging and assisting Canadian families to own homes and thus have a source of personal pride and a personal stake in our nation.

The federal riding of Guelph was created by redistribution prior to the last general election. Much of the riding constitutes the former riding of Wellington, which hon. members opposite will remember was represented by Dr. Frank Maine in the last House. It is a special privilege for me to represent Guelph, as this riding has been noted for its great contributions to the House of Commons. Many members of the House will remember Mr. Alf Hales, who represented Wellington riding for 17 years. He served with distinction, and among many of his accomplishments during his 17 years in Ottawa was the excellent manner in which he served this House as chairman of the Standing Committee on Public Accounts. Mr. Hales is also well known for the key role he played in the development of the parliamentary internship program, a program which has continued with great success and has helped students learn first-hand about this great system of parliamentary government. Recently he was appointed commissioner to study salaries and expenses of senators and members of Parliament.

Guelph was also the home of the Hon. George Drew, the Premier of Ontario from 1943 to 1948. Guelph's contribution of leaders in politics is part of a very long history, as indicated by the fact that Sir Alexander Galt, an original Father of Confederation, was a native son of Guelph and a son of John Galt, the founder of the city.

● (1620)

The rich history of Guelph has literally filled volumes which make enjoyable and rewarding reading for all Canadians interested in this nation's history. Guelph was the home of Colonel John McCrae. He was well known in the first world war and most noted today as the author of the famous poem "In Flanders' Fields".

Guelph has also made important contributions to the field of the arts, most notably led by the world famous opera star, Edward Johnson, in whose memory the Edward Johnson Musical Foundation has sponsored the Guelph spring festival annually.

The city of Guelph, founded in 1827 and which achieved city status over 100 years ago, becoming the ninth City in Ontario, is known to all as the Royal City, named after the Royal Family who eventually changed their name to Windsor.

As you can see, Mr. Speaker, Guelph has enjoyed a history second to none in Canada. More importantly, however, Guelph riding has built upon this rich history to become a prosperous and thriving region today, and the future is bright indeed. A significant part of Guelph's past, present and future strengths is illustrated by the University of Guelph, which began as the Ontario Agricultural College in 1873 and, along with the Ontario Veterinary College, has become world famous for

academic excellence. Today the University of Guelph provides an excellent post-secondary education to over 10,000 full-time students, not only from Canada but from throughout the world.

The present riding of Guelph is comprised largely of the four townships of Pilkington, Eramosa, Puslinch and Guelph, in the county of Wellington. The city of Guelph, with a population of 72,000, is the hub of the riding and is surrounded by a number of small and beautiful communities such as Rockwood, Alma, Crieff, and Eden Mills, to mention a few. The rural area is comprised of rich farm land where hardworking farmers have built many prosperous dairy, beef, hog, poultry and cash crop farms which provide an important source of food for the nation and prosperity for the region.

The city of Guelph itself, while maintaining the beauty of its historical past, provides many jobs in business and industry for residents of Guelph and surrounding communities. It is the home of many local Canadian owned companies such as John Rennie Ltd., Hammond Manufacturing and W.C. Wood Company. In addition, some of the world's largest electrical generators are manufactured in Guelph, while at the same time some of the world's smallest and most sophisticated electronic equipment is also manufactured there.

Much of the success that Guelph riding has had in building up such a broad economic base of industry and agriculture is owed to the foresight of the city fathers and various township councils. In years past these councils have fought long and hard to attract business and industry to the city and—

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. I would ask the hon. member to relate his remarks more to the subject of the bill. I hope that this will take place.

Mr. Fish: Thank you, Mr. Speaker; I will deal directly with the bill.

As you will note, Mr. Speaker, by my accent, I am a Canadian by choice, having come to live in this country after the last war. The visions, the beliefs and the dreams I had when I chose to become a Canadian were well founded. Canada was all I hoped for. We enjoy the political, religious and moral freedoms in Canada that much of the world will never know. It is this desire that caused me to become a member of Parliament.

During the election campaign the Progressive Conservative Party pledged to implement a program of tax credits for home owners' mortgage interest and property taxes, a pledge kept by the introduction of this bill before us today, Bill C-20. The debate on this program during the campaign, and now in the House of Commons, has served to show the differences between the Progressive Conservative Party and the Liberal and New Democratic parties.

With this program, the Progressive Conservative Party, and today through the wisdom of the voters the Progressive Conservative government, have stated in no uncertain terms that we want Canadians to be able to own their own homes. Let me say to those members opposite that no matter how they tried to disguise their attacks on this program through distortion of fact, it is clear to this House and to the people of Canada that they do not really support the goal of more Canadians being given the opportunity to own a home, and they fail to support the concept of helping the middle class of this country who have borne the brunt of past taxation policies.

The first thing I did when I came to Canada was to buy a small home and invest what little money I had in this country, which brings me to the first point I wish to make about this legislation. The Prime Minister (Mr. Clark) has said that he wants people to have a stake in this country, and that one of the best ways to do this is for Canadians to be able to purchase a home of their own. It is of fundamental importance that individual Canadians have a personal stake in their nation and in their society. This legislation allows existing Canadian home owners and future home owners to deduct their mortgage interest and property taxes from their federal income tax. This will help this goal to be realized.

The ability of Canadians to own a home is of such importance that it must be considered in the broad context of the right to private ownership of property. This right of private ownership of property is fundamental to the basic goals that most Canadians and the members of this House believe in.

First of all, it is belief in pride of ownership to be able to say: I have worked for, earned and invested in this, my home. This is the source of great pride and satisfaction for well over 60 per cent of Canadian families. Statistics show that 90 per cent of young Canadians, if they had their way, would own their own homes. This is their major goal. This program will help those who already have homes to be able to keep them in the face of increasing cost of ownership, and it will help many to reach their goal of home ownership who otherwise could not afford to make this investment.

This right to own private property extends beyond pride and personal satisfaction. It is a means of ensuring that Canadian citizens have a personal stake in their country. It is of vital importance to ensure social harmony and social stability, which we cherish so greatly, that we maintain, reinforce and expand the number of Canadians who feel that owning a home is a wonderful means of bringing about this goal.

In conjunction with this is the often overlooked and yet vitally important fact that private ownership of property is a critical means of ensuring that individuals retain their freedom from the state. Just as individuals with a stake in society, such as a home, provide the basis of stability and cohesion in that society, so too do they guard this right against excessive incursions by the state. It provides a strong bulwark against those who would rob us of our freedoms and our rights. Those who have something to lose are those with something to defend.

These broad beliefs and basic tenets of rights and freedoms must be encouraged and supported, and protected from those who would deny them. The hon. members of the NDP are fond of espousing the virtues of Sweden, their idea of a socialist Mecca. Perhaps hon. members will be interested to hear the

views of the minister of housing in Sweden when he spoke last June at a United Nations land use seminar. He said that private ownership of property should be eliminated from the dictionaries of the world. I submit that, given their expressed desire to nationalize everything else under the sun, the NDP policy toward home ownership is possibly not too far from that expressed by the minister of housing in Sweden at that United Nations seminar.

I have expressed the reasons I believe it is important to encourage Canadians to own a home—to protect individuals from manipulation by the state, and thereby protect personal freedom and liberty, and to have Canadians own a stake in society with a source of personal pride that provides both social stability and personal incentive.

I would like now to turn my attention to a discussion of how I believe this program of mortgage interest and property tax credits will help enable these goals to be met by helping more Canadians to buy and to afford a home. In so doing, Mr. Speaker, I shall endeavour to provide hon. members opposite with a short lesson on the facts of this policy and the effects it will have, which is something that has been quite alien to their remarks thus far.

● (1630)

Let us examine the opposition criticisms of this program. We in this House know that the only real problem the hon. members opposite have with this program to help Canadians is that their parties did not think of it first. Because of this and for no other reason, they will try to deny Canadians this very important tax relief for home buyers and home owners. Of course, they cannot admit this to the public. They cannot admit that they are willing to deny Canadians this program simply because they failed to think of it themselves. Rather, they have tried to rationalize their untenable and unjustifiable position through the propagation of nonsense and distortion of the facts.

This government will not be deterred from helping Canadians own a home, and the people of Canada will not be hoodwinked by the political opportunism of the Liberals and the New Democratic Party. Rather than take the responsible and honourable route and endorse this legislation, they attack it and try and delay its passage, to the detriment of millions of Canadians. I can only point out to the hon. members that the people of Canada who are waiting anxiously for this program will know who supported this legislation and who tried to prevent it.

What are these ridiculous criticisms that the opposition have expressed against this tax credit? First, they claim it does nothing for renters. It is their typical crying on this sort of thing which pits Canadians against Canadians, as only they do with such relish and ability. In this case they have tried to pit renters against home owners, although the net result has been only to pit both against the opposition parties.

It is never easy to explain to socialists that wealth must be generated before it can be redistributed, that social welfare programs must be paid for somewhere. We in this party see the same social inequities existing as do the hon. members of the NDP. We, however, realize that the route to addressing these issues rationally and constructively is through encouraging the development of a sound and healthy economy which will provide jobs and incomes. The key, Mr. Speaker, is that we in this party and in this government want to help people to help themselves, and this fundamental ideal extends to our goals to help Canadians own their own homes.

The argument against this program, that it fails to help renters, is unfounded and irresponsible. The truth of the matter bears this out. There are many points to be made that show that to deny this legislation on the alleged basis that it does not help renters is false. First of all, some members of the opposition have suggested the tax credit is discriminatory against renters. This argument is disproved by the fact that renters already enjoy a similar break in that mortgage interest and property taxes are fully deductible for landlords, which provides a significant tax incentive to keep rents down.

Until now renters have indirectly enjoyed the benefits of a program that home owners have been denied. We believe that home owners, too, deserve this benefit which makes housing more attainable and affordable. In denying this program to home owners, the opposition are saying, in effect, that they are willing to discriminate against home owners by denying them the same benefits as renters. We in this party believe that both groups deserve to enjoy the benefits of more affordable accommodation, and this certainly cannot be viewed as discriminatory.

Secondly, the opposition display their ignorance of the housing market when they say that this program will not help renters. I am not too surprised that the opposition cannot see the benefit to renters of having more Canadians move to homes, as their economic policies generally reflect their total ignorance of the market place. I can only assume that this is a case of selective vision, in this instance of not wanting to recognize the obvious. The fact remains, however, that this program will help tenants by drawing off some of the demand pressure for rental accommodation that forces rents up. There are stresses at the present time in the rental market and the people who will be able to purchase homes under this program will help to alleviate that stress.

A recent survey has indicated that 90 per cent of young Canadians want to own a home. This program will help many of those people realize that dream. I have already stated my beliefs in the desirability of encouraging Canadians to own a home, and through this program many Canadians who now rent will be able to purchase a home.

Beyond this direct assistance to future renters, there is an important ancillary benefit for those who continue to rent, either by choice or because of economic circumstances. By drawing many people away from rental accommodation to home owning, there will be a significant reduction in the demand pressure which is pushing up the rental rates. With the virtual halt in the construction of rental accommodation in many parts of Canada as a direct result of rent controls, the vacancy rate in many major cities is critically low. Thus when

rent controls are lifted, as they most certainly will be, there will be adjustments upward, as has been indicated in some areas, and there will be a rise in rental rates given the current demand vis-à-vis the supply of rental accommodation. The significant reduction in demand for rental accommodation that we can expect as a direct result of this tax credit program will have a very positive effect on moderating the rise in rental rates. This is simply a fact of the marketplace.

Taken together, these facts show clearly that this program is not discriminatory toward renters, and in fact has benefits for renters, those who are close to and want to purchase homes, those who continue to be renters and want to purchase homes—and those who will continue to be renters in the future. On the whole, this policy is eminently equitable and beneficial to Canadians who require shelter, and this, Mr. Speaker, I believe, includes all Canadians. It is my opinion that this policy will give tenants a better chance to own a home, and I believe that this is socially important. People will be able to spend their working lives building equity in the home, and it will help them in their retirement years.

An hon. member has mentioned the American situation. He said that the United States was trying to get rid of their policy. In April, 1978, *The New York Times* and CBS conducted a poll on various aspects of the economy. The results were rather overwhelming since nine out of ten people polled favoured retaining a tax reduction for all interest paid on home mortgages. Of the renters, 87 per cent strongly favoured the continuation of the status quo.

The hon. member for Winnipeg-Fort Garry (Mr. Axworthy) mentioned yesterday, and I think he also stated this in the Speech from the Throne debate, that many people are paying up to 30 per cent of their income on rents, and he felt this was far too high and that something should be done to help renters. We should realize that for anyone purchasing a home today, the gross debt service ratio for home purchasing is 30 per cent of gross income, which covers principal, interest and taxes. However, when a tenant spends 30 per cent of his income on rent, it includes taxes, heat, hydro, snow removal, repairs, maintenance, and all the other things which a home owner must pay for. The home owner, in addition to the 30 per cent, must pay for the upkeep of utilities in addition to the principal, interest and taxes. Thus the comparisons are simply not valid.

If the hon. member needs further evidence of the need to help home owners with their large obligations, assuming desirability of home ownership for Canadians is not a convincing argument, perhaps some plain statistics will help him out. Over the ten-year period 1968-1978, the average cost of rental accommodation went up 45 per cent, compared to a 95 per cent increase in the consumer price index for that period.

Let us compare this to the costs faced by the home owner. Mortgage interest is up 138 per cent over the same period and owner repairs are up 133 per cent. New homes are up 138 per cent and home owners' insurance is up 355 per cent, while fuel and utilities are up 154 per cent. The simple truth of the matter is that the average working Canadian family has borne the brunt of inflation in the cost of maintaining a roof over their heads. While the renter has faced over-all increases less than half the average increase in the cost of living, home owners have been faced with increases over-all that are 50 per cent higher than the average cost of living, and three times the impact faced by renters in the same period.

● (1640)

It is a well known fact of the marketplace that rental increases are historically behind the market. The present rent controls, however, are one reason why new rental units are not coming on to the market. The cost of operating an apartment building used to be from 36 per cent to 40 per cent, but today it is 50 per cent to 55 per cent, depending on the type of building. The net income derived from apartment buildings is low. They are uneconomical and therefore will not be built.

Inflationary costs of home ownership have threatened home ownership, Mr. Speaker. For many people the cost of buying and trying to maintain a home has made the prospect only a distant hope when it was basically a goal only a few years ago. This government and this party believe that these Canadians who have worked hard and saved in order to buy their own home should not have their dreams destroyed but, rather, they should be realized.

For many average, middle income Canadians who already have purchased homes, the costs are becoming a burden, forcing many to face the grim prospect of losing their homes. This, Mr. Speaker, is totally unacceptable, and I would urge hon. members opposite to consider these facts when they vote on this legislation. We want to encourage home ownership, not restrict access to it or make it inordinately expensive.

Mr. Speaker, above all, we must not lose sight of who the home owners in Canada are, and who will be the main recipients of the benefits of this tax credit program. Some hon. members opposite have painted a picture of home owners being the wealthy minority of Canadians, but we know full well that the vast majority of Canadian home owners are working class and middle income Canadians. These are the people who pay the vast bulk of the tax load in Canada, and now when their personal stake in society is being threatened the opposition would ignore them.

It is no cliché that it is these Canadians that provide the real backbone of our society. There are tax incentives available to big corporations that fill volumes, social programs that employ hundreds of thousands of dollars and there are subsidies paid for rental housing, yet here we are in the House of Commons trying to pass a tax credit to encourage and assist average, individual Canadians to purchase and own a home, and the opposition is fighting it.

Why, then, does the opposition deny this program for those Canadians who pay the bulk of the tax bill for everything else? Who is going to benefit from this bill? Who is it that the Liberal and new Democratic Party members are denying a modest tax credit? Mr. Speaker, 75 per cent of the homes owned in Canada are owned by families with a total family income of less than $25,000. Over 75 per cent of Canadian families of three or more members, that is, families with

children under sixteen, own homes. Given the immense increase in housing costs I alluded to before which are facing home owners, and given the expense involved in raising children, surely hon. members opposite will allow this bill swift passage.

Over 75 per cent of the aggregate mortgage debt in Canada is held by families with children. These are the people who are feeling the burden of high housing and housing related costs. Surely it is time that we in this House realized the great contribution made by working class and middle income Canadians. These people deserve to have a break for once. They should be encouraged to own their own homes. To deny this would be a terrible error of judgment, and so I implore all hon. members of this House to pass this legislation quickly.

Mr. Kaplan: A point of order, Mr. Speaker. Would the hon. member permit a question?

Mr. Fish: Certainly.

Mr. Kaplan: I wonder if the hon. member is one of those Ontario members who is dissatisfied with the high interest rate policies of this government and if he specifically objected to them?

Mr. Crosbie: We are all dissatisfied with them.

Mr. Fish: Mr. Speaker, I have been in real estate appraising and consulting for 25 years. I realize the effect that high interest rates have on the purchase of homes. I should like to try to correct the impression some people have about high interest rates. The effect of this tax credit bill in the first year, if we are talking about an interest rate of 14¾ per cent, means the interest rate will be just below 14 per cent. If mortgage rates are still at 14¾ per cent in the fourth year, the effective interest rate will be 11¾ per cent.

Yesterday the hon. member for Winnipeg-Fort Garry said that it was costing home owners $1,800 more today to pay off their mortgage. I should like to know what interest rate he was using as a base. I have made the calculation and it could be as low as $89 per month.

Mr. Crosbie: Next question.

An hon. Member: Any more questions?

Mr. John Evans (Ottawa Centre): Mr. Speaker, all I can say both about the speech and the answer to the question is that there was something terribly "fishy" about the whole thing.

Some hon. Members: Oh, oh!

Mr. Evans: I should like to speak on Bill C-20 as it deals with an area that has been of great interest to me for a long time. I have had a great deal of experience with the mortgage markets and am familiar with the experience the United States government has had in this area. The previous speaker indicated that the United States regarded the package they have as an extremely good one and said that it is very popular there.

No one can argue with the fact that taxpayers like tax relief, Mr. Speaker. The question is whether the economy can afford tax relief and whether those who receive it are the people who are primarily in need. Those are the questions that a government has to ask, but this government is certainly not asking them.

My over-all assessment of the plan, which I have carefully considered, is that it is inequitable, it is inefficient, it is unnecessary, it is unaffordable and it is irresponsible, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Crosbie: Be fair now, John.

An hon. Member: Run away, Mr. Minister.

Mr. Evans: I see the Minister of Finance (Mr. Crosbie) scuttling out of the House as fast as he can because he does not want to hear the truth. Mr. Speaker, this plan is a total violation of this government's professed program of restraint and it flies in the face of the clear priorities for the Government of Canada.

I object to the Minister of Finance indicating that, when members on this side of the House speak in opposition to this bill, they are attempting to stand in the way of progress or to be obstructionist. That is not the case at all. We are very concerned, as the government professes to be, about the future fiscal stability of the Government of Canada and where we will be five years from now if we continue with programs and policies that mean an expenditure of $2.5 to $3 billion per year. This program cannot be considered a top priority by anyone.

Let me examine the individual points that I raised earlier, Mr. Speaker. With regard to the equity of the program, it has been pointed out by the hon. member for Winnipeg-Fort Garry (Mr. Axworthy) that less than one-third of households will receive the full benefit of it. There is no doubt about that; the facts are clear.

The plan will benefit the higher income people much more than lower income people, since the full benefits accrue only to individuals who have large mortgages. It takes $5,000 worth of mortgage interest to qualify for full benefits under the plan. If that is the situation, how many low income Canadians have such a mortgage?

An hon. Member: A typical Conservative ploy.

● (1650)

Mr. Evans: The plan involves substantial regional inequities which were pointed out quite clearly by my colleague, the hon. member for Winnipeg-Fort Garry last night. These are due to the differing patterns of home ownership and mortgage financing which occur across the country. As a result, Canadians in one part of the country who are home owners and who have the same needs as Canadians in another part of the country will receive differing amounts of benefits from this particular plan, resulting in increased home prices. That point has been

well documented by everyone who has any intelligence and has analysed this plan.

The clear statement has come forward that, as a result of the introduction of this plan, demand for housing will increase, which will drive up the price of housing because of supply constraints we now face. As a result the plan benefits current owners at the expense of new first-time owners. The benefits will not get down to the people which the government professes it is trying to help. They will not get down to the first-time buyer because part will be taken away by benefits that accrue to existing home owners who sell their homes.

It is quite clear that if there is an increase in the demand for housing, there will be an increase in demand for mortgage credit. An increase in demand for mortgage credit will increase the interest rate, not reduce the interest rate. It is clear to anyone who understands capital market financing that an increase in the demand for mortgage financing will increase the rate on mortgages.

The main benefits of the plan from an equity perspective go to the existing home owners who are, by and large, better off than average Canadians. As a result, I hold that the plan is inequitable as it stands and should not be carried forward by the government on that basis alone.

Second, with regard to efficiency and necessity, Bill C-20 will lead to a substantial misallocation of scarce investment resources which are needed in this country now to get Canada working again, as the government has told us so many times. Housing has to be considered as a non-productive consumption expenditure. It does not produce any new wealth. The government has been telling us how concerned it is with the production of new wealth. Now they are going to put $2.5 billion to $3 billion in a housing program, a non-productive, non-consumption type activity, instead of putting it into productive activity, perhaps to assist small business in finding equity capital in this country.

When the government rightly points out that we have fallen behind other industrialized countries in our productive investment and in our research and development, and then we are asked to divert $2.5 billion to $3 billion a year into an unnecessary program, I cannot believe this falls within the government's notion of priorities.

I said the plan was unnecessary and I will try to explain why. To my mind, Canadians are well housed. They are well housed individuals. A Gallup poll which was run prior to the election campaign showed that Canadians themselves feel that they are well housed. Well over 80 per cent of Canadians who responded to that poll indicated that they were satisfied with the housing situation.

Some hon. Members: Oh, oh!

Mr. Evans: There he is again, the hon. member for Brampton-Georgetown (Mr. McDermid). The hon. member for Winnipeg-Fort Garry offered last night to debate with him. I am telling the hon. member that I will debate with him too.

An hon. Member: They do not know what they are talking about.

An hon. Member: He cannot face it.

Mr. Evans: The fact is that we are very fortunate in Canada with regard to our housing stock. We are very fortunate in Canada with respect to the quality and quantity of housing that is available to Canadians. This is well pointed out in a study done by the Organization for Economic Co-operation and Development which looked at the housing situation of citizens in the western industrialized world. The OECD concluded that without a doubt Canadians were the best housed people in the western world. In that situation, when we have the best housing stock, when Canadians are satisfied with their housing stock, is this bill to be looked upon as a top priority item for the Government of Canada in which to place $2.5 billion to $3 billion a year? I think not, Mr. Speaker.

An hon. Member: Lack of imagination.

Mr. Evans: I do not say that some Canadians are not clearly in need of housing assitance. The facts are to the contrary. Some Canadians do require housing assistance but this plan is not going to be the one that brings that assistance to them. The bill does not address the problem of inadequate housing. The bill represents a tax giveaway. It is an election gimmick, that is clear.

An hon. Member: Shame.

Mr. Evans: I want to reiterate that this is not a housing bill. We should make it clear to the Canadian people—and the Canadian people, I think, are clear on this, Mr. Speaker—that it is not a housing bill. It is a callous and irresponsible election promise that was designed to buy a few votes, in the same vein as the embassy move in Jerusalem.

An hon. Member: An outright sham.

Mr. Crosbie: Give up.

Mr. Evans: The government indicates that this will be a gift, a giveaway, a great thing, a Christmas present to Canadians who own houses. That is a sham. It is not a gift. It will cost us clearly and it will cost us dearly. The question is, who will pay for it and how?

The Acting Speaker (Mr. McCain): Order. The hon. member for Prince George-Peace River (Mr. Oberle) on a point of order.

Mr. Oberle: Would the hon. member allow a question?

Mr. Evans: When I have finished I will be glad to entertain questions, Mr. Speaker.

Some hon. Members: Oh, oh!

An hon. Member: Sit and listen, you will learn.

Mr. Evans: Mr. Speaker, the question is: who is going to pay and how? There are essentially three ways that we will all pay for this particular program. First, we will all pay with increased taxes whether they be direct or indirect taxes. There is a widespread fear right now that the so-called energy self-sufficiency tax which the government will be bringing forward will in fact be used to divert current budget expenditures on energy conservation programs and release these funds for the payment of the mortgage interest and property tax credit plan.

Second, we will pay through the reduction of other federal programs. We have already seen an indication of that with the reduction plans that the government has for the family allowance and the child deduction. These will be the areas where we will have reductions in programs. These are the ways in which we will pay for this mortgage interest and property tax credit plan.

Finally, when there is not enough money from the tax revenue for this government to bring forward, it will charge us through the route of inflation. Deficit financing will generate additional inflation. This is all from a government committed to the fight against inflation, committed to the restraint of government spending. It is a sham, Mr. Speaker.

An hon. Member: You got your answer last night.

Mr. Evans: Let no one be misled, this is not a free gift from the government. The people of Canada will pay the price. But in any of the above ways, those who are less well off will be forced to pay for the benefits being given to those who are relatively better off. Like my colleague, the hon. member for Broadview-Greenwood (Mr. Rae), I am not saying that Canadians home owners are well off; I am saying that Canadian home owners are on the average better off than individuals who are not home owners.

The distribution of the impact of this particular piece of legislation is certain to be regressive; there can be no doubt about that. My colleague, the hon. member for Winnipeg-Fort Garry, said last night that only 32 per cent of the households in Canada would benefit. I think what he failed to point out and what it is important to point out is that while 32 per cent of the households in Canada will benefit from the program, 100 per cent of the households will pay for it.

Some hon. Members: Shame.

The Acting Speaker (Mr. McCain): Order, please.

Mr. Evans: May I call it five o'clock?

[Mr. Evans.]

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. McCain): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Beauce (Mr. Roy)—Federal-Provincial Relations—Request for publication of study on federalism; the hon. member for Laval-des-Rapides (Mrs. Sauvé)—National Unity—Quebec referendum—Request for explanation of statement of Minister of Supply and Services; the hon. member for Mission-Port Moody (Mr. Rose)—The Canadian Economy—Increase in interest rate—Action to avoid small businesses declaring bankruptcy.

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

Pursuant to order made Tuesday, November 13, 1979, the House will now proceed to the consideration of Bill C-216, an Act respecting Family Week.

● (1700)

[*Translation*]

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would it be possible with unanimous consent to allow all the other bills to stand, except No. 216?

[*English*]

The Acting Speaker (Mr. McCain): By virtue of the order of the House as read, unanimous consent is not required. I thank the parliamentary secretary.

PRIVATE MEMBERS' PUBLIC BILLS

[*Translation*]

FAMILY WEEK ACT

MEASURE TO UNDERLINE IMPORTANCE OF THE FAMILY

Mr. Eymard Corbin (Madawaska-Victoria) moved that Bill C-216, respecting family week, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I am pleased to introduce in the House of Commons, Bill C-216 concerning the establishment of family week throughout Canada. The purpose of the bill is to underline the importance of the family unit as a basis for society. A national family week would provide Canadians with

an opportunity to discuss urgent and contemporary themes concerning or affecting the family and its members: father, mother, children, grandparents and others. The second week of May would be appropriate to observe such a week for the simple reason that Mother's Day is usually celebrated on the second Sunday of May.

Before elaborating further on the importance, the need, even the absolute necessity, to my mind, of having an act on the family week in our statute books, I should like to make a few general remarks on that type of observance. Hon. members are aware, of course, of the great number of special days or weeks designated by law, regulation or merely decree, by the various levels of government, federal, provincial or local.

Such themes as the prevention of fires, or security on the farm, are familiar to us. The business world, with a view to increasing its profits, names all sorts of days, weeks or even whole months to promote its goods and services. That practice is specially popular with our neighbours to the south who spend thousands if not millions of dollars on advertising and promotional campaigns, in praise of peanuts, orange juice, or athletics and the whole array of consumer goods.

But what strikes me as unfortunate in that type of marketing is the exploitation of people for profit, particularly women, and more specifically mothers. Examples of special commemorations and celebrations abound; most are not very serious but occasionally there is the odd one which is pertinent and commendable. Hon. members will doubtless remember a growing concern all over the world for ecological values and the preservation of the environment early in the seventies. The House of Commons then passed a private bill setting up the week of the environment which we commemorated this year from the 14th to the 21st of October. We have all read or heard the statements made at the time by the Governor General and the Minister of the Environment (Mr. Fraser).

As far as family week is concerned, I must say that few industrialized countries have instituted a family week. At least that is what the research branch of the Parliamentary Library concluded after checking, at my request, with 19 embassies in Canada. Of those 19 countries, only our southern neighbour, the United States, has passed, and only recently, legislation to that effect. In the United States, the President proclaims the week starting on the third Sunday in November national family week, pursuant to a joint resolution of the Congress proclaimed August 15 of the same year. The American family week coincides with the traditional Thanksgiving holiday which has a much deeper meaning than our own Thanksgiving. Thanksgiving in the U.S. is usually an opportunity for family reunions.

We are not trying to copy the Americans by introducing Bill C-216, but rather to stress the great importance of the Canadian family and the pursuit of its welfare, which is of great concern to us all. We are all aware that the United Nations have proclaimed 1979 as the International Year of the Child, to follow International Women's Year in 1975. These themes have made us reflect on the status of both women and children in a family unit and in other social and institutional environments in our society.

While Bill C-216 may seem at first glance to concern only legally constituted families, it is certainly not designed to overlook certain social situations which could obviously not legally be considered as normal even though the tendency is to normalize them or give them at least an appearance of respectability. If the family is by definition a natural social concept, celibacy remains a social reality which should be appreciated and respected on the same level as the family unit. This bill does not diminish or aim at diminishing the respect owed to those who have chosen celibacy as a way of life.

Even though Jean-Jacques Rousseau might have said that "man is not made for celibacy" or Honoré de Balzac might have stated that "the family will always be the basis of society", more than any other, our modern society is facing a very different social reality than previous generations. It is in the context of this new social realism that I introduce this bill. The family will always be at the heart of this type of debate.

A few provincial jurisdictions in Canada have already proclaimed family weeks or days. However, neither Newfoundland, nor Nova Scotia, nor New Brunswick, nor Prince Edward Island, nor Quebec have set aside special time to celebrate the family unit. It is interesting to note that for the last three or four years, the Ontario provincial secretary for social development has proclaimed May officially as "Family Unity Month" within a framework of specific activities and themes. Manitoba, which was pressured into proclaiming a family week in 1978, has to this date received no request to this effect this year. Saskatchewan and Alberta do not have a family week either, while in British Columbia, 1979 was proclaimed the Year of the Child and the Family by the lieutenant-governor in council.

I would like to come back to Ontario for a minute. In June, this province published in both official languages, I am happy to note, an excellent paper on the role of the family as a basic social institution. In short, this paper states that the family is not about to disappear as a social entity; in fact, contrary to the breakdown of family life predicted by many social prophets and evolutionists, the family is here to stay and develop in spite of insidious attacks against its integrity.

Some indomitable champions of constitutional issues may argue that it is up to the provinces to decide whether or not to launch a special family week. I shall not question their arguments, but my experience and the list I have just enumerated show a lack of interest on the part of most provinces for such a proposal. I am not implying at all that the provinces do not care for the welfare of the Canadian families under their jurisdiction. For instance, in Quebec various successive governments have implemented excellent programs to meet all possible family situations. I suggest that Quebec is very progressive

in this respect. It would be a great idea if all the provincial, territorial and national governments would meet and discuss their plans to celebrate the week which I am proposing, without getting into an interminable constitutional debate.

It is rightly said that a society which respects its minorities generally fares better as a democracy. Is the family not the first social minority? Is it not also right to say that a society which neglects to strengthen, to preserve and to institute respect for the first society of all, the family, runs the risk of disappearing? Hon. members surely know the classic historical arguments or interpretations that the civilizations of Athens and Rome disappeared because of the absolute abandonment and erosion of traditional family values that preceded the military battles and defeats although some of their institutions and their own genius were passed on to us through the centuries. I think those arguments are still valid. We have to draw those lessons from history and reflect on them often.

• (1710)

Or again let us consider what happens at home to Canadian native families subject to twentieth century pressures, to the influence of the white man. The situation of native people is a disquieting one for our collective national conscience, and I could give many other examples. As legislators, it seems to me we must always remain aware and concerned with upholding basic values that have made this country a nation respected and a society admired by many other people in the world who envy our position, our resources, our values, our democratic system, and what not. However, that does not shelter us from the gangrene that subtly kills other societies.

And when we stop to examine our own laws, the programs of different governments, we see that the family is not a negligible factor. From the material point of view, family allowances, social welfare benefits, health programs, old age pensions, and so on, address precisely the family situation of Canadians. Those laws and programs are based on family and social considerations. There are also, of course, the courts of justice and the sections of the Criminal Code dealing with the family, sections that are very often controversial, of course, like abortion. Not satisfied with the status quo, the serious and organized research undertaken by the Law Reform Commission is now directing us to the contemporary aspects of family life such as separation, divorce, joint ownership, care of children and respect of life. Of course, the Law Reform Commission deals with the situation of society and the family in evolution and under crisis. That also must be addressed, Mr. Speaker. We must find social and legislative solutions which will be acceptable to and morally accepted by the majority of Canadians while still respecting individual liberties. That is not an easy task but no one has the right to ignore or forget these problems in the hope that they will vanish as a result of sheer inaction.

[Mr. Corbin.]

A great many of us would not be sitting here today if it were not for our personal commitment ever to try to improve the living conditions of the families of our respective constituents, be it with regard to the impact of oil prices on the family budget, of new consumer protection legislation to put an end to loansharking or again of discrimination in the implementation of unemployment insurance for instance. In my opinion, anything else has only secondary importance.

Peanuts, just as potatoes, are an important issue in my constituency, and are subjects which deserve to be addressed. Yet does not the omnipresent family institution require more consideration on the part of all Canadians? Each year on July 1 we celebrate Canada Day. Does the family not deserve more than that. And since planet Earth is the mother of all human beings, to use one of environmentalists' favorite phrases, what would be more logical than having family week coincide with Mother's Day?

I have not said everything, Mr. Speaker, and if it were possible to exhaust the subject in 20 minutes or even an hour, we would not need this bill. However, I hope I have said what was needed to convince my colleagues, to prove the validity of this bill, and I should like to thank in advance those who will choose to support my initiative. I wish to thank in particular the Vanier Institute of the Family, which has provided me with most valuable literature, the research services of the Library of Parliament and, of course, the parliamentary counsel, Mr. Joseph Maingot, for their assistance and their most precious advice. I know that several members want to contribute to this debate and I will listen most carefully to their remarks.

Finally, given the commitment of the government to allow passage of a limited number of private members' bills, a commitment given in its proposals for reform of the Canadian Parliament, I would be grateful to the main speaker from the government side if he could tell us whether they intend to let this bill go through all stages during the present session.

Finally, Mr. Speaker, and with this I will conclude and resume my seat, I want to say that if I were to dedicate this bill, I would offer it as a tribute to all the families from Madawaska-Victoria, whom I represent here, and in particular to the wife and children of the hon. member for Madawaska-Victoria who have made and continue to make every sacrifice to enable their favorite MP to pursue his political action in the Canadian Parliament.

[*English*]

Mrs. Diane Stratas (Parliamentary Secretary to Secretary of State): Mr. Speaker, the importance of the family to our social fabric cannot be denied. I should therefore like to thank the hon. member for introducing the family as a topic of discussion in this House with his proposal to establish a family week.

It is so easy to lose sight of priorities these days what with rhetoric and linguistic shilly-shallying by experts and consultants. Bread and butter issues are so often ignored and lost in

the shuffle. That is what we are discussing today. The family is a bread and butter issue. That is the tone of the presentation of this measure. The family is an issue which calls for discussion and perhaps even for recognition in law as a valuable unit in our society.

● (1720)

Let me point out that it is a long standing and basic policy of the Government of Canada that there be no special proclamation to mark special days or weeks except for fire prevention week in October, a proclamation which dates back to the days of confederation. This is not to say that special proclamation should not be made when the situation merits it. After all, the international community through the auspices of the United Nations has declared a series of international years to mark certain groups deserving of the focus of international attention. There are International Women's Year, the Year of the Child and the Year of the Handicapped, to name a few.

The family is the primary social unit in the organization of Canadian life. Ours is a very complex society in a very complex time, and the basic unit, the family, has been hard-pressed to maintain its traditional role as formative monitor of the existence of the individual. Still, the family has been the primary influence moulding the structure of society since the earliest days of recorded history and, if archaeological evidence is to be admitted, the family has been the primary social unit since people began to live as a community.

But the fact remains that the validity of the family as the basic unit of society has been called into question in recent years by fringe groups, by sociologists, by academics and by disgruntled individuals who have rejected the traditional frameworks without proposing any more worthy substitute. In China almost 400 years before Christ the scholar Mencius wrote: "The root of the kingdom is in the state. The root of the state is in the family". I cannot find fault with this statement. To my mind the family is the root. Family as an entity and as a concept—family *an sich und für sich*.

Still, the family must not be seen in isolation. It must be understood in terms of its surrounding social structures. It is a symbiotic relationship. The family influences its milieu and at the same time is influenced by the milieu. There is a general tendency to see the family as an isolated social unit, almost wholly responsible for its own well being. I disagree with this approach. We must take into account the profound impact which economic, political and other factors have on the lives of families.

I am not sure that the best way to deal with these factors is to name a so-called family week. As the basic unit of society all government activity all year round should be directed at the perpetuation and protection of the concept of family, not necessarily family in the traditional sense but family as a concept of life wherein family members are encouraged to live fully as responsible members in community with each other. We must be willing to accept and respect all forms of family life, but above all we must recognize family. The dictionary meaning may change, but the intrinsic and essential meaning must not.

It is my fear that to name a special week as family week is to pass the family off into the realm of legislative tokenism. A token five days of debate in this House devoted to family-related concerns would take place. A token seven days of publicity and propaganda and a whole new breed of greetings cards to stimulate the economy would occur. Is this to be the hallmark of the Thirty-first Parliament?

While much family-related legislation falls under provincial jurisdiction, this is not to say that the federal government has no role to play in this field. The federal Law Reform Commission published a report on family law reform, recognizing the responsibility of the federal court in this area; but the fact remains that to trespass on provincial jurisdiction is not to fulfil the responsibilities of the federal government but, rather, to usurp responsibilities from other, equally responsible jurisdictions. It strikes me that for the federal government to name a family week is something of an exercise in futility and an indulging of euphemistic tendencies which should have no place in this House.

The role of the federal government, as I see it, is to monitor and encourage provincial initiative in family-related concerns. Any declaration on the part of the government in Ottawa should be construed as a further instance of federal paternalism which is something the provinces have had to deal with for many years but are not prepared to accept any longer.

I am not sure that the interest of the family would be best served by establishing a specific week to that end. Governments the world over recognize the importance of families and are reluctant to allow unnecessary invasions into the privacy of family life. This works both for and against the family unit. As a recognition of the right of the family to its privacy it is an advantage, but incredible inequities exist between the rights of family members in some societies and, because of governmental hesitancy to intrude, the individual has little recourse in law on the international level.

Still, it seems to me that our respect and affection for the family would not be enhanced by having it imposed by government. It seems to me that if our citizens feel the need for still another day on which to pay tribute to the family and its importance to our lives and our society, the initiative should come from them, and let government endorsation follow.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, by way of opening my remarks, it never fails to surprise me and half amuse me at the extent to which the government is prepared to use federal-provincial relations as a cover for avoiding addressing the real issue in any given circumstance.

Mr. Knowles: Just like the last government.

Mr. Blaikie: I rise in support of the bill and of the spirit with which I perceive it to have been brought forward for debate in the House. I think it is important at this time, as it would be at any other time, to stress the importance of family life and to think a little more about what we mean when we

say that the family is the basic social unit. The family is the basic social unit because it is within the context of being within a family that we learn what it is to be human beings. We learn what it is to be social beings. We learn that we are, to put it simply, brothers and sisters, that we are part of a reality which is larger than ourselves and that we must understand our individual selves as part of that larger context.

It is within the family context that we learn how to be social, or socialist, because at the family table there is no such thing as free enterprise. At the family table the weak and the strong partake of the meal. At the family table people receive according to their needs regardless of whether they have been bad that day, what kind of mood the father is in or the kind of mood the mother is in. So we see the family unit as analogous to the way in which we should organize our whole lives together, and not just in our homes.

An hon. Member: Where do you seat the multinationals?

Mr. Blaikie: It is also in the family that we learn what I would call faithfulness and where we learn that we just cannot write off people because we might disagree with them or they might be acting in a way which does not respect the interests of the group. We learn how to struggle over the long haul, and this fits us for the struggles in which we must engage ourselves as adults. It fits us for the struggle for social justice, for instance. So as much as I might like to write off hon. members opposite as an unredeemable lot of free enterprisers and individualists, I will not do that.

I, like other members of my party, will be here 10 years, 20 years and 30 years from now because we will have learned the basic lesson of humanity, and that is faithfulness to the ongoing struggle to bring human life to the fullness that is intended for it.

● (1730)

Often we have heard about the erosion of family life. It has been lamented often by hon. members opposite who now speak against the bill. Let us look at some of the factors which affect family life. Let us examine them critically for a moment, instead of just bewailing them.

I speak now as a member of my own generation, a generation which is having less children and choosing less frequently to have family life. The reason behind this choice is a deep-seated pessimism about the future, which we do not often see. Even parents who came through the economic hardships of the depression felt that through hard work, patience, diligence, thrift or whatever instrument they contemplated, at least there was a bright future for their children. This gave meaning to family life, even though it might have been desperate at times. One matter which threatens family life at this point is this deep-seated pessimism about the future. This pessimism lives within a generation which was born and which has lived with the atomic bomb. Also this generation lives with the threat of environmental disaster. It cannot trust that there is a future into which their children may go with confidence. In my opinion that is the fundamental malaise which lies at the root of what one might call the lack of enthusiasm for family life at this point in our history.

Instead of families being created and nurtured by those persons who are most economically and socially able to support family life, we have a situation where more and more children are born into families of non-traditional natures.

I have on my desk an article which quotes the executive director of the Children's Aid Society in Winnipeg. She said that more and more children are being born today of adolescent parents and into single parent families, non-traditional family units. The erosion of traditional family life and the value it represents, has been lamented often by hon. members opposite. But what does the general world view of the government do to non-traditional families? For one thing it makes single parent mothers, who would like to stay at home and look after their children, feel bad because they are not out working at some minimum wage job making barely more and sometimes less than they would receive on mothers' allowance. That world view makes them feel bad because they are not looking after their families. We must get our values straight. Are our values with the family, or are they with the feeling that it is imperative for everyone to get out and work away at some crummy job, in spite of the consequences to the family?

There are families which require income support and action by government so that mothers can remain at home, not at a subsistence level but at a level where a growing number of our children can be raised in a decent and economically supportive environment. Unless this is done, we are sitting on a demographic time bomb. Many children are now being raised in very, very difficult circumstances. I say that with all due respect to the children who, in fact, may overcome these circumstances. Nevertheless, there is a probability of increased social problems because of our inability to get over our hang-ups about work and to recognize family life as the manner in which these women contribute to society. This will cause deep trouble unless we find our way out of these hang-ups.

This leads me to the whole question which has received the attention of the House in recent days and weeks, as rumour after rumour was ground out of the government regarding its intentions with regard to the family allowance program. I would suggest the chlorine gas at Mississauga is only one of many dangerous leaks which we have seen happening under the supervision of this government over recent weeks. I am referring to the rumour that something will be done about the family allowance program, and that it will be done in such a manner as to create the impression that moneys, which at one time were supposedly wasted through universal programs, will now be targeted more effectively and made available to those who need it most. This is the wrong direction in which to move, because of several points. It would take money from the right pockets of people and put it into their left ones; there would be no absolute gain. The money saved through the abolition or restriction of family allowance would be given over and provided in the form of tax credits, according to one of the rumours.

The open agenda of this government is to save money. Therefore I see no reason why the House should have any confidence, even if it were a good move to get rid of the family allowance program, that the government would redirect those moneys in the manner which they suggest they intend, that is, by making them more available to the needy. I am not suggesting that it is a good move to get rid of the family allowance program. In all likelihood that money would go to finance the scheme we were debating this afternoon.

The House can concretely express its support of the family, not just by voting for the establishment of family week, but by reiterating its commitment to the family allowance program. The government should affirm the value of family life and not just think of the family allowance program as a method of distributing income. That was not the original intention of the program.

We tread on very dangerous conceptual ground when we criticize the family allowance program for not redistributing income, because that was not the basic intention of universal programs. The basic intention was to provide services to all Canadians, whether it be in education, family life, a decent life for elderly citizens, health care or whatever we chose to provide to everyone, because they are collectively valued. To begin to see the family allowance program as simply a welfare program or a way of income redistribution is a serious mistake. The House should reflect seriously upon the remarks which I have made in this context. When we begin to tamper with the family allowance program, we begin to tamper with the affirmation of family life in Canada.

Mr. Eric Ferguson (Saint John): Mr. Speaker, I should like to congratulate the hon. member for Madawaska-Victoria (Mr. Corbin) on his presentation. I must say in all sincerity that I was surprised, shocked, disappointed, and saddened by the remarks of the hon. member for Winnipeg-Birds Hill (Mr. Blaikie). His remarks were nothing but complete political, complete negativism on a subject which is of great concern to every Canadian.

Some hon. Members: Hear, hear!

● (1740)

Mr. Ferguson: I want you to know, sir, that unlike the previous speaker I look to the future with great confidence, and I suggest that is being non-political.

I am pleased to have the opportunity to speak on this bill regarding the importance of the family. The first question one must ask is, what is a family? The World Book Dictionary describes a family in the following words: (1) father, mother and their children; (2) the children of the father and mother; (3) a group of people living in the same house; and (4), a group of related people or tribe. I am almost prepared to say something about that last definition but, being unpolitical at this particular time, which I think is appropriate, I will stop there.

However, a family is more than just a collection of people living in the same house. A strong healthy family is one in which all the members love one another, are concerned about each other, and are faithful to each other. They are good to each other when times are tough. That is what I call a family and what I understand to be a family. A family is strong when the members interact with each other, experience similar situations together, and develop a sense of purpose in life together.

I suppose I could say that I speak with a degree of authority. I come from a family of 14. I am the thirteenth child, and I am proud to say that I have seven children of my own and a wife who does an excellent job with me in looking after them.

Some hon. Members: Hear, hear!

Mr. Ferguson: By virtue of this I believe I can speak on this bill with a degree of understanding and feeling. I can talk about my own family and about growing up. I can talk about my own dad, living in the country and how concerned he was. He taught me how to set rabbit snares, to go to Sunday school, and how to behave. He and my mother taught me what values were. My father was a lumberman who worked hard to bring up a family of 14 in the depression days. That was not a very easy job. Being the thirteenth with a mother who is still living today, I know what a family is. I speak with confidence about that, just as I speak with confidence about Canada.

My father was not only a lumberman, he was also a county councillor in that rural area. He served on the county council for a period of 35 years, paying his way for the place he occupied in order to make this place a better place for people like myself.

Many years ago Abraham Lincoln talked about respect for the law, and that is something dear to my heart. He suggested that young people could be taught to respect and understand the law. He said that parents should teach their children; mothers with children at the breast, in Sunday school, in high school and in universities. The time has now come, and it is the mission of you, me and each one of us, every citizen in Canada, to stand up and teach respect for the family, understanding for the family, and time to encourage families to work for the family. If we do not we are going to be in real trouble.

In present day society the traditional family with a mother and a father is changing drastically. We now find more single parent families with a parent who has to work in order to meet the day to day expenses of keeping the family together. The child or children are now cared for by babysitters, by grandparents or, in many cases, by themselves. My background brought to my attention many cases of children who had to look after themselves. We all know what happens too often in those cases. We all know where many of them end up. In the majority of cases they end up before the courts, in our jails and penitentiaries. It is for this reason that we must care more.

The child has a very special need and it is essential for parents like you and I to experience things together with our families and children and to recognize those needs. Many of the fathers and mothers in this nation are not aware of this. This does not have to cost a great deal of money, but it does

cost a bit of time. The special needs of children brings to mind a quotation I would like to read, as follows:

If a child lives with criticism he learns to condemn.
If a child lives with hostility he learns to fight.
If a child lives with ridicule he learns to be shy.
If a child lives with shame he learns to feel guilty.
If a child lives with tolerance he learns to be patient.
If a child lives with encouragement he learns confidence.
If a child lives with praise he learns to appreciate.
If a child lives with fairness he learns justice.
If a child lives with security he learns to have faith.
If a child lives with approval he learns to like himself.
If a child lives with acceptance and friendship he learns to find love in the world.

Some of us can take a lesson from this. People like you and I, sir, should strive to spend a little more time each day with our children. We should spend time together alone to get to know each other on a one to one basis.

I suppose there are some people who do not like hunting, but just this past Saturday I had a great experience in taking my 19-year-old son out hunting for the first time in his life. We went deep into the wilderness and I explained to him what to look for. My son was successful because I was there to assist him, to guide him, and to encourage him by telling him he could do it. This is what parents are for and this is what we, as parliamentarians, should be encouraging every citizen of Canada to do. Children need support, encouragement and praise. We must learn to congratulate each other, to support and appreciate others. We must show that we care, rather than just give lip service. We have to mean what we say or it means nothing.

A parent must set rules to live by so a child will learn the boundaries acceptable to the family and to society, but those rules should be enforced in a loving manner. A child who has no guidelines or standards, like the people out on the street, the criminals, has to be told not to do certain things. In many cases the first time such a child is told he should not do something is on his first day of school.

It is going to take the efforts of clergymen, policemen, social workers, and all of us working together in families to turn this thing around and make it more acceptable to us all. A child who has no guidelines and no standards to live by is constantly at a loss and has little regard for values since he feels no one cares for him. Mr. Speaker, you know what I am talking about when I remind you of the look in the eyes of a young child when you tell him or her that you love them. How many times have you disciplined your children, as I have, sir, with the child looking up and asking if you love him or her? You know the feeling that you see come over that little person when you respond in the affirmative. That is what being a parent is, Mr. Speaker. That is what loving is and that is understanding our children. Many adults could take a lesson from what I am saying.

● (1750)

Beginning in the early 1900s our society became more individualistic and more competitive with the accent placed on "I" rather than on "we". We became a society on the move, whether it was moving across the city, from one city to another, or from one province to another, with little or no consideration given to the employee, and none to the children or the wife of the employee. That must change.

I served in an organization where, three or four days before a move from one province or city to another, you were advised that you were being moved, and you packed up and you moved. This is still going on in society. I would encourage the government and, particularly business and labour, to sit down together and work out a system whereby there would be concern, not only for the employee, but for the employee's family. If this takes place in an atmosphere of friendliness and understanding, certainly productivity will increase, and certainly it will help prevent marriage breakdowns.

The time for this to take precedence in our society is long over due. We must give support to a family before the marriage breaks down. Millions of dollars are spent trying to bring the groups together. Is it so difficult for trained people who are out in the field, such as policemen, clergymen, social workers, doctors, and other professionals, to try to do something about this situation? Prevention is better than a cure. The cure is just too costly, and it cannot be accomplished. The family should be supported in the traditional sense, but the single parent family has special needs which are becoming greater every day. Many of us are unable to cope with and understand what these needs are. It is necessary to change from the individualistic approach that now affects our society to one that favours a workable group approach, one with love, understanding, determination, and a vision for hard work, as well as a will that things can happen for good.

We must establish a feeling of confidence in doing things of a positive nature. I suppose the greatest shock to my system in coming to this House of Commons was listening to some members and their feelings of negativity. I have never accepted that word. I have never accepted that things cannot be done. There is nothing in me that is negative, and I do not want my family to have a feeling of negativity. Nor do I want anyone in Canada to be associated with this kind of approach, because we will not succeed; we will fail. The family, and the country as you and I have known it, Mr. Speaker, worked for it and understood it, will not continue. Then we will be in real trouble, and we do not want that to happen.

I do not feel that we should set aside one particular period on our calendar to remember such an important part of our society, and I say that with all sincerity. I feel that we should concentrate on the needs of the family all year round, every day, every week and every month, and that the rights of children and parents should be recognized every day. That is my mission, and that is my determination, that is my desire, and while I am here in the House of Commons working for every Canadian, it will be one of my prime goals.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I want to add my congratulations to the other hon. members who congratulated my good friend the hon. member for Madawaska-Victoria (Mr. Corbin) on his initiative in

[Mr. Ferguson.]

bringing forth this bill. I want to make very clear at the outset that I support the bill and the principles therein. For 18 years I had what I would term the privilege of being a teacher in various provinces in this country, and I had, I hope, some influence on the development of some of the young people in my country.

I saw first hand on many occasions the differences between children who come from a family situation where there is respect for the parents and the children, and even for the grandparents and grandchildren, and the opposite situation where there was no respect in the family for the parents or the children, and very often cases where respect was confused with licence.

We saw in the sixties the breakdown of law and order in this country when the policeman was considered a pig, and anybody in authority was to be abhorred. We reaped the harvest of that breakdown in discipline. Of course, the pendulum has now begun to swing the other way. Now there are those in our society who are demanding for those who violate our laws and our regulations the most severe of punishments. It is important that we recognize in our society, which is based on the family unit, the importance of that integral unit in our society. It is important that we realize that in fact it is the basis of our society, that marriage is still the social stabilizer and the only guarantee children have that they will be brought up in any kind of stable situation.

We hear much about the rights of children versus the authority of parents. Personally I do not see any great conflict between the rights of children and the authority of parents if, of course, both are tempered with a little common sense. It is patently obvious that children who are brought up in a wishy-washy situation without knowing what authority is and what rights are, that rights carry responsibility and that licence leads to irresponsibility, will not be happy children. In all likelihood they will not be contributing members to our society.

It is getting close to the hour so I will not say any more, although there is much I would like to say, because I want to sit down so that we may pass this bill and send it to committee.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I would like to say a few words on this bill, and I want to deal particularly with the moral and economic aspects of family life. A number of members have mentioned the value of the family in our society. Like the last speaker, I have also seen many instances where the inner strength of those nurtured in the love of a family was very evident. I have also noticed the lonely hopelessness and the moral difficulties of those deprived of the love of a family.

Today many of the moral values which make the family great are falling away. I was happy to see some of the latest statistics which show that there is a movement back to proper marriage as we understand it in this country. More and more our young people are realizing the strengths of marriage and the strength of love, both of which go together and are necessary to make a happy family. We have heard mentioned many times, particularly by those in the Catholic faith, that those who pray together stay together.

I would like now to deal with the economic aspects of the family.

The Acting Speaker (Mr. McCain): Order. The hour provided for the consideration of private members' business having expired, I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

AMENDMENT TO PROVIDE TAX CREDIT IN RESPECT OF MORTGAGE INTEREST AND PROPERTY TAX

The House resumed consideration of the motion of the Minister of Finance (Mr. Crosbie) that Bill C-20, to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax, be read the second time and referred to the Committee of the Whole.

Mr. John Evans (Ottawa Centre): Mr. Speaker, I was saying when we broke at five o'clock that there will be no free gift from this government as a result of Bill C-20. The people of Canada will be paying for this piece of legislation in one of three ways, or possibly all three ways. I mentioned at that time that it would be through an increase in taxes, through a reduction of federal government programs, or through deficit financing which would lead to an increase in the inflation rate which would affect all Canadians.

I mentioned at that point that although only 32 per cent of Canadians would benefit from this particular program, 100 per cent of Canadians would be asked to pay for it. What I should like to ask now is why the minister does not "fess up" and tell Canadians that? Why does he not tell them that in order to give some Canadians a $1,500 gift each year, all Canadians will pay the price in higher taxes, reduced federal programs, or higher inflation?

The minister made a very interesting point last night when he indicated that some taxpayers will get a tax credit even if they do not pay the tax. I find that incredible. I will quote from the minister's speech of last night as reported at page 1468 of *Hansard:*

> Oh yes, the property tax credit. Why is the property tax credit a flat rate? Every home owner in Canada, every person who owns a home, whether he pays a cent in municipal property tax or not—and most of them, unfortunately, have to pay

municipal property taxes—is going to get a tax credit of $62.50 starting this year, up to $250. The reason is that in every province they have different schemes for municipal taxation. There was no way to figure out a plan under which you could deduct the actual municipal taxes paid, and be fair.

In other words, if you own a house, whether or not you pay taxes and whether or not you have a mortgage, at the end of the fourth year you are going to get a gift of $250 every year and pay absolutely nothing for the privilege of getting it—except high taxes in other forms, reduced programs in other forms, and a higher rate of inflation.

Mr. Friesen: What about the child tax credit?

Mr. Evans: I notice that the hon. member for Broadview-Greenwood (Mr. Rae) of the NDP stated this afternoon that the Tory policy has something for some and that the Liberal alternative has nothing for anybody. All I can say to the hon. member for Broadview-Greenwood is that this shows how little he knows about economic reality.

I mentioned earlier that I have problems with several features of the bill. I said that it was inequitable and I mentioned my problems in that area. I then went on to discuss the fact that it is inefficient as it is drafted, and it is unnecessary in that Canadians are well housed.

An hon. Member: Like the new government—inefficient.

Mr. Evans: The next point I should like to make is very important in light of the priority this government has placed on fiscal restraint and fiscal responsibility. With the fiscal situation we have today, Mr. Speaker, this bill is unaffordable. Even if the government could resolve all the problems I have mentioned with regard to equity, with regard to efficiency and with regard to necessity, then it would still be the case that Canada simply cannot afford a bill of this magnitude at this time.

This program will cost the federal treasury $2.5 to $3 billion, and probably much more when it is fully in effect. The minister knows we cannot afford it. He knew it before, he knew it during, and he knows it now, after the election.

This bill makes the government commitment to restraint a total and utter sham. The only party that was committed to restraint—and I refer you back to the election campaign—was the Liberal party.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Evans: The hon. gentlemen laugh, Mr. Speaker. If they go back to the record they will see that I am correct. We did not make the promises; they made the promises and the NDP made promises, but the Liberals did not make promises. We told the people the facts. We made no election promises.

An hon. Member: What?

Mr. Evans: The government knew we could not afford this particular proposal, but they made the promises anyway, and now they are choking on them. The people of Canada are the ones who will pay for the proposal. It will only be until the next election, and then it will be the party in government now that will pay for this election promise.

• (2010)

Some hon. Members: Oh, oh!

Mr. Evans: Hon. members laugh, Mr. Speaker, but the writing was put on the wall last night in Newfoundland. It was put on the wall last night in Saskatchewan.

An hon. Member: They are not laughing now.

Mr. Evans: The people of Canada are looking at this government and saying it is a non-government, that it is non-leadership, that it is mismanagement. Already it is six months of mismanagement. There has been no management. That is why it is mismanagement.

Some hon. Members: Oh, oh!

Mr. Evans: This is not going to be tolerated much longer.

An hon. Member: You will be sorry if there is an election.

Mr. Evans: At this point I would like to try to evaluate in a careful way exactly what this program represents. At this point in time it represents a 20 per cent to 25 per cent increase in the estimated federal tax expenditures—

An hon. Member: You are out of your mind.

Mr. Evans: —and it permanently reduces the fiscal flexibility of this government.

This is a structural change to the tax system. This has been shown in the United States where they have had the program, as your minister admits, for a long time. It is shown in the United States to be irreversible once instituted. If it were a housing program, and I hold that it is not, a structural program would remain inappropriate at this time since the housing and construction problems are basically cyclical in nature. They are cyclical problems. They are not structural long-term problems. And structural changes to the tax system are simply not appropriate to address cyclical problems.

There will be many structural effects from this proposal. As a result of this program most likely there will be a reduction or an elimination of certain provincial housing programs that are now in existence.

Some hon. Members: Oh, oh!

Mr. Evans: There are housing programs in Saskatchewan, British Columbia and Ontario. What is to stop these governments from removing their programs as they have done with medicare—

Some hon. Members: Oh, oh!

Mr. Evans: —and removing their programs and depending on—

An hon. Member: You are a socialist.

Some hon. Members: Oh, oh!

Mr. Evans: Another structural change is the probable increase in municipal taxes as a result, because it takes the resistance off the increase in municipal taxes.

Some hon. Members: Oh, oh!

Mr. Evans: So you gentlemen on the other side who are laughing and chortling like chickens, when the people of Canada have to pay the price and lose programs they now have from provincial governments and have higher property taxes, then we will see. Then we will see.

Some hon. Members: Hear, hear!

Mr. Evans: Undoubtedly there will be a further reduction of the benefits of this program to the people of Canada as the provincial and municipal governments skim off their part of the free good which the government is going to hand out to the people of Canada, at least to 32 per cent of them. Beyond the reduction of the so-called benefits of this plan, there are other more fundamental implications. And I hope hon. members on the other side can calm down for a while to listen—

An hon. Member: Listen and learn.

Mr. Evans: —to what these implications will be.

First of all, I think it is very important that we understand that this is going to result over time in a further shift of fiscal powers from the federal government to the provincial municipal governments. We should note that over the last 20 years there has been a substantial shift in fiscal powers between the federal and provincial municipal governments, and that this shift has undermined the ability of the federal government to manage the economy.

If we go back to 1960 we find that the federal government expenditures represented 15 per cent of the gross national product while the provincial municipal share was 10 per cent. If we look at today, in 1978 we find that the federal share has increased very little. It is at 18 per cent now, but the provincial municipal share has gone to 25 per cent. It is the provincial municipal share now that is driving the economy from the point of view of their share of expenditures in relation to GNP. Therefore, structural programs which shift resources to the provincial municipal sector act reduce the flexibility, which this minister, the Minister of Finance (Mr. Crosbie) decries as being a terrible thing. No fiscal flexibility.

Programs like this that have the tendency over time to shift fiscal powers to the provincial municipal sector permanently reduce the fiscal flexibility of this government and severely alter the federal-provincial balance of powers. We lack flexibility. The lack of flexibility is decried, as I have just mentioned, by the Minister of Finance. How then can he introduce this bill in good conscience? I will never know. Further on this point, Mr. Speaker, I have serious concerns over the future of the federal budgetary process. The ability to balance the budget in the 1980s is coming into serious question. There can be no doubt about that.

Some hon. Members: Oh, oh!

Mr. Evans: And no joking from the other side.

An hon. Member: They are a bunch of jokers.

Mr. Evans: I have grounds to believe, and every member in this House has grounds to believe, that the addition of structural changes to the tax system which permanently reduce federal revenues in the face of knowledge that many of our social programs and social expenditures are indexed, justifiably as they should be—they have been indexed automatically—will lead to severe budgetary problems by the mid 1980s. Hon. members opposite know that.

As reported in a recent newspaper article, the chairman of the Economic Council of Canada said this:

> The federal government is in poor position to continue to play its major role in economic management, equalization of provincial revenues, and the conduct of major national policies. And, unless changes are made, the government's management of the economy will become increasingly powerless, to the peril of the country as a whole and the welfare of every Canadian.

Here we go with $2.5 billion to $3 billion into a program that is not or cannot be considered in any way, shape or form a priority to the people of Canada.

An hon. Member: A bunch of losers.

Mr. Evans: When this program is considered in view of other priorities, the need to—

Some hon. Members: Oh, oh!

Mr. Evans: —perhaps you would like to listen.

An hon. Member: Listen and learn.

Mr. Evans: The need to increase the funding base of the Canada Pension Plan, the need to provide improved pensions generally to our retired senior citizens, the need to ensure the needs of our health care which has been decreasing dramatically lately and will require increased expenditures from the federal as well as the provincial governments, I call upon the minister to stand up in this House—if he were here—

Some hon. Members: Oh, oh!

Mr. Evans: —and tell the people of Canada that this program is the best use that he can find for $2.5 billion to $3 billion of their money. It is their money because they are going to pay for it. If he cannot do that in clear conscience, and I do not think he can because this minister has fought this bill in cabinet—the leaks are out, we know he has fought it—

An hon. Member: We know that.

Mr. Evans: —and if he cannot do that, in clear conscience, I think he should stand up and walk out of the House and resign.

An hon. Member: That is what he did this afternoon.

Mr. Evans: What about small business? What about the priorities? Let us talk about the priorities. Small business is choking on this government's high interest rate policy. What about the priorities for small business? Could they use part of the $2.5 billion to $3 billion? What about pensioners who are having a difficult time even getting by? What about single parents? What about the unemployed? What about our commitment to reduce inflation? Where is the commitment to reduce inflation?

An hon. Member: Shame!

Mr. Evans: Where are the priorities of this government?

An hon. Member: It has got none.

Mr. Evans: Is this the time to take scarce federal revenues—they are scarce—we admit they are scarce—

An hon. Member: Why are they scarce?

Mr. Evans: You should recognize they are scarce.

An hon. Member: Because of the new government.

Mr. Evans: —that are needed for very worthy and legitimate social and economic programs, and throw them away on a callous economic and political gimmick? I say no, it is not the time to do this. Is this the time to add a structural change to the tax system which will cost $2.5 billion to $3 billion a year, when we must move to stimulate energy development and when we must move to stimulate secondary industry, when we are already running a deficit of $11 billion that we hear about every day in this House from the Minister of Finance?

I suggest that in view of the clear and pressing priorities, this bill is irresponsible beyond all reason.

An hon. Member: Bunglers. New government.

Some hon. Members: Oh, oh!

Mr. Evans: It clearly shows that the economic vision of this government is not only short-sighted, it is totally lacking. The hon. member for Broadview-Greenwood mentioned earlier today that during the last session of parliament the House sent a non-partisan group from all parties to the United States to examine its program which has similar features to the one being proposed by this government. They talked to people all across the United States who knew about the effects of this program. To a person they suggested and recommended strongly to this government of Canada, "Don't do it. It is a bad policy."

An hon. Member: Right.

Mr. Evans: Members of that committee, one is sitting behind you, came back and unanimously recommended against the introduction of this policy. The current Prime Minister (Mr. Clark), in the same spirit and with the same forethought as his promise to move the embassy, disregarded that sound advice in exchange for short-term political gains. We paid the price for Jerusalem and we will pay the price for this one, if it goes through, as well. I appeal to the government on grounds of equity, efficiency, necessity, and cost, to be responsible, to look at the future and realize that the budgetary problems we face are serious and that our options are few.

• (2020)

I call on the government to consider the priorities of Canada, the real needs of Canadians, to realize that this program is a major error which will dramatically reduce the government's fiscal flexibility and exacerbate the budgetary problems we will face in the future. The people know the facts and they know that this government is not delivering the goods. Well, not having been in session for six months, how could they? Sure we would all like to lower taxes, sure we would all like more for less, but we know the facts; there is just no free lunch, and it is fraudulent to try to tell the people otherwise.

You cannot tell the people how tough times are out of one side of your mouth, and then tell them we are so flush that we can afford to throw $2½ billion to $3 billion per year into an election promise which is not directed at the real problem facing this country. You cannot tell the people they have to cough up billions in higher energy costs and then tell them we have the funds for this type of program. You cannot tell the people that they have to pay record interest rates because of budget and trade deficits, and then tell them we can afford a non-productive use of government funds in this day. No, Mr. Speaker, the people are not fools, and they resent being treated as such. This bill is just such an attempt.

I call upon the government to come to its senses and withdraw this bill in the best interests of Canada and Canadians.

Hon. Erik Nielsen (Minister of Public Works): Mr. Speaker—

An hon. Member: Speak for big business.

Mr. Nielsen: I come from an area that is chock full of big business. It really astounds me to hear the hon. member for Ottawa Centre (Mr. Evans) speak like he did. I can only attribute it to the fact that he is getting used to the place. He is a member of the party who were the originators of the highest interest rates in our history—

Some hon. Members: Oh, oh!

Mr. Nielsen: —who were the originators of the highest taxes in our history—

Some hon. Members: Oh, oh!

Mr. Nielsen: —who were the originators of the highest unemployment rate in our history—

Some hon. Members: Oh, oh!

Mr. Nielsen: —who were the originators of the highest spending in our history—

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. McCain): Order. Let the speaker be heard.

Mr. Nielsen: —who were the originators of the highest deficits in our history—do I hear any nays on that from members opposite—who were the originators of the highest national debt in our history, who were the originators of the highest bankruptcy rate in our history.

Mr. Evans: Not any more.

Mr. Nielsen: Let the hon. member still check the figures. In spite of this, the hon. member for Ottawa Centre speaks of fraud on this side of the House. I could not believe my ears when they are led—at least one assumes they are from time to time led—by a man who, in 1974, said there would be no wage and price controls, and within a year we had them. Does that fall within the hon. member's contemplation of fraud?

An hon. Member: You have been in power for six months and what have you done?

Mr. Nielsen: I will get to that. I cannot identify the voice of the hon. member with the black moustache and glasses. I cannot identify his riding.

An hon. Member: High River.

Mr. Nielsen: That will be the frosty Sunday that the hon. member is ever from High River or even gets a look in there. This is a simple measure, a really simple measure. It is very easy to understand. It should not require any great effort on the part of members opposite in approving its implementation. For the life of me, I cannot figure out what they are going to do when it comes to the crunch. Are they going to vote for or against it?

Mr. Parent: Against it.

Mr. Nielsen: They are going to vote against providing mortgage interest deductibility and property tax deductibility to Canadians. I really cannot understand.

An hon. Member: You do not listen very well.

Mr. Nielsen: I fully expect there are divided opinions over there. It has been said that this measure is a result of a political promise. That is so. What's wrong with that? That is exactly so. I hope it will not be too difficult for some hon. members to accept the fact that there is a party in the political life of this country which attempts to carry out its promises.

Some hon. Members: Hear, hear!

Mr. Nielsen: I can assure you, Mr. Speaker, and I am sure the Minister of Finance (Mr. Crosbie) will bear me out, it is as close to the measure placed before Canadians in the election as it is possible to come, given the constitutional and fiscal ramifications of government responsibility. We promised tax relief to Canadians based on mortgage and property tax payments, and we are here in this House, doing our very best to carry out that promise. What do we get from members opposite?

An hon. Member: Praise.

Mr. Nielsen: We get opposition. We get opposition for wanting to provide that very relief that was the primary result of them being there. I am astounded that they do not come to that realization.

Mr. Lefebvre: You are not through being astounded.

Mr. Nielsen: I did not hear the interjection. If the hon. member would like to stand up and make it—

Mr. Lefebvre: You are in the government now, forget your old style.

Mr. Nielsen: I realize that we are in government. My astonishment is that members opposite do not yet realize that they are in opposition.

Mr. Lefebvre: Start speaking like a minister and not an opposition member.

Mr. Nielsen: If the opposition whip will give me an opportunity to be heard, he will realize that I am trying to impress upon them the reasonableness of this proposal.

I want to speak to the merits of the proposal. Who can in all reason doubt that it promises substantial relief, and soon, to that category of taxpayers, mostly in the middle age group, who can most positively and directly benefit from the proposal? It is not without significance, I suggest, for the prosperity of the nation that the measure will return close to $600 million in personal spending power to the economy. This may be shocking to certain members opposite who subscribe to the theory that the government is better able to dispose of individual income than the people who earned it. That was the philosophy of those who now sit opposite. That is not and never has been the theory of this party, and it is not the theory of this government.

● (2030)

When the program reaches its culmination in four years it will return to those Canadians who are qualified, that is, to several millions of Canadians, $1,250 a year. What is wrong with that? Surely even our friends in the New Democratic Party cannot object to that. Or do they object to the Canadians who qualify receiving at the end of that term $1,250 a year? Is that what they are going to vote against? In addition there will be a property tax credit of $250 a year. Are hon. members opposite opposed to that? Do they want to deny that benefit to Canadians? Those are the hard facts they are glossing over in their political partisanship. This is a policy which a great number of Canadians voted for in the election

and it is the policy we are now prepared to implement with the approval of this House.

I heard some comment tonight about the United States from the hon. member for Ottawa Centre. I would simply point out to members opposite that in the United States where there has been a massive movement towards the reduction of the bureaucracy, reduction of government intervention at all levels and, consequently a reduction of taxes extracted from individual and corporate owners, this movement has been followed by increased economic stimulus, an increase in revenues at the state levels, and a drop in inflation.

This measure is only one step in the unfolding policy of this government to entrust the taxpayers of this country with a larger measure of spending power over those dollars which they themselves earned by their own initiative and enterprise.

There are three other vital concerns in the implementation of the policy before us. The measure will assist those who are working to acquire ownership of homes and property. It will stimulate housing construction and the employment related thereto—I need not mention the multiplier effect of that. It will ease the tax burden, already unduly onerous, on nearly four million families, which was the responsibility of those who sit opposite when they supported the government of the day. What is wrong with easing the tax burden on four million Canadian families?

An hon. Member: Why don't you do it and stop talking?

Mr. Nielsen: Why don't you support a measure which will achieve precisely that objective? If you want to pass it tonight, that is great, we shall do it.

Surely, in view of past statements and policy enunciations by hon. members opposite, particularly in the New Democratic Party and the Social Credit party, all of these are worthy and commendable objectives, objectives to which they have many times publicly and passionately subscribed.

I would hope in the light of this it would be possible to debate the merits of a measure so demonstrably beneficial to a wide range of Canadians, free of partisan recrimination and short-sightedness and free of the bitterness which still lives with them over there as a result of the verdict of the Canadian people on May 22.

One can discern, Mr. Speaker, in the tone of the House a recrudescence of partisan temper following hard on the events of yesterday. The hon. member for Ottawa Centre raised it again today.

One can even understand a certain exuberance on the part of the opposition, particularly members of the former government who, in a kind of prophetic frenzy, see the bauble, power, once again dangling before their eyes. I am afraid that is what it will continue to do, Mr. Speaker. Just dangle—as they have been doing ever since we began sitting here again. I want to convey in the friendliest way possible, to hon. members opposite, that just as one swallow does not make a hangover, so one byelection does not signify "Paradise Regained".

Some commentators, sir, have related the effects of the measure before the House to those of rising interest rates and have stated that the impact of the measure has already been lost, eaten up: conversely, I emphasize that the measure will soften the effect of high interest rates for several million Canadians. Hon. members who are critical of the measure do not address that aspect. The juxtaposition of the two matters is not unfair; it should be made clear that the tax credit we are now discussing reflects more clearly this government's policy and approach to taxation and, what is even more important, a balanced economic order, than does the policy of high interest rates, a situation in which the government was left with very little room to move.

Some hon. Members: Oh!

Mr. Nielsen: Members over there pooh-pooh that, but those who do so in the loudest voice have not had the same access to the books as we have had since June 4. That was the situation we found when this government took office. That is a fact. Like Old Mother Hubbard we found the cupboard was bare. Not only did they leave nothing in the pantry, they took the pantry away with them, too.

An hon. Member: A sad excuse!

Mr. Nielsen: Our first concern was to restore order and balance in the economic and fiscal affairs of this country.

An hon. Member: What do you mean, "order"?

Mr. Nielsen: The hon. member interjects. Real order. Order where there was none. Order where there was a vacuum. Order where the Auditor General said Parliament had lost control of public spending. If you don't believe voices from this side, then at least believe the independent voice of the Auditor General.

Our first concern was to restore order and balance in the economic and fiscal affairs of this nation. I should also point out that while this government has been criticized for the present level of interest rates, it should not be forgotten that interest rates were already high when we took office and would certainly have gone higher. You cannot have a budgetary deficit of twelve billions along with inflation of 10 per cent to 12 per cent in real terms, and keep low interest rates.

One of the essential elements in the kind of double digit inflation we have suffered from for so many years, is that as the cost of goods and services goes up, so the buying power of the currency is eroded. Money out on loan can lose its real value, in terms of purchasing power, far more quickly than the rate of interest can compensate. The result is reluctance to lend by private lenders.

An hon. Member: Whose fault was it?

Mr. Nielsen: The hon. member asks whose fault was it? Is he suggesting that in five months we created the mess we found? He is living in dreamland. That is the bauble they are looking at. When you have higher rates in a massive and

contiguous intermeshed market like the United States, then the forces compelling a comparable increase in rates are well-nigh irresistible. That's the hard fact. Nevertheless, this government remains committed to the principle of low interest rates as soon and as quickly as the international and domestic economic climate permits us to take appropriate action.

Massive deficits, high inflation, massive and virtually uncontrolled spending over a long period of time—16 years—were not conducive to a resurgence of prosperity. And that is what this country has been experiencing. The only possible end to the policies pursued by the previous government had to be a loss of confidence in Canada's ability to manage the national economy, a catastrophic decline in international acceptance of the dollar, loss of our competitive position, erosion of savings, and widespread and continuing unemployment.

Rather than permit these events to unfold with the inevitability of a Greek tragedy, or follow the stance of the former government paralysed by its own incompetence, we decided to act. One of those measures upon which we decided to act is before hon. members now. They ask what we have done. The measure is before hon. members. Let them support it.

• (2040)

We agreed with the recommendations of the governor of the bank, and we took steps to staunch the haemorrhage of confidence and the leaking away of our assets. At the same time, restraint will be exercised in bringing about increases in the money supply, somewhat contrary to the policy of the former government, which apparently attempted to use the device of increasing the money supply as a means of meeting its debts.

It is a fact that while a reasonable and prudent approach to money supply policy would indicate an increase rate of between 6 per cent and 9 per cent, under the former administration this was allowed to rise to 12 per cent and 14 per cent, contributing substantially to the inflationary levels in this country.

In the face of general uncertainty generated by the previous government's lack of policy, ours must be a policy of responsibility and getting Canada back on the track. To follow any other policy at this time would be self-serving and, indeed, politically motivated.

One of the areas in which we are committed to pursue a policy of selective recognition of the needs and the role of various groups and classes of Canadians lies in the field of tax credits for residential mortgage interest payments. There will be, from time to time, other examples of the government's concern for certain areas and groups within society whose particular role and the demands of that role necessitate a special kind of approach. There is no contradiction in this measure and no departure from the carefully considered policy of prudent restraint, brought about largely by the previous administration's failure to come to grips with the realities of the situation. We are now, all of us, faced with the consequence of that failure on the part of the previous government, and we shall by a measured, careful, and concerted series of policy initiatives restore health to Canada's somewhat neglected economy, to put it in its kindliest terms, and to move this country forward along the path of economic and social progress. That is the state of affairs.

If hon. members opposite persist in the folly of opposing a measure clearly intended to bring relief to millions of Canadians and to provide a stimulus to the economy, then they are pursuing the course of disaster, a disaster which they experienced on May 22, and I am convinced that they really cannot see that they are headed down the same road again.

[*Translation*]

Mr. Jean-Claude Malépart (Sainte-Marie): Mr. Speaker, the program aimed at making home ownership accessible to a greater number of Canadians was a worthy one, but unfortunately Bill C-20 presented by the minister is only a band-aid on a wooden leg. Moreover, this bill is unfair to many Canadians, mostly the four million tenants and the majority of senior citizens who own their homes and have already paid their mortgages. In my opinion, this legislation is a joke as far as the home owner property tax is concerned, when we know that the same minister authorized a raise in the interest rates for the greater benefit of the banking institutions.

Mr. Speaker, the New Democratic Party, the Social Credit Party of Canada and Liberals have all criticized this unacceptable bill. I am also convinced that many of the government backbenchers are against the bill, but are not allowed to say so. Mr. Speaker, I would like the minister to say why his government will not grant a property tax credit to tenants and I hope he will not give a silly answer such as the one he gave newspapermen, saying that tenants will not get anything because they were not promised anything.

I would also like the minister to tell us why this Progressive Conservative program grants a maximum tax credit of $260 after four years to families with incomes between $10,000 and $15,000 compared with a tax credit of $900 for those with an income of $30,000. Is this the justice of the Progressive Conservatives, Mr. Speaker?

An hon. Member: It is.

Mr. Malépart: I would also like the minister to explain the inequity of this program for all Quebeckers because of the difference in the number of home owners and tenants. According to the experts of the Minister of Finance, during the first year, 44.7 per cent of the $575 million in taxes saved through this program will go to Ontario residents compared with only 18.1 per cent in Quebec. Will the minister grant financial compensation to Quebeckers? Moreover, I would like him to tell us from which department he will take the money needed to finance this program. Will there be a transfer from the budgets of old age security, family allowances, unemployment insurance or Canada Works projects, which have already been cut? I am curious to hear what the minister has to say about this.

Mr. Speaker, I would like to remind the minister and the government that since they have been in power they have passed or have intended passing legislation that will crush lower income citizens, such as the increase in heating oil and gasoline prices, the increase in interest rates for consumer loans, the cuts and the elimination of Canada Works projects, and Bill C-20, which completely ignores lower income citizens. I would like to remind this government that there are more than seven million citizens whose income is below $10,000 a year, 1.5 million people who depend on social welfare and receive only $62 to $75 a week, 1.6 million senior citizens whose only income is old age security pensions and the guaranteed income supplement, as well as 743,000 unemployed, and that all these citizens have pressing housing needs.

In closing, Mr. Speaker, I hope that this government will consider lower income citizens and that the Minister of Finance (Mr. Crosbie) will put a stop to his buffoonery and replace his bill by a true housing policy which will take into account the needs of low income home owners and tenants.

[*English*]

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the hon. member who just finished, the hon. member for Saint-marie (Mr. Malépart), asked a number of questions about property tax relief for tenants, and I will be speaking about that in a few moments. I think he confused the tax credit scheme with a scheme in connection with deductibility from tax. I think it is important that he understand that this is a tax credit scheme, and the rate of tax you pay does not really matter. You get the same credit. Clearly, you have to be a positive taxpayer to receive benefit, but as long as you are a positive federal taxpayer and you are paying mortgage interest, the rich man receives the same benefit as the poor man in relative terms. This is not a scheme to assist people on welfare, people on low incomes, or senior citizens. The hon. member spoke about that. We have to develop other schemes for those people, and I want to speak about that tonight.

The lead speaker for the Liberal party, the hon. member for Winnipeg-Fort Garry (Mr. Axworthy), ranted and raved yesterday. This morning I decided I should read some of that gibberish, and I found that he said nothing, largely because he failed to realize, as does the entire opposition, the concept of this program. This program attempts to come to grips with some of the problems which have developed in housing over the past six or seven years. Some of those problems have to do with high interest rates. This program comes to grips with that problem by giving to home owners relief, as the hon. member for Guelph (Mr. Fish) indicated, of between 2 per cent and 3 per cent against the interest factor on their mortgages.

We have been asked, both in the finance committee and in this House, what we are going to do about people who have mortgages to pay. What kind of relief are we going to give them in terms of interest? Unfortunately, on this terrible market—temporarily I hope—they may have to pay perhaps 14.5 per cent on a first mortgage. This program is one which gives them 2 per cent to 3 per cent relief, when it is fully in place, against that enormous interest cost. That is a very important consideration which all members of the House should appreciate.

• (2050)

There is a problem in housing in this country because of some very foolish stimulative building programs conducted by the former government. I speak of the assistance program which allowed housing to be built with 95 per cent and almost 110 per cent mortgage financing under AHOP and other programs. In the city of Mississauga which I represent, it created situations where builders have just turned back condominium projects holus-bolus to the Canada Mortgage and Housing Corporation and said, "Here you are. You own them. They are empty". The problem the other side fails to recognize is that there is vacant housing because people cannot afford to buy that housing. They cannot afford to buy it because it costs more to be an owner than a tenant in this country. I will be speaking about that later as I go through this whole matter.

I thought we should come to the various objections to this bill. The bill attempts to develop some equity and to allow young people, particularly young people who want to raise families, to become part of Canada, to become owners, to have a place to stand. They want the right to own their own homes and have backyards for their kids. There are a lot of people who have paid for their houses. Other than the tax credit scheme in terms of municipal taxes, this bill does nothing for them at all. It gives them something toward municipal taxes. I will speak about that later.

Let us talk about mortgage interest. It is for the young people who have grown up, those who want to go out and buy their first or second house. It is those people who want to raise their families. Their first house is too small, so they need another one, a larger one. They need some relief so that they, like their parents before them, can realize the dream of Canada, the dream of owning one's own home, being part of Canada and having a place to stand in the country.

They say that it does nothing for people who own their homes outright. It does not earn too much for them on mortgage interest, because they own their own homes and do not have to worry about going out and borrowing mortgage money at the extortionate rates of interest developed by the tremendously stupid economic policies of the former government. They do not receive any help, so let us talk about renters.

They say that renters do not receive any help. They say there is no relief for tenants, so it is inequitable. Let us talk about tenants for a moment. The other day I received a wonderful brochure from Headway Investments Inc. Headway was introducing its new Guildford-Concordia partnership organized under the MURBs plan. The MURBs plan produced a housing program. It was introduced by the Liberal government which was defeated just a short while ago. Let us go through some of the various wonderful examples which Headway Inc. indicated that it could do for a person under MURBs. They set out a table in their form. They clearly

demonstrated, even with a graduated payment plan mortgage, which was an invention of the former government, that a person who is an investor, the person at the 56 per cent tax rate, can invest in this apartment complex. Over a very short period of time—five years—on a $10,000 investment he will have $19,000 in return.

At the same time they say that these apartments can be rented for $400 or $450 a month. Yet the cost of carrying the apartments, the cost of paying the interest, principal and maintenance costs, mean that in fact tenants are renting the apartments for $1,000 in the first year less than the carrying costs. Why is that the case? It is simply because of members opposite.

The hon. member for Ottawa Centre (Mr. Evans) was much in favour of the little people, the small people. His government was in favour of the 56 per cent bracket taxpayers who wanted to use tax shelters and MURBs. They were in favour of the people who wanted to make it big, and not in favour of letting ordinary little families deduct their mortgage interest. It is all right for big investors to go out and buy into a MURB. He can put his ten grand up and get his $19,000 back in five years. He can make a profit on people in tenancy just because he can take his money, his tax allowances, his capital gains, his deferrals, and come out with bucks in his pocket. But it is not for the little renter, not for the guy with a young family who wants to buy a house. They would not let him have any breaks in the tax system. They just made it for the big guys. That is their housing record. If one supports them in this vote, one should remember that that is their housing record. It is the type of thing we must vote against. We must give little people the same kind of breaks as these fellows gave the big fellows.

They say it is inequitable that there should be some specific tax relief. They say that it is terrible we should have tax relief for little people who want to buy houses, young couples who want to get started in this country. But it is perfectly all right for manufacturers to have fast write-offs, and for oil drillers to have drilling relief. It is perfectly all right to give old people an extra $1,000 allowance and to have registered retirement savings plans which allow people to deduct $5,500 a year from their taxable incomes. That is perfectly all right, but it is not for the young guy who is trying to raise a family and buy a house. It is not all right for him. Rip him off, take it out of is pocket, do not give him a tax relief. That is the attitude of hon. members opposite which is expressed in everything they say. They say that it is inequitable. Yes, it is inequitable in the sense that young people who are trying to raise families are being ripped off by our tax system. It is totally inequitable. They know it and they ought to be embarrassed about speaking against this bill.

This bill has some serious social objectives. It is the objective of this party to make it possible for Canadians to become owners as individuals in Canada. That is the same social policy we have with respect to the privatization of some Crown corporations. That is the same social policy we had when we talked about allowing people easily to become the owners of companies for which they worked. In the social fabric of Canada it is important that Canadians have an opportunity to own a piece of Canada.

Earlier today there was a debate with respect to families. Good, decent, sound, owned housing is exceptionally important in building a family, in making it possible for young kids to grow up like their mothers and dads. It is important for them to have a place to stand, to feel that they are part of a community. That must be the social aim of this government as well, though it may not be the aim of the Liberal party or the New Democratic Party.

I should like to talk about older people. As a lawyer I have had the opportunity to wind up the estates of older people. Time and again the people who managed to buy houses in their young age, to develop those houses, eventually to pay for them and to own something, have not come crying to the state for supplements, extra assistance or social housing. They have been able to stand on their own, to raise their families as independent Canadians and really feel that they can carry their own weight. Even in their old age they are proud because they are able to stand on their own feet and not look to governments for handouts. That is the kind of society we must build.

• (2100)

When they say over there that we are not doing enough for senior citizens, they are right, but this bill is not going to do that. This bill is going to make sure that when people become older they too will be able to have homes and those homes will be paid for, and they too will be able to have a stake in Canada, and that stake in Canada will be free and clear from debt.

We could go on forever subsidizing rents in this country. What do those gentlemen want us to do? Do they want us to make the landlords wealthy forever? The Headway study shows what happens in respect of rents. They start off in the first year at $5,006 and by 1989, just through the progression allowed in the province of Ontario, the same apartment will rent for $8,019, a decade from now. When they say they want us to subsidize rental accommodation, really what they are saying is that they want to make sure these people remain tenants forever so they will always require assistance. Do not let them become independent on their own. Do not let them become owners in Canada, but make sure they are always dependent on handouts from a benevolent state, if the state is ever benevolent.

We have had experience in respect of the former government's housing program. I spoke earlier about AHOP. In 1975 that government put out 16,000 AHOP loans in the province, with 9,600 in Mississauga alone. Every one of those people has a mortgage coming up for renewal right now. That government made phony deals and told those people not to worry about buying houses because inflation would look after them. They told them not to pay enough now and all the rest of it because inflation would protect them. In other words, we had a government policy in which the people were dependent upon inflation to get out from under it. What a dishonest policy.

What we are saying is that we are going to give the people some tax relief. We are not going to give them crazy things like AHOP or graduated payment plan mortgages, or all of that gobbledygook with numbers and letters; we are going to give them something fair and something they can understand. We are going to give them a reasonable allowance so they can write off the interest they pay on their homes the same as one can write off the interest if he buys shares in Bell Telephone or perhaps in Petro-Canada.

I spoke about the situation with regard to this Headway matter, with the capital cost allowance, and I spoke about the way the present scheme with a MURB is a benefit to the rich and the wealthy. That was a scheme for housing developed by the former government. How they could ever say or come to this House and tell us that while they are quite happy about letting the rich have the benefits of tax deductibility, they are not going to let the little people have that benefit, I do not know.

One of the suggestions made by the hon. member for Ottawa Centre was that the effect of this mortgage tax deductibility allowance would be to increase the demand on mortgage money. I have been in the mortgage industry for some 25 years, and I know that at the present time there is more money, in a sense, in the mortgage industry chasing loans than there are loans available.

Some hon. Members: Oh, oh!

An hon. Member: Why is interest so high, then?

Mr. Blenkarn: The hon. member refers to interest being high. I want to speak about that, and I am glad he raised it. The question as to whether interest rates are high or whether interest rates are low is one of perception. In my perception I think interest rates for housing are high right now, but I want to make it very clear that interest rates charged on mortgages are significantly lower than the prime rate at any bank in Canada. When you say interest rates on mortgages are less than the prime rate charged by banks, you have all of a sudden said something rather dramatic.

Anyone who has been in the mortgage industry for any length of time would know that the traditional rate of interest charged on mortgages has always been 1 per cent to 2 per cent above the bank prime rate. For the past 24 years that has been the case. It is only now with the surplus of mortgage money available in the market that interest rates on first mortgages are presently below Canadian interest prime at the banks. What you have here is a matter of perception; what is high and what is low? Indeed, in terms of historic levels, mortgage interest is in fact low. I think it is too high, too, but that is a matter of perception.

What the hon. member for Ottawa Centre ought to realize, and what this House should know in analysing the mortgage interest and this plan, is that there is plenty of mortgage money around in this country, and even if there were an increase in the demand, and I want to speak about that in a moment, there would not be any wiping out of the availability of supply. The argument that this plan will wipe out mortgage supply and make mortgage money only available to those with the best credit rating, is drivel. It is drivel particularly because of the amendment to this plan from the original plan proposed by this party during the election campaign.

Members opposite will remember that during the election campaign it was suggested that mortgage interest should be deductible from tax. It was suggested that you could in fact go out, and this was said by someone in the NDP during the campaign I was involved in, and borrow against your house to buy a yacht. Under this particular plan you cannot do that. This plan only refers to interest owing on the mortgage one owes right now, or on the house one might acquire in the future. It has nothing to do with allowing people, other than for home improvements, to go out and increase their debt and so write off their interest.

When you look at it from that point of view you must realize, as must the hon. member for Ottawa Centre as an economist, that the people who buy houses are probably already living in houses which are already financed, so the only incremental increase in demand on the mortgage market as a result of this plan will be that which will result in an improvement in the quality of houses that individual Canadians own. There will be no real incremental demand on mortgage funds, simply because the funds cannot be used for other purposes than for home ownership.

An hon. Member: It will have no effect on new housing?

Mr. Blenkarn: I am glad the hon. member has mentioned new housing, and I might as well come to that subject right now. In respect of new housing, there is no question but that this plan has a stimulative effect, certainly for the first five years. At it is phased in during the first five years, it becomes easier and easier for people who are presently tenants to leave their rental accommodation and become home owners. To that extent it will provide some stimulus to the house building industry. I think it is essential that the house building industry have some stimulus at the present time. I do not like to see an economy sponsored by house building stimulus, but perhaps this industry is over-expanded. It needs time to work things out, and this stimulus gives this industry an opportunity to work out this problem of over-expansion over a number of years.

• (2110)

This stimulus will also provide new markets for the industries which make such things as refrigerators, drapes, carpets, and all those things which go into housing. To that extent there is a stimulus, and it is very important to our economic setting. I do not believe that it is a permanent stimulus, but it is a stimulus that is available for the next five years. The disaster that the housing industry in this country has faced with the inappropriate and improper policies of the former government, particularly over the last five or six years, indicates that this industry at this point in time needs some relief. This plan will give it that relief.

I think this plan is important to the surplus of Canada Mortgage and Housing Corporation repossessions available on the market. To this government those houses which have been repossessed and which cannot be sold represent a value paid for by the people of Canada. Those houses must be occupied because they were designed as owner-occupied residences. This plan will allow and make it possible for people to buy these houses.

During the election campaign I knocked at a number of doors in apartment buildings as did, I am sure, all hon. members who are from urban ridings. I found that a great many of these people wanted to own a house. It was mentioned earlier today that 90 per cent of Canadians have as one of their desires the wish to own a home. People in rental accommodation said that they could not afford to own a home. They said, "I can't pay the payments. Sure, I could get the $2,000 or $3,000 for the down payment, but I can't make the payments".

An hon. Member: Lower the interest rates.

Mr. Blenkarn: That is exactly what this plan does. It gives the people a 3 per cent reduction on the interest rate.

An hon. Member: They are not very smart.

Mr. Blenkarn: No, they are not very smart, and they cannot understand anything. This plan would allow people up to approximately $125 a month which can go toward the cost of home ownership. In order to get the $125, however, the individual must have a mortgage which would require some $5,000 in interest payments, and this in turn would indicate some tax payments. When I go through the Headway report which I mentioned earlier, I find that that is exactly the situation and that the mathematics are there. Instead of giving the $125 to the people of Canada through MURBs, through write-offs, through the tax deferral system, through a quick capital gain profit on investment, we do the same thing for the purchase of an apartment or condominium, and that is where this scheme makes sense. It makes it possible for the person who is a tenant to afford the same monthly payments, and that is what we are talking about—what it costs a month to carry the darn thing and to become a home owner. There has been some suggestion—

An hon. Member: By whom?

Mr. Blenkarn: Well, for example, the economic department of the University of Calgary wrote to me suggesting that this scheme would only allow for an increase of 10 per cent in the number of home owners in Canada. They were opposed to the scheme. If there is 60 per cent home ownership in Canada and this tax proposal increases that home ownership by 10 per cent, then that is some increase. In other words, the economic department of the University of Calgary said it would only increase home ownership from 60 per cent to 66 per cent. If that is a bad thing, then I do not understand what is good.

The New Democratic Party has also proposed a policy to assist home owners, having seen our plan, in the form of a direct susbsidy on interest to first time buyers. On the surface that sounds rather intriguing. The only problem is that when a person buys his first house, he usually has to buy a second house before he can come close to paying off the mortgage on the first house. Usually a person will go through, if any of the studies are correct, three or four houses before he or she finally settles on the house which will eventually become his or her last home. If the government were only to subsidize their first house, then the family would forever be tied to the first house which they bought. That, of course, portrays the difficulty of that ill-thought-out scheme. In addition to that problem, they must recognize that such a direct subsidy scheme, presumably based on income, would require enormous numbers of civil servants, applications, checks on subsidy payments, cross referencing and, indeed, would result in setting up an entirely new bureaucracy. It is much simpler if it is partially allowable through a tax credit from income tax.

One of the characteristics of this plan that has always intrigued me, being in the mortgage business, is the knowledge that for once a great number of people who have been collecting interest from mortgages on a private basis will finally wind up meeting their maker, the tax collector. Once interest on personal home mortgages is deductible or allowable from tax, that immediately means that the person paying the interest will report those payments on their income tax form to their friendly tax collector. With the beauty of computers, those people who have for so long been avoiding the payment of income tax on mortgages collected on private single family residences, will finally wind up paying.

I suggest to this House, as I have to the Minister of Finance (Mr. Crosbie), that this plan will probably more than pay for itself in this first taxation year through the reporting of interest not presently being declared by those people who collect interest. If that is wrong—I notice the hon. member for Ottawa Centre shaking his head, and if I wanted to, I could show the hon. member in spades—one of the big advantages of the plan is that we will finally wind up finding out who really gets their investment income and does not pay the tax on it.

Before I finish, I would like to speak for a moment about the allowance on municipal taxes proposed in the bill. When the bill is finally in place it will give home owners an allowance of $250 toward municipal taxes. In the first year of operation, all owners of real estate including owners of mobile homes will receive an allowance of $67.50 from federal income tax toward what may or may not be payable with respect to municipal taxes. A person paying taxes at the 25 per cent marginal rate will be able to write off up to $1,000 in municipal taxes against personal taxes. That will put most home owners in the country in the position of being able to deduct municipal taxes from income tax. I have always felt that there should not be double taxation in this country, Mr. Speaker.

• (2120)

The hon. member for Ottawa Centre suggested that this is a transfer of power to the municipalities and that it is a terrible thing to give municipalities the right to be treated as real governments. I see this as a recognition that municipal govern-

ments are legitimate governments, responsible to their citizens for what they tax. To some extent that tax is allowable from federal tax in much the same way that provincial tax is recognized as being to some extent allowable from federal tax. It is important that we recognize the various levels of government in this country, Mr. Speaker.

This is a nation of communities. I come from the community of Mississauga which the world heard about last week, though not in a way we would have liked. In this country of communities, each community has a responsible government. This bill to amend the Income Tax Act is a recognition of the responsibility of the municipalities and their right to raise taxes, and the merit of that tax being to some extent allowable from federal tax is an important recognition which makes municipalities even more responsible in spending money on any programs they may initiate.

The hon. member for Broadview-Greenwood (Mr. Rae) offered certain amendments on behalf of the New Democratic Party. He said that the credit should not be tied to ownership. I think I have said enough about the situation as it concerns tenants, Mr. Speaker. He said that the credit should be refundable through a negative income tax scheme. The idea has some merit but I am sure he will realize, as I do, that it is probably beyond the fiscal competence of the government. The criticism that the bill only helps young people and does not help senior citizens is a legitimate criticism, but it is not a valid criticism considering the limits imposed upon the government with respect to fiscal action.

The government is being very responsible and is phasing this tax allowance in over a four-year period. The cost to the treasury in this year is less than $600 million. The program will be phased in as the money is available. It will be phased in because we want to get the stimulus through the system now. People will be able to buy up some of the surplus repossessions and so on, and thus get the housing market moving. It is phased in so that it will not totally upset the treasury.

I am sure the hon. member realizes that at this stage it would be totally impossible to bring in a negative tax scheme that would give rebates to people from whom no tax was collected. The hon. member also said that the tax credit should somehow be indexed backwards. I do not know how that would be achieved, but I assume it is a scheme that is graduated so that the more a person makes the less credit they get.

One of the advantages of a tax credit scheme as opposed to an interest deductible scheme is that the tax credit scheme treats all people equally. Surely a system of equity is what we should promote in this country. I really cannot make any sense of the proposals advanced by the New Democratic Party, although I appreciate the philosophy behind them.

This bill is an important thrust toward improving the housing of all Canadians, particularly young Canadians who want to raise families. If this bill is defeated, then clearly there will be an election. Hon. members opposite had better realize that.

Some hon. Members: Hear, hear!

[Mr. Blenkarn.]

Mr. David Berger (Laurier): Mr. Speaker, the hon. member who just spoke and the Minister of Finance (Mr. Crosbie), have stated that the government may call an election if this bill is not passed by Christmas. I should like to ask them what they suggest I should say to my constituents this Christmas? After seven months of Conservative government what can I show them that has benefited my riding?

Yesterday I received a call from an 85-year old woman in my riding. Although she is in relatively good health, she has received home care service through a Canada Works project in the past. As of this date, however, our projects have not been approved. Last year most were approved on September 25 and the balance on October 10. I think it might be appropriate to ask this government what the cause is for the delay.

We have asked the government where it will get the money to finance the mortgage tax credit plan, but I suppose we will not get answers until the budget comes down on December 11. We know already that $50 million has come from the Canada Works program. The budget in my riding was cut from $500,000 to roughly $280,000. Am I to tell my constituents that I supported a program which deprived them of these services?

So much has been said already about the pros and cons of this bill that debate seems almost superfluous. Nevertheless, Mr. Speaker, I feel it is important to stress several points. First of all, everyone knows that this is not a housing bill. Instead, it is a tax cut directed to a certain segment of the population—those who own houses. As everyone knows, the proportion of those who own homes in Quebec is much lower than the national average. In the city of Montreal it is 38.2 per cent as compared to the 68.1 per cent which is the national average.

At the Standing Committee on Health, Welfare and Social Affairs on November 1, I asked the minister responsible for Canada Mortgage and Housing what this bill would do to help solve some of the problems in our cities, such as housing for the elderly and low income earners, the flight to the suburbs, and the deterioration of the urban core. The minister acknowledged that the solution of these problems was not, and I quote, "the primary purpose of this program".

I also drew the attention of the minister to the CMHC Residential Rehabilitation Assistance Program and the problems I have noted in the operation of this program in my riding. It is a familiar story now, because it occurred on a number of occasions and with a number of projects, since the election last May. Some low income tenants who have been living in the same apartment for over 30 years, some of whom are ill and handicapped, have been advised that their leases will be cancelled at a future date, when government approval is obtained. Owners are unable to set rental dates before undertaking the construction. The tenants doubt that the projects will ever be undertaken but feel that the owners would rather make some superficial repairs to take advantage of government subsidies at their expense. Tenant associations are set up to fight against the projects, or set alternatives. When tenants move out and the buildings become half empty, services worsen.

● (2130)

The owners argue that present subsidies are not high enough to meet every soaring construction cost, with the concrete results that rents are higher after repairs and this prevents many low-income tenants from moving back into their apartments. This problem may seem somewhat abstract to some of the members in the government, but believe me, when you get phone calls from people who have been living in these buildings for as long as 30 years, as I have said previously, and these people ask you where they can move to and what do they do, and could another apartment be found for them to move into, the problem becomes very much less abstract. I say to this government this program on which they will spend $2.3 billion in 1982 does nothing to solve the really pressing housing problems in this country.

For over 15 years, or even more, academic circles have recognized the importance of preserving our cities rather than mindlessly expanding to the suburbs. In a briefing given to our caucus committee, CMHC officials provided detailed statistics to show that our housing problem in the next 20 years will be completely different than in the past. This is something which obviously has escaped the government. They will have to get younger couples with families out of the apartments into existing detached and semi-detached homes which are now occupied by older persons who would be far better off in the apartments. It may be that rather than building new old age homes, we should be converting apartment buildings. I wonder when the government will turn its attention to these matters.

I think it is also important to note that this program is highly inflationary. The anti-inflation board in a publication entitled "Infiation and Public Policy" has stressed the limitations of economic policy caused by the slowness of the economy to respond to monetary and fiscal stimulus. The board favours selective measures to correct weaknesses in the economy. The government has ignored this advice. Rather than putting more money into programs such as the Residential Rehabilitation Assistance Program, which I referred to earlier, that had produced good results in the past, it has wastefully committed $2 billion annually to a program of very questionable benefit.

The Liberal party has proposed a number of alternatives to this program, such as a national rental assistance program for the elderly and single parent families who have great difficulty in meeting their rental payments. I would urge the government to give serious consideration to these proposals.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I would like to begin by saying that we in this party recognize the concern that this particular piece of legislation tries to address, that is, the very real problem of people who are seeking to own their own home or people who have already purchased a home and are finding it difficult to meet their mortgage payments as a result of the high interest rates or the price of a house in the first place. It is not with any lack of appreciation of the situation in which these people find themselves that we make criticisms today, tomorrow and in the days ahead, of this particular piece of legislation. We do feel, however, in spite of our understanding of the need which this legislation addresses, that it is incumbent upon us to point out what we feel are some obvious errors, errors of direction that are embodied in the legislation which the government has brought forward.

Before I commence the remarks I have planned, I would like to say in response to the hon. member from Mississauga that we in this party are consistent in so far as we did not support the concessions and benefits which were granted to the big guys that he referred to in terms of the MURBs when they were suggested by the previous government. I take it that we are exempt from his criticim which he was presumably levelling at the Liberal party when he accused them of being in favour of gifts for the big guys and not in favour of gifts for the little guys.

An hon. Member: Are you not in favour of the little guys?

Mr. Blaikie: It is not that we are not in favour of anything for the little guys, we feel the way this legislation is set up at this point that it misses a lot of little guys.

I will try to point out this evening some of the social implications of this legislation. I will not go over at great length criticisms that have already been made. I will simply reiterate briefly the criticism which we have of this legislation in some other areas as well as the area of social policy.

As a tax policy it deserves to be criticized because it is regressive and redistributes money away from the poor toward the affluent. As a tax policy it deserves to be criticized because it is a rather large, and you might even say grotesque tax expenditure, a forfeiting of an incredible amount of revenue on the part of the government for the benefit of a small group of people.

As an economic policy it deserves to be criticized because it will be inflationary, as the price of houses will go up. It seems incredible to me that members opposite, most of whom have more experience in the field of real estate than those of us in this party, cannot see that the effect of this legislation will be to make potential home owners more willing to buy, and therefore make sellers more likely to jack up the price of housing in order to take advantage of that increased willingness to buy. To me the obvious and self-evident inflationary nature of this legislation needs to be taken into consideration.

As an economic policy it deserves to be criticized because it furthers what we used to call, and still do call, the corporate welfare phenomenon in this country. What it will be doing is subsidizing the banks, the ones which are charging the interest rates and benefiting from the mortgages in the first place.

As an economic policy it deserves to be criticized as a stimulative measure—if that is what it intends to be—because it is the sort of thing that will be very difficult to get out of once one gets into it. It will be very difficult to take it away from the people.

I am particularly surprised that this insight does not appear to have been picked up by members opposite, who are so in

favour of sunset laws when it comes to other pieces of legislation.

If it is not a stimulative economic instrument, and if it will only add to inflation rather than reduce it, then perhaps we might think it has some merits either as a housing policy or as a social policy instead of just being a political move to appeal to the electorate. Again I am afraid to say that there are flaws in this bill which mitigate against it being a sound social policy and which mitigate against it being a sound housing policy.

● (2140)

With regard to the problem of acquiring housing that is faced by many Canadians, and this problem has been pointed out eloquently by other members, it will only create the illusion of an easier situation. Perhaps that was not intended by the government at the moment of conception of this plan. At that time they may not have been aware that interest rates would rise to the present level or that inflation would continue unabated after they got into power. Canadians who think that somehow by virtue of the passing of this legislation their economic situation will be radically improved, are either being misled or are in error. Their situation would not improve when taken in the whole context in which their economic situation would have to be judged.

As a major housing policy, it is inadequate. It is a big move. It is, however, directed at only a part, albeit a significant part, of the housing problem, and that is the affordability question for potential home owners and existing home owners who have an affordability problem even after their initial move to purchase a house.

This legislation ignores the needs of renters. That has been said before but needs to be said again. It does not meet the needs of the inner city housing situtation where over 75 per cent of the households are renter households.

An hon. Member: Wouldn't they like to buy?

Mr. Blaikie: I will get to the question of whether people in the inner city would like to buy houses at a later point in my speech. We have a problem here that we often have when we talk about policy in this House, housing policy in particular. We try to talk about it as if the question of housing was a homogenous question, as if all housing questions dealt with one kind of Canadian, the Canadian family that wants to buy a home in the suburbs and establish themselves in a nuclear family setting and get on with what we have come to regard as the good life in this country.

This reminds me of a problem in Winnipeg. The president of the Manitoba Landlords' Association says they do not need any more public housing because the vacancy rate in Winnipeg is now 6 per cent. However, the vacancy rate in the inner city may be ¾ per cent, 1 per cent or 1½ per cent. On sheer mathematical averages of vacancy rates in the city, the rate might be 6 per cent. However, there are people living within a certain area who suffer the effects of a very low vacancy rate. Their needs are not met because the policy is decided in accordance with this rather abstract average. This is the problem we find ourselves in with regard to this legislation. It assumes all our housing problems are uniform.

There is something else that has not come up in this debate. This policy is inadequate because it fails to deal with the fundamental cause of high house prices, the price of land. The price of land has not been mentioned in relation to the high cost of housing in Canadian cities. I will get to that a little later. It is these two concerns I would like to concentrate on this evening, the question of inner city housing and the land factor in housing prices.

The third question which I will mention briefly came to mind when the hon. member for Mississauga South (Mr. Blenkarn) was speaking. That is the question of the extent to which the benefits that this government intends to provide through this legislation to Canadian home owners will be offset by the actions of provincial governments eager to relieve themselves of various tax credit programs they may have because the federal government has now moved into this area. At this point I think of my own province. Although it was later denied, there was a rumour the province would be considering dropping its tax credit because the federal government was moving into this area. I suggest to members opposite that this is something to think about. Should this legislation pass, it should be ensured through conversations with provincial counterparts that the benefits do end up as a net benefit and are not offset by actions at the provincial level.

I now wish to deal with the inner city housing situation. As I said before, as much as 75 per cent of the people in the inner city are renters. They have a problem of affordability, not affordability to make the downpayment on a home because for many that is beyond the realm of possibility. Their problem is affording their rent on a month to month basis. Many pay well over 30 per cent of their income for rent, and in many cases this is for substandard housing. This has become worse in the last few years.

When I began work for the church in the inner city, if you were paying more than 25 per cent of your income for rent you were in a difficult situation. Over the past two years people are starting to say this is true if you pay over 30 per cent of your income. The same is true of unemployment. At one time 4 per cent unemployment was unacceptable. As things got worse, the level of acceptability rose.

This legislation does not deal with what I consider to be the most serious housing crisis in the country, with all due respect to those who would like to buy a home in the suburbs. The legislation is inadequate. We will be paying a terrible price if we do not have housing policies which address the problem of housing in the inner cities of major Canadian urban centres. Many of those who live in these areas are now paying a terrible price. At the school across from the place where I worked prior to my election, the turnover rate was 75 per cent. That is to say that 75 per cent of the students who enrolled in September were not there in June. Many of those elementary school children will have gone through three or four schools in the course of the ten-month school period. The reason is because their mothers are going from house to house trying to

find a decent place in which to live. They are trying to find a house where the rent is a little bit lower, where the heating system and the plumbing are a little bit better. It is not just a question of affordability, it is also a question of the quality of housing. This kind of transience, I suggest, leads to difficulties in education. I know many teachers in inner cities who are at their wits end trying to figure out how to provide a stable environment for children who, in the course of a single year, are enrolled in three or four different schools.

● (2150)

We need to face the fact that for many people home ownership is not an option and to hold home ownership before them as a model, as an example of what being a Canadian is all about, is not only unrealistic but—the hon. member behind me says "cruel" and I agree that is one way of describing it. Unless we change our economic system radically and substitute an entirely different, more equitable system for the distribution of wealth, there will be many people for whom home ownership is not a possibility. This legislation, to the extent it holds up single family dwellings and holds up this particular lifestyle as the way of life, is profoundly unsatisfactory.

I am a person who lives in the suburbs, a person who owns a home and who will benefit from this legislation should it be passed, but I still say we are making a great mistake if we hold up this way of life as the way of life.

I should like to turn, now, to consider how the price of houses got to be so high in the first place. Again, I look to Winnipeg. Between 1972 and 1976 the price of land in Winnipeg jumped 400 per cent. The average price of a lot rose from $4,000 to $16,000 in four years. How did that happen? It happened because in Winnipeg, as in many other cities, land is controlled by a very small group of people. In Winnipeg some four development companies which own all the land around the periphery of the city were able to manipulate the market in such a way as to cause the price to rise to the astronomic extent I have described.

Mr. Blenkarn: What has that to do with the price of houses?

Mr. Blaikie: The hon. member asks me what that has to do with the price of a house. I can hardly believe the question. Some $12,000 is added to the price of a house, and the hon. member asks me what that has to do with the price! Insufficient attention has been paid to the real cause of the housing crisis in this country, and that is the way in which the price of land increased in the early seventies. It is this hidden nature of the real cause of the high price of housing, of the real cause of our housing difficulties, which brings me to another concern. I refer to the hidden source of the money that is to finance this program.

As yet, before the introduction of the budget on December 11, we do not really know where this money will be coming from, so we are being asked to accept something of an enigmatic or unknown nature.

An hon. Member: A pig in a poke.

Royal Assent

Mr. Blaikie: That phrase was used earlier this afternoon, I believe. This "envelope policy" the government is following, this commitment not to explore new ways of raising money—

Some hon. Members: Order!

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-23, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1980.

THE ROYAL ASSENT

[*Translation*]

Mr. Speaker: I have the honour to inform the House that a communication has been received which reads as follows:

Government House
Ottawa

November 20, 1979

Sir:

I have the honour to inform you that the Honourable Julien Chouinard, O.C., C.D., Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 20th of November, at 9.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

● (2200)

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

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

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

And being returned.

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

Bill C-11, an act respecting certain postal rates—Chap. 1.

Bill C-23, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1980—Chap. 2.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS—REQUEST FOR PUBLICATION OF STUDY ON FEDERALISM

Mr. Fabien Roy (Beauce): Mr. Speaker, on November 16 last, as reported in *Hansard* on page 1393, I asked the Prime Minister (Mr. Clark) to table in the House the famous report prepared by a group of researchers who at the beginning of 1977 carried on a study dealing with the relations during the last ten years, that is between 1967 and 1977, of the federal government and the Quebec government. Following the publication of an interim report, we were told that some 112 government agencies or departments took part in this assessment and there were 485 occurrences of federal intervention in provincial jurisdiction, especially that of Quebec. To the question which I asked the Prime Minister, he replied as follows:

We believe that we must honour the commitment given by the former government.

Mr. Speaker, of course I could not be satisfied with that answer since I had the opportunity, as you had, to read in the newspapers that the former minister of the Liberal government, the member for Saint-Maurice (Mr. Chrétien), asked that the studies be made public following a press conference and a public statement. The Minister of Supply and Services (Mr. La Salle) has also stated publicly that the studies should be disclosed. He did not object to the publication of the studies and still more recently, two editors of two important Quebec dailies, dealt with the contents of the interim report and effectively asked, on behalf of Quebeckers, that those studies be made public. Allow me to quote the comments of Mr. Marcel Adam in an editorial in the newspaper *La Presse*.

● (2210)

I quote Mr. Adam's words:

Messrs. Clark and Jarvis have argued that these studies were carried out with the help of civil servants to whom the former government had given a commitment of confidentiality.

Surely it should be possible to honour this commitment by publishing a version of the study expurgated from anything that could identify those who contributed to it.

Mr. Clark must do so to hold the promise he has made to give access to any information that could be useful for public discussion, and also to demonstrate, as he himself has been trying to prove since May 22, that the functional quality of federalism is much more due to the attitudes and to the spirit that drives a given government political party than to the federal system as such.

[Mr. Speaker.]

In the context of the referendum debate and of the wide ranging reform of Canadian federalism, it would be unhealthy and ominous that important documents, however embarrassing be withdrawn from public discussion.

If federalism needs secrecy and dissimulation to survive in Canada, then it is a lost cause.

Which is not my opinion.

And this article is signed by Mr. Marcel Adam, editor for *La Presse*.

I could quote as well some comments which were published in a remarkable editorial signed by Mr. Michel Roy, editor in chief of *Le Devoir,* and entitled "A document that must be published". In the context of the present referendum debate some cabinet members of this government believe that studies should be published since the former minister of the previous government does not confirm that there are commitments to protect in a way those who prepared this report, since there was a motion introduced by a Liberal member; at least there would seem to be some fair play on that side of the House.

Yesterday a motion was introduced under Standing Order 43 asking that these studies be tabled. Therefore, Mr. Speaker, in light of all these facts and statements, and the desire of all members of this House, I wonder by what prerogative we can sacrifice the right of members to be informed and the interests of the people, in order to protect the interests of a few people who are supposed to serve the country.

Mr. Speaker, if the government refuses, it will have to state clearly who are those people it wants to protect because it is a matter of public interest that these studies be known and tabled. The government must tell us their names. Does it want to protect the former government? Do they want to protect officials who went beyond their functions, who exceeded their duties and responsibilities, or do they want to hide the abuses of the federal government? I think, Mr. Speaker, that given the discussions that are now taking place among the public, given the interest that the interim report has raised up among Canadians, the government has no choice but to accept my request today on behalf of the population, a request which has been echoed by hon. members from the official opposition and by some members of the cabinet.

● (2215)

[*English*]

Mr. John Bosley (Parliamentary Secretary to Prime Minister): Mr. Speaker, I am pleased to be given this opportunity to respond to the hon. member for Beauce (Mr. Roy) on the matter he has raised since it will allow us to explain the reasons for the government's actions with respect to what is referred to as the "Interim Report on Relations Between the Government of Canada and the Province of Quebec, 1967-1977."

First, I would like to clarify for the hon. member that the report in question is in fact not a study of federalism per se, nor is it, as he suggested in his argument earlier, a list of 485 intrusions into Quebec's jurisdiction. It is, in fact, an analysis of some 500 federal government activities relating to Quebec over that ten-year period. The study focuses on the management of federal-provincial relations during that decade. It concluded—and this is the part of the document, the hon. member will note, which has been made public—that there is indeed room for improvement, for more consultation, and for more sensibility toward the aspirations of the Quebec people and their elected governments.

I wish to stress that the previous government was very courageous in its decision to launch this enquiry. It shows that federalists in Canada, whatever their political affiliation, have the ability to criticize themselves, and the sincerity to seek ways of improving federal-provincial relations.

● (2220)

The summary document which has been made public contains a number of recommendations for action which accord entirely with the kinds of changes that we had determined were necessary, from our opposition benches, without the benefit of the report because we, too, were concerned with adapting our federal system to the changing needs and values of Canadian society. Hon. members opposite, possessed, we hope of some objectivity, will see that this new government is moving along the lines suggested as being necessary.

There are two questions in our minds about the propriety of releasing the full report at this time. First, the report was never fully completed, and, second, when it was undertaken, assurances of confidentiality were given to participating departments, agencies and individuals. Surely hon. members will appreciate that even as the full document is now being reviewed, we must recognize that to make public an incomplete report, which was based on assurances of confidentiality, is not a decision to be taken lightly.

The summary document which we released did not give rise to these concerns because it was written at a level of generality which permitted its publication without violating the assurances given—in fact along the lines of what I believe hon. members refer to, if you like, as the expurgated version of the report.

[*Translation*]

NATIONAL UNITY—QUEBEC REFERENDUM—REQUEST FOR EXPLANATION OF STATEMENT OF MINISTER OF SUPPLY AND SERVICES

Hon. Jeanne Sauvé (Laval-des-Rapides): Mr. Speaker, I rise tonight because I was unable to obtain a satisfactory answer to the issue of the government involvement in federalist forces that will be grouped under the "no" umbrella in the referendum.

First, Mr. Speaker, I might say that I have no doubt that this government intends to defend the Canadian federalism. It seems obvious to me, but still they have a curious way of defending federalism when they hesitate between yes and no as we saw from the answers given by the Prime Minister (Mr. Clark) to various questions put to him. He hesitates between yes and no and refuses to show the leadership we have the right to expect from the Prime Minister of Canada by taking a stand for Canadian federalism. What is really happening? During a press conference, his Minister of Supply and Services (Mr. La Salle) said specifically:

> The Conservative party should avoid militating with pro-federalist forces as our objectives are different from those of Mr. Ryan.

Those are extremely ambiguous words from a representative of the federal government. So, following this statement, I wanted to know if the Prime Minister was endorsing the remarks of his Minister of Supply and Services. First, I wanted to know if it was true that his objectives were not the same as those of Mr. Ryan and, second, if he intended to join pro-federalist forces in the referendum campaign. But, to my surprise, the Prime Minister of Canada endorsed the statement of his minister in the answer he gave me, and I quote *Hansard* of October 31:

> There are diverging opinions between the Liberal party at the provincial level in Quebec and the Progressive Conservative Party of Canada. I suppose there are some as well between the Liberal party of Quebec and the Liberal Party of Canada.

● (2225)

He projects on us, federal Liberals, the same kind of reluctance shown by the Minister of Supply and Services. This I cannot accept, because although there may be disagreements of a minor nature between provincial and federal Liberals on objectives, we are in total agreement with provincial Liberals on preserving our Canadian federation, even with changes. Essentially we want to keep our Canadian federalism and in addition we do not think that by emphasizing this we hurt the feelings of Quebeckers, because we know there are Quebec federalists, and we even know they are a majority in the province of Quebec. But the government, for reasons I might explain later, are apparently very shy when it comes to expressing federalist feelings, as if they were inhibited by some covert if not shameful political interest. What keeps them indeed from stating unequivocally their solidarity with federalist forces in Quebec? Because this is all I was asking from him, that he express his solidarity with federalist forces in Quebec. I had no satisfactory answer on this.

I have been wondering whether some of these ministers, especially in Quebec, have election debts to repay, in the circumstances, because we all know that during the election campaign the Parti Québécois gave the order that in large centres support should go to Progressive Conservatives, and in rural centres to Social Credit candidates. It may therefore be to pay his debt that this minister has made such ambiguous statements. We all know that during the election campaign the worst enemy was the Liberal, it was Pierre Elliott Trudeau,

the great defender of national unity. But those who followed the election campaign closely saw that in Joliette, the hon. member for Joliette and Minister of Supply and Services was elected with the support of the Péquistes. As evidence of all this, I shall mention only his haste to dissociate himself quickly from the federalist forces and the statement he made on his first opportunity to hold a press conference in Quebec. I believe this explains why I did not receive a satisfactory reply to my question to the right hon. Prime Minister.

Is this also one of the reasons why the Prime Minister has shelved any idea of holding a federal referendum? Why should he have deprived himself of such an effective political tool when his political enemy has such a tool? He does not want to win, he does not want to use all the means at his disposal to win a real victory, especially when we know that if the referendum question is ambiguous, a referendum at the federal level organized by the federal authorities would have provided the means to check the true feelings of Quebeckers on the issue of federalism.

Who will benefit if we are deprived of this political tool? Only the Parti Québécois. I do not know which other political party could benefit. However, this is the position taken by the Progressive Conservatives. We may well wonder why. I have the impression that this government does not want to face such a referendum. They want to have it both ways and they are trying to soften up the Parti Québécois. It seems to me, Mr. Speaker, that there should be no compromise when such a serious issue is involved.

This country will not be defended with faint-heartedness, it will be defended with clear, concrete, inspired and, if possible, inspiring statements. So I am beginning to understand, and I am trying to find explanation for those ambiguous and vague answers I got from the Prime Minister. Another dozen or so questions were put, and after searching his mind at length, the Prime Minister finally stated that it was another thing, namely, that there was an agreement between Quebec federalists under the provincial Liberal banner and Quebec federalists under the federal Progressive Conservative banner. That is really very strange indeed. Those people agree with the provincial Liberals but they do not want to work with them under the "no" umbrella. According to him, we have profound disagreements between federal Liberals and provincial Liberals, but nevertheless we are working under the "no" umbrella with Mr. Ryan. So the Prime Minister is trying to show there are deep differences on our side, but none on theirs, but he does not want to commit himself determinedly to work for the "no" side in the referendum. I find that situation entirely abnormal, and I think that on other occasions we will try to get clarifications on this point from the Prime Minister or his ministers.

[*English*]

Mr. John Bosley (Parliamentary Secretary to Prime Minister): Mr. Speaker, the normal phrase to say at this time is that I am pleased, and I suspect that I should say that, to answer the hon. member for Laval-des-Rapides (Mrs. Sauvé) on behalf of the Prime Minister (Mr. Clark), although I do feel that every time the opposition continue their attempt to make a partisan issue out of the unity of this country, it is difficult to say that one is pleased to reply.

[Mrs. Sauvé.]

It seems to me that in fairness the hon. member has in fact asked three questions which she feels the Prime Minister did not answer adequately. Those questions are: what is the government's position in regard to the Quebec government's thesis, namely, sovereignty-association; what will be the role of the members of this government during the pre and during the referendum campaign; and what will be the attitude of the card-carrying members of the Progressive Conservative Party during this period?

• (2230)

On the first question, there can be no question as to the clarity of the Prime Minister's answer. For the hon. member to suggest otherwise is something I fail to understand. The Prime Minister has stated over and over that sovereignty-association is incompatible with federalism, incompatible with its renewal, and for this reason unacceptable to this government, absolutely and clearly unacceptable.

The answer to the second question is equally clear. The role for members of this government is to demonstrate that there is in Ottawa a government open to the aspirations of Quebeckers, flexible in its dealings with the provinces, imaginative in the managing of federal-provincial relations and, finally, totally determined to renew and to modernize our federalism.

Finally, the best way to handle the third question is simply to quote the reply given to the hon. member by the Prime Minister.

> There will be a participation of the Quebec fighting wing of the Progressive Conservative Party under the umbrella committee which was organized to support federalism in the province of Quebec.

That is as clear as day. On this side of the House we do not and have not attempted to question or to impugn the sincerity of the previous government or members opposite in their attempts to renew the constitution. Nor have we challenged their commitment to federalism. However, we have learned from their sad experience that something new has to be tried to hold this country together. It is that new approach that the Prime Minister talks about in this House day after day. Surely the time has come to end the conversations about whether we are consistently or differently or equally federalist, and to recognize that we are all federalists here.

THE CANADIAN ECONOMY—INCREASE IN INTEREST RATE—ACTION TO AVOID SMALL BUSINESSES DECLARING BANKRUPTCY

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, on October 25 I raised a question about the relationship between interest rates and the number of bankruptcies that have occurred this year in this country. What prompted that question was the alarming increase of almost 9 per cent this

September over last September, meaning that this September there were 1,762 bankruptcies in Canada.

The day I asked the question, the Minister of Finance (Mr. Crosbie) rose in his place. He did not propose any particular solution to this problem, easier loans, or any of the other possibilities that were used in the campaign of the Conservative party during the election, to tide over or to assist any of these business failures.

I would like to say that the Bank of British Columbia, in contrast to a number of other chartered banks, allows a preferred rate of one-half of one per cent below the prime rate for small businesses.

The "small business" Conservative election platform was reiterated on that day. All the minister did was beat his breast about how his party represented and reflected the interests of small businesses. He went on in his usual and rather tiring way of blaming the previous administration for all the problems of the current government.

To say that the minister and the government appear absolutely poverty stricken when it comes to new ideas having to do with a solution to our economic problems is perhaps trite, but it is true. It is also true that in Canada over the past 16 months interest rates have almost doubled. They have gone from about 8 per cent to 15 per cent or 16 per cent today. This has put thousands of people out of work. The risk is that thousands more will be out of work.

I can give some examples. In Vancouver over 600 plywood workers were out of work over a month ago, and 11,000 temporary and permanent lay-offs in the auto industry in Ontario and Quebec. It appears that Canada is indeed in economic chaos due to high interest rates. It is incumbent upon members of Parliament to speak up about these matters. I can give all kinds of evidence, and this is not NDP rhetoric. I received wires from councils I represent, including the council in the municipality in Coquitlam. There are others from the president of the IWA. I could also go into the *Globe* story of November 9 entitled, "Sudden Downturn Hurts Lumber Producers in B.C. Interior". I will read the first paragraph:

● (2235)

High U.S. interest rates—

Reflected in Canada

—have finally brought the long-expected downturn in the lumber market. It has been so sudden and severe that producers in the B.C. interior are faced with serious production decisions in the next week.

It is not confined to the United States, because we slavishly ape the interest policies of the United States. I can go on.

Here is the National Association of Tobacco and Confectionary Distributors. They write all members of Parliament and they say in part:

The government's policy is indefensible and it is hurting the service trades which must stock large inventories of essential consumer items. The government's policy cannot but cause hardship for Canadian businessmen and consumers alike.

So the effect is widespread. this concern over high interest rates is even reflected in the ranks of the government party. Here is a story which appeared this morning: "High Interest Rates Agony for Free-Enterprise Tory Backbenchers", according to which a number of Tory backbenchers have expressed their concern, including one from British Columbia, the hon. member for Prince George-Bulkley Valley (Mr. McCuish), who, it is reported, says that businessmen in his riding are going to their lawyers and accountants to find out the best way of going broke.

Another, the hon. member for Edmonton-Strathcona (Mr. Kilgour), admits, we read, that he would like to see Mr. Bouey replaced when his term ends in February. Well, I do not think he is alone there.

Then the article talks about the hon. member for York North (Mr. Gamble) and the hon. member for Niagara Falls (Mr. Froese) who is in the contracting business. The hon. member for Lincoln (Mr. Higson) is reported as saying that people want some reassurance that if they make any kind of contribution—known as "biting the bullet" by the Minister of Finance—there will be some assurance in the long run that things may get better.

I do not think the examples I am quoting are highly partisan at all. I think there are a great number of horror stories coming up from time to time and that we have only hit the tip of the iceberg. I expect that the reply to my question, when it comes, will be along the lines: wait until you see what goodies are revealed in the budget. I am looking forward to it, since the budget is coming rather close to Christmastime.

I do not know why the government would choose such ineffective and unpopular policies, policies which were criticized when they were in opposition, unless it is to prevent another Coyne affair. If they change economic policies against the advice of the governor of the Bank of Canada, he may quit; we may see another ugly Coyne affair, and the government may wish to avoid it and let him quietly disappear in February. That may be a reason. Or perhaps they have no other views on the subject. Other people have, though.

I should recommend a reading of the publication of the Canadian Institute for Economic Policy put out in July, and the four or five excellent suggestions which Don McGillivray made in the Southam Press. On November 1 he talked about closing gaps between Canadian and American interest rates, discouraging borrowing abroad, lowering borrowing to reduce the current account deficit overseas, and more moderate interest rates to create new jobs and encourage investment. It goes on and on and on. I do not have time to go into these details in the seven minutes allotted to me but it is essential the minister reconsider this policy.

Canadians are not begging, they are demanding that changes be made. The government is taking a stubborn and wrong-headed approach. I believe most people in Canada agree with me. The minister is asking Canadians to bite the bullet, but I believe the bullet has misfired. I think there is a strong risk of it striking a lethally vulnerable part of our Canadian economic anatomy.

● (2240)

Mr. Ron Ritchie (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am glad to have the opportunity to respond to the hon. member as to what special measures will be taken to protect small businesses from the effects of the government's current interest rate policy. I emphasize in the first place that the economic policies the government is currently following are designed to contain and reduce inflation, and that they will aid small businesses in the long run by giving them the stable environment in which they can grow and prosper. If small businesses are facing difficulties today, and we know they are, it is not because of the economic policies of this government but because of a damaging degree of inflation which has its roots in the policies and practices of the last several years.

I know that the hon. member does not think that small business, large business, consumers or anyone else, for that matter, will on balance, and taking a longer view, be helped if the government should adopt policies which increase the prospects of inflation. Such policies, among other things, would mean that we would face the prospect of double digit interest rates indefinitely and that the other cost inputs on small business would continue to be at their inflationary levels too.

No one—the hon. member or this government—welcomes higher interest rates but, as the Minister of Finance (Mr. Crosbie) has said, they are the lesser evil. In addition, I think it is worth keeping them in some perspective, damaging as they are. An estimate has been made that, for every one per cent increase in interest rates, the effect on the cost of the average business is about one-fifth of one per cent on total cost. That, of course, is the kind of cost increase which inflation, unfortunately, has been bringing to businesses from other costs other than interest rates as well.

I am sure the hon. member will understand that I must leave to the Minister of Finance on budget night the issue of whether the government is planning any special measures to assist small business.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.42 p.m.

HOUSE OF COMMONS

Wednesday, November 21, 1979

The House met at 2 p.m.

• (1405)

[*English*]

THE RIGHT HONOURABLE THE LEADER OF THE OPPOSITION

INTENTION TO STEP DOWN AS LEADER OF LIBERAL PARTY—TRIBUTES TO ROLE PLAYED FOR CANADA AND PARLIAMENT—MOTION UNDER S.O. 43

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I would like the permission of the House to move, under Standing Order 43, a motion which is seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House express its gratitude and appreciation to the Right Honourable the Leader of the Opposition for his service to the House, his party and country, and expresses its hope that he will continue, as the Right Honourable Member for Mount Royal, to contribute his formidable talents to Parliament and to Canada.

[*Editor's Note: Members of the House stood and applauded.*]

Mr. Speaker: It is my pleasure to record that the unanimous consent of the House was given to the presentation of the motion and that it was obviously adopted unanimously.

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, if you are putting the motion, I would like to say a word on it.

Mr. Speaker: The House has heard the terms of the motion. It is moved by Mr. Clark, seconded by Mr. Knowles:

That this House express its gratitude and appreciation to the Right Honourable the Leader of the Opposition for his service to this House, his party and country, and expresses its hope that he will continue, as the Right Honourable Member for Mount Royal, to contribute his formidable talents to Parliament and to Canada.

Mr. MacEachen: Because this is a debatable motion I would like to take a few minutes to speak to it. I begin by expressing my sincere appreciation to the Prime Minister (Mr. Clark) for putting the motion to the House, which was received on both sides with great enthusiasm.

For myself, I would like publicly to say what I said to the leader of my party; that is, how deeply saddened I am at the decision he has taken to step down from the leadership of the Liberal party. It has been my view since the last election that the right hon. member for Mount Royal (Mr. Trudeau) could continue to lead our party and could succeed in returning this party to office in the future.

Some hon. Members: Hear, hear!

• (1410)

Mr. MacEachen: That is my belief, has been my belief, and it is my belief today; though I do respect the decision that has been taken by the leader of the Liberal party. I want to say, in conclusion, that every one of us sitting on this side of the House has been totally behind our leader in his leadership. In making the decision he has made today, he makes it with the full knowledge that he still has our total support.

Some hon. Members: Hear, hear!

Mr. MacEachen: And he will continue to have our respect, admiration and affection.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen) has pointed out, this is a debatable motion. But I would not want to talk it out; I am afraid that if we talk past 2.15, it might not be carried. I wish to thank the Prime Minister (Mr. Clark) for naming me seconder of the motion. I am happy to associate the members of my party with the tributes and good wishes to the Leader of the Opposition (Mr. Trudeau) contained in the motion.

It has been a pleasure for many of us to be associated with the right hon. member for Mount Royal through his years in Parliament. His contribution to the country cannot be gainsaid. He has been subject to criticism, but he knows best of all that the one way not to receive criticism is to do nothing at all. That has not been the story of his life.

Some hon. Members: Hear, hear!

Mr. Knowles: This his hardly the day to predict the outcome of the next election, but we are happy to join with the House in this tribute to the Leader of the Opposition.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Fabien Roy (Beauce): Mr. Speaker, had the motion required another seconder needless to say I would have been pleased to act as such. I wish to join those who have paid tribute on this occasion and speak on behalf of my colleagues, because under such circumstances I think it is appropriate to forget partisanship and to pay homage to an individual who as Prime Minister has devoted more than ten years of his life to his political party, his fellow Canadians and his country. We

may or may not have agreed with his performance or his comments, but it should be said that he knew how to fight for his convictions and for his ideal with honesty, frankness and determination. Especially with dignity. And so, Mr. Speaker, his departure marks not the end of a page in the history of Canadian politics but indeed of a whole chapter. In concluding, on behalf of all my colleagues I would like to wish him many more years of active life.

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, having had the honour of being sworn to the Privy Council on April 4, 1967, the same day as the hon. member for Mount Royal (Mr. Trudeau), the leader of my party, on behalf of my colleagues I would like to thank him for everything he did for Canada. I had the opportunity during my career to work twelve years with the Leader of the Opposition. I had the opportunity to work with him when he was Prime Minister. I travelled throughout Canada during many years and also to the four corners of the world and I have always been very proud of being a colleague of Mr. Trudeau, a citizen of Quebec, and enjoying the privilege of working with a man who has always been for all Canadians, especially French Canadians, a source of pride and satisfaction.

[*English*]

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, as one of the older hands elected from the province of Ontario, I just want to add, on behalf of Ontario members of the Liberal party and the many thousands of people behind them, our appreciation for the leadership and excitement that the Leader of the Opposition has given us through his 12 years of performance for this country in a very significant office.

Some hon. Members: Hear, hear!

● (1415)

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, I suppose it is typical of me, as a member of this House, to ask you not to see the clock for another 30 seconds and bend the rules once more.

I appreciate the consent of the House in allowing me to stand and say that I am deeply moved by the expressions of support for the motion moved by the Prime Minister (Mr. Clark) and seconded by the House Leader of the New Democratic Party (Mr. Knowles), to which the Creditistes leader (Mr. Roy) and my colleagues—beginning, of course, with the deputy leader of the opposition—all spoke. It is an irony of our profession—we are all aware of it, all of us who sit on the floor of the House, I suppose including yourself, Mr. Speaker—that people only really begin to admit our qualities when we are on the way out.

Some hon. Members: Oh, oh!

Mr. Trudeau: It is a kind of convention with which we are all acquainted, and when we hurl insults at each other, we know that in reality we have a fair amount—perhaps a great deal—of admiration for people who, like ourselves, have decided to ask Canadians in their constituencies to support them in a task which is sometimes thankless and, certainly, nearly always exhausting. We know that underneath the partisanship we must show there is a basic, underlying admiration for each other, if only because we have agreed to serve our country in the same way, in the same forum. Perhaps there is here a lesson for those who take all our insults seriously.

I read in a magazine a few weeks ago that the profession of politics is held in very, very low esteem by the people of our country—away below sportsmen, actors and everybody else. I suppose the explanation perhaps is that in a sense we are paid to belittle each other, and the people who watch us may believe that we are doing it in a way which decreases the value of service to this profession. I wish to use this occasion to say that that is apparently not the case. The sincere and warm wishes which my friends and my opponents have given me today indicate that there is great respect among ourselves for the basic cause that we are all serving—that of Canada.

[*Translation*]

I should also like to give special thanks to my colleagues of my province who have always supported me, and repeat what I said this morning to my caucus and the country, that I shall always be ready to answer the call to arms in the fight to make Canada a strong and united country.

[*English*]

Mr. Speaker: Shall I record that the motion has been carried unanimously?

Some hon. Members: Agreed.

Motion unanimously agreed to.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF THE HON. DUNCAN McINTYRE, MINISTER OF AGRICULTURE OF NEW ZEALAND

Mr. Speaker: Before beginning the oral question period, may I call attention to the presence in our gallery of a distinguished visitor in the person of the Minister of Agriculture of New Zealand, the Hon. Duncan McIntyre, and Mrs. McIntyre, who are here on an official visit.

Some hon. Members: Hear, hear!

● (1420)

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

SITUATION IN IRAN—REQUESTED GOVERNMENT SUPPORT FOR POSITION OF WESTERN WORLD

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister: it has to do with the events in the Middle East in general, and Iran in particular.

This House knows—and I believe the world knows—that there is only one way of dealing with international terrorism, and that is through international action. Countries have learned that over the years in trying to deal singly with hijacking of aircraft. Now that international terrorism is being sanctioned and condoned by the State of Iran, can the Prime Minister tell us if any action has been taken by our government in the international community in order to support the United States and to indicate that, against this form of terrorism, we all stand united behind the United States, as members of all three parties have indicated in the House through various statements in the past two weeks?

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I welcome the question because it gives me the opportunity to indicate that Canada has taken every available opportunity to make known to the officials of Iran our deep objection to the abrogation of international practice that has been evidenced in their country, and has made known to the United States our willingness to be of assistance in any practical way we can to aid citizens of the United States in their very difficult circumstances in Iran.

Mr. Trudeau: Mr. Speaker, I congratulate the Prime Minister on these important and positive steps, but what I am really suggesting is that there is another stage now into which these events have been unfolding for more than two weeks. I believe there is another stage of action. We are not only a country acting alone. Whether it be Canada or some other country indicating support of the United States in condemnation of Iran, I think—as in dealing, once again, with hijacking—it is important not to have isolated states indicate their views and principles in support of Iran, and to be faced with the entire civilized community in a massive common front against the actions of the government of Iran.

The Prime Minister was in Tokyo. Perhaps he should begin with the other six who were there. He was at the Commonwealth meeting. Perhaps we should be dealing with heads of the Commonwealth. I believe it is not enough to tell the United States that we support them. My question to the Prime Minister is the following: Is it not time for Canada to take the initiative—if, indeed, it has not already been taken—to bring the entire civilized world to the support of the United States so that there be no chink in the armour, and that in this form of terrorism we stand united with the United States?

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, I agree completely with the view expressed by the Leader of the Opposition and concurred in, I believe, by all members of the House. I can report to the House and to the Leader of the Opposition that, in addition to the actions I indicated earlier, we have been working actively with representatives of other nations in Iran and elsewhere. In Iran, in particular, we have willingly assumed a role of some leadership in bringing together representatives of other countries in Iran, which has been made necessary by the fact that the dean of the diplomatic corps there—the representative of Czechoslovakia—has not been prepared to play the role of bringing together other nations. Canada has moved into that position.

We are also continuing actively to explore every other instrument available to us, whether through the United Nations, the Commonwealth or any other association that Canada has with other nations, to find effective means through which our views and the views of the civilized world can be brought to bear upon the authorities of Iran to bring an end to a situation which we consider unacceptable and wish to have terminated as quickly as possible.

Mr. Trudeau: A final supplementary, Mr. Speaker. I mention this in full realization of the fact that a lot of this action might have to be taken behind the scenes, at least in the early stages, and I do not want to probe the Prime Minister any more than is needed. However, if he has not in his answer indicated clearly that he has already done so, I hope he will, consider an initiative by Canada leading to active meetings of an increasing number of countries where we would, in a common front, tell the world that in this case it is not a matter of supporting the United States alone, but it is a matter of supporting the concept of civilized international law without which all order in the world would end.

● (1425)

Some hon. Members: Hear, hear!

Mr. Clark: I appreciate the understanding of the Leader of the Opposition and other members of the House that in circumstances such as this the initiatives which are taken must very often be taken privately. I can assure the House that the Government of Canada has acted on a wide range of fronts to make exactly that point known to the authorities in Iran, and that we are prepared to consider and pursue any initiative which would be useful in ensuring that there is respect for international standards and international law in the Iranian situation.

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): In view of the fact that the Prime Minister has made a very positive declaration today in the House—one which we welcome—and in view of the fact that the government of France has issued a similar statement following a cabinet meeting,

would the Prime Minister consider, building on his own decision and that of the government of France, trying as a beginning to mobilize support by getting in touch with all the heads of the summit industrialized countries with a view to issuing a common declaration in support of the maintenance of international order?

Mr. Clark: That is a very useful suggestion and we shall certainly pursue it. It would carry one step further, to heads of government level, the initiative which the government has already taken in Iran.

Mr. MacEachen: In view of the deteriorating situation in Iran, especially in view of the increase by the American navy in its striking power through additional aircraft carriers, and in view of what must be the total unpredictability of what might break out in that country, would the Prime Minister not consider that now is the time to take action to remove Canadian personnel from Iran?

Mr. Clark: We are, naturally, preoccupied about the safety of Canadian personnel. We are also aware that there is a role which Canada can play in Iran, one which we can only play effectively if there are personnel present. It is our judgment that for the time being, at least, it is in the interest of securing respect for international law and seeking to secure some resolution of the problem in Iran that representatives of our country remain there.

* * *

STATISTICS CANADA

REPORTED ERROR IN CALCULATION OF EQUALIZATION PAYMENTS

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, my question is addressed to the Minister of Finance. According to recent information, an interdepartmental meeting has revealed a $60 million error in the Statistics Canada estimate of labour income in the province of British Columbia—an error which has affected the calculation of equalization payments to the provinces. Has the minister decided to take any action either to recover funds or to pay out money to certain provinces to straighten out the situation caused by this error?

Hon. John C. Crosbie (Minister of Finance): I am not aware there was an error. If there was one, I have not been informed of it. If there is one, we would make the necessary adjustments. I might say that in connection with federal-provincial programs there are often errors discovered or new estimates or calculations made as time goes on. It usually takes two or three years before the payments are settled.

● (1430)

Mr. Rose: Mr. Speaker, I direct my supplementary question to the President of the Treasury Board. Since, in the past several years, criticisms about this agency and its operations have increased rather than subsided, does the minister intend to investigate how an error of such magnitude could take place; and is he prepared to tell the House what he will do to see that it does not happen in future?

Hon. Sinclair Stevens (President of Treasury Board): Mr. Speaker, in replying to the hon. member, I point out—as my colleague, the Minister of Finance, has indicated—that the difficulty generally arises from preliminary figures being adjusted when more final figures are put in place. The hon. member has indicated that there are certain questions about Statistics Canada. I have already indicated to the House that those questions are being reviewed by my office, and we will in due course be having something more to say to the House concerning Statistics Canada.

Mr. Rose: Mr. Speaker, considering what appears to be the appalling state of this vitally important economic agency, does the President of the Treasury Board intend to launch a full-scale parliamentary investigation into Statistics Canada?

Mr. Stevens: Mr. Speaker, we have no present intention of recommending a full-scale parliamentary investigation into Statistics Canada, although there may be merit in having a review of Statistics Canada perhaps through a management consultant firm to determine what, if any, are the administrative, personnel and organizational problems within the organization.

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[*Translation*]

EXTERNAL AFFAIRS

POSSIBILITY OF EVACUATING CANADIANS IN IRAN—GOVERNMENT POSITION

Mr. Fabien Roy (Beauce): Mr. Speaker, I should like to come back briefly to the subjects broached by the Leader of the Opposition and the leader of the opposition in the House with regard to the American-Iranian conflict. I should like to ask the right hon. Prime Minister, since he has just told us that the government is not thinking of repatriating the Canadian nationals now in Iranian territory, whether all required arrangements have been made to guarantee their safe evacuation should it become necessary?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I can assure the hon. member that we have taken all possible steps, as we know, several months ago, we helped evacuate those Canadians in Iran who chose to leave the country. We decided, as I mentioned earlier, that it is a good thing not only for Canada but for everyone to have Canadian representatives in Iran who can try to play a part in resolving the situation.

Mr. Roy (Beauce): I understand the government's proposal or decision, and I certainly agree with it. What I asked the right hon. Prime Minister was whether any measures had been taken in case such action became necessary, and I would also

like to know if there have been agreements or talks with allied of friendly powers to ensure that commitments are honoured on all sides.

Mr. Clark: Mr. Speaker, we have made plans and we have had talks with other countries. I must admit frankly to the House and to the hon. member that it is impossible, in such circumstance, to be absolutely certain of the efficiency of our plans, but we have made plans, we have developed a way of helping Canadians in Iran to get out of that country, if they or the Canadian government consider it necessary.

* * *

INCOME TAX

INQUIRY WHY INDEXATION RATE FOR EXEMPTIONS NOT ANNOUNCED

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I should like to ask a question of the Minister of Finance. Has the minister made a decision regarding the indexation of personal income tax exemptions, since traditionally the indexation rate was announced by the Minister of Finance in early November? We are now in late November and the indexation rate has not yet been made public by the minister.

[*English*]

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, that will be announced shortly, whatever the usual procedure is.

[*Translation*]

Mr. Chrétien: Mr. Speaker, I wish to inform the Minister of Finance that the usual procedure was to make public those rates several weeks prior to January 1, because income tax return forms have to be printed, and the Minister of Finance cannot inform the Department of National Revenue without informing the public at the same time. Has the Minister of Finance made a decision and ordered the forms to be printed without making a public announcement?

[*English*]

Mr. Crosbie: Mr. Speaker, as the hon. questioner agrees, this is not a matter which has to be announced several weeks before January 1. It has not been announced yet, but it will be announced in time to meet those deadlines. The hon. gentleman does not need to worry. If his question really is whether there is going to be indexing, the answer is yes.

* * *

SPORTS

FIVE-YEAR PLAN FOR INDIAN ASSOCIATIONS

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for the Minister of State for Fitness and Amateur Sport. Considering that 85 per cent of our Indian population is under 26 years of age, and considering the many serious social problems which exist on our reserves—including delinquency and alcoholism—is the minister now ready to approve the five-year plan for sport and recreation submitted to him by the Indian associations of Canada and which has been in his hands for some time?

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism): Mr. Speaker, I am glad that the hon. member had an opportunity to ask me this question. I met with the president, Noel Starblanket, on August 28. I met with him again just a week or so ago. The committee is preparing a five-year plan. I am to meet them in the middle of December to discuss their five-year plan. I hope by that time we can come to some agreement.

Mr. Allmand: Mr. Speaker, it is my understanding that the plan has been in the minister's hands for some time now. I know he is going to be very saddened by certain events in Montreal on Sunday. Perhaps he can give us an answer before the weekend.

Some hon. Members: Oh, oh!

Mr. Paproski: Mr. Speaker—

Mr. Speaker: Order. The hon. member for Davenport.

Mr. Paproski: I am not going to be saddened on either count.

* * *

ENERGY

ELECTRICAL POWER GENERATION—GARRISON DIVERSION PROJECT

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, my question is to the Minister of the Environment. It has to do with Canada's objection to the Garrison diversion project in the United States and the judgment of the International Joint Commission that it "would cause significant injury to health and property in Canada".

In addition, it is the intention of the NDP government of Saskatchewan to go ahead with coal-fired electrical generating plants without the installation of sulphur scrubbers and without waiting for the final report of the IJC. I would like to ask the minister if he can tell the House how the Government of Canada expects the United States to co-operate with us on the Garrison diversion project and other Canada-U.S. negotiations on environmental questions when we fail to co-operate with them on Saskatchewan electrical generation projects.

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, the hon. member has raised an important question, and gives me an opportunity to clarify the situation.

I think it can be said that, while we would have preferred that Saskatchewan hold its announcement until after the International Joint Commission report had come down, it is important for the hon. member and all hon. members to realize that there is no real comparison between the known damage which will be caused if the Garrison project goes ahead and the anticipated very minimal damage which might—but not for certain—be caused if the Poplar River project goes ahead. The International Joint Commission is studying the Poplar River project from the point of view of water pollution, and it has nothing at all to do with air emissions. I can tell the hon. member and the House that so far as the air emission situation from the Poplar River plant is concerned, those emissions will meet standards both in Canada and in the United States.

Mr. Caccia: Mr. Speaker, will the minister inform this House whether he intends to make representations to the NDP government in Saskatchewan to introduce high control standards for pollution for this specific project?

Mr. Fraser: Mr. Speaker, I can tell the hon. member that there have been extensive ongoing discussions between the Department of the Environment and the government of the province of Saskatchewan. We have its undertakings to place more stringent controls, if that proves necessary.

* * *

[*Translation*]

EXTERNAL AFFAIRS

REQUEST THAT CANADA JOIN OECD SUBCOMMITTEE ON MARINE CONSTRUCTION

Mr. Serge Joyal (Hochelaga-Maisonneuve): Mr. Speaker, my question is for the hon. Secretary of State for External Affairs.

In view of the fact that in the Speech from the Throne, the government promised to reactivate our shipbuilding industry, does it intend to ask for a change in Canada's status on the OECD subcommittee on shipbuilding, since its two potential competitors, Sweden and Japan, are full-fledged members, while Canada has only an observer status?

● (1440)

[*English*]

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, I will be glad to take that question as a representation and get back to the hon. member.

[Mr. Fraser.]

HEALTH AND WELFARE

DANGER TO HEALTH OF CHEMICAL CONTAMINATION

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I have a question for the Minister of National Health and Welfare, but in his absence I will address it to the right hon. Prime Minister. Before I ask my question I should like to note, briefly, initial fears that PCBs were involved in the Mississauga train wreck and the fact that the Mississauga city council had banned the burning of PCBs within its boundaries. These are reminders, if any are still needed, of the grave danger to human health posed by chemical contamination.

In light of the above, I should like to ask the minister what has been the progress of the investigation carried out by officials of the Department of National Health and Welfare and of the Department of Agriculture into the contamination of livestock feed and, subsequently, of some poultry products which was discovered last month on the lower British Columbia mainland. How thorough has this investigation been?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, in the absence, due to illness, of the Minister of National Health and Welfare I will have to take that question as notice. I hope that either the minister or I will be able to reply at the earliest opportunity.

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ENVIRONMENTAL AFFAIRS

REFINERY AT EASTPORT, MAINE, U.S.A.

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, my question is for the Minister of the Environment. As the minister is aware, environmental hearings are proceeding on the Pittson application to build a refinery in Eastport, Maine, with the next hearing under the auspices of the U.S. environmental protection agency to be held in Boston on January 6 or 7. Can the minister advise the House if it is Canada's intention to have an observer present, and if the government has been in touch with the U.S. authorities or the Pittson group since he took office concerning Canada's objection to the Pittson project?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, I can assure the hon. member that a Canadian observer will be present. I can also tell the House that in August I met with the environmental protection agency chief, the hon. Doug. Costle, and reiterated Canada's absolute and very strong objection to the project which the hon. member has raised.

INQUIRY OF THE MINISTRY

EXTERNAL AFFAIRS

Hon. Roméo LeBlanc (Westmorland-Kent): Mr. Speaker, has the Secretary of State for External Affairs transmitted, in a formal note or in some kind of message to the U.S. government, the position of this government; and was that position made as clear and as strong as the note which was sent previously by the former secretary of state for external affairs?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, I can tell the hon. member that the discussions have gone on at the verbal level, and it has not been in the form of a note.

* * *

[*Translation*]

COMMUNICATIONS

INQUIRY WHETHER TELEGLOBE WILL BE SOLD TO PRIVATE ENTERPRISE

Hon. Jeanne Sauvé (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of Communications. I should like to know if it is true that Teleglobe has been struck off the list of Crown corporations to be privatized only to be put on an alleged second list?

[*English*]

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, as the hon. member will know, during the process of the review of Crown corporations a number of them are being examined with respect to a more appropriate activity in the private sector. That is still the case in respect of this particular corporation.

[*Translation*]

Mrs. Sauvé: I have a supplementary question, Mr. Speaker.

I find this answer totally unacceptable, in view of the rumours circulating about the possible purchase or sale of Teleglobe. The minister knows that the Canadian Telecommunications Carriers Association consider themselves as privileged purchasers. Therefore, to obstruct or encourage the efforts of the association, it is important that the minister make a decision or say clearly whether Teleglobe will be sold to private enterprise. The minister will understand my question when I remind him that the whole matter of competition in telecommunications remains, even if the CRTC has made a ruling on the systems interconnection. That decision emphasizes the urgency for the government to announce its policy about the amount of competition that is to be allowed. So the minister can see how this relates to the sale of Teleglobe—

Mr. Speaker: Order, please.

[*English*]

Mr. MacDonald (Egmont): I do not think the hon. member, who knows this corporation particularly well, would want me to anticipate the outcome of any particular study. I think she knows the importance of this corporation serving a number of telecommunications interests on behalf of the people of Canada. When the study has been concluded and there are decisions to be announced, they will be announced in the usual way.

* * *

EXTERNAL AFFAIRS

PROTECTION OF HUMAN RIGHTS AND PRIVILEGES—CANADIAN STAFF OVERSEAS

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I address my question to the Prime Minister because I believe many members of the House are concerned, not only about the immediate problems facing us in Iran but about the religious and political problems that are inflaming the entire area.

I am concerned about two things, and perhaps the right hon. Prime Minister could comment on this. First of all, what is being done by Canada to protect these staffs, particularly the non-important personnel and people who are Canadians in these countries, such as Pakistan and Saudi Arabia and, for that matter, also Afghanistan where there are some problems? Also, what is being done in the way of emergency preparations for airlifting minority groups, such as the Baha'is, who have already been massacred in some numbers, and people of other groups such as various religious minorities in other areas? What is the Canadian government prepared to do to make it possible for these people to come to Canada or to find help?

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I can reply in part to the hon. member's question. He or others in the House may wish to direct supplementary questions to the Secretary of State for External Affairs who has been handling this matter. In Pakistan, the Canadian ambassador has taken all the Canadian staff into his residence as a precautionary measure. We are given to understand that in Pakistan and in Saudi Arabia, Canadian citizens are at this time under no threat.

Mr. de Corneille: Mr. Speaker, I am wondering about the care and concern for minority groups whose members are bound to be and are, in fact, refugees at the present time or potential refugees, such as the Baha'i faith people in Iran and others who might be persecuted.

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, I should like to mention two matters. One is with regard to the situation in Iran and in Pakistan, countries which the hon. member mentioned at the outset where there might be concern for Canadian personnel.

Through our missions abroad, we have asked the governments of those countries to assure Canada that the International Code regarding the respect for the rights of embassy staff in these countries will be observed; that there will be no violation of it. We have tried to take precautionary measures in this regard, and we also have contingency plans for evacuation should that become necessary.

With regard to the second question respecting minority groups—the hon. member mentioned specifically the Baha'i group—we have not made any plans to try to evacuate or to bring here a specific group such as the Baha'is; and we have not, at the request of the central office of the Baha'i faith in Tehran, made any largely overt moves to try to direct attention toward them because of their fears that they might, as a result, be looked upon as some kind of group expressing the opinions of western countries and, as such, become more liable to persecution.

* * *

[*Translation*]

PENITENTIARIES

INQUIRY WHY CONSTRUCTION OF THREE INSTITUTIONS HAS BEEN SUSPENDED

Mr. Yvon Pinard (Drummond): Mr. Speaker, I have a question for the Solicitor General. Given the fact that all major construction projects in Quebec are at a standstill—that is the crude reality—and that these projects include at least three penitentiaries, could the Solicitor General explain to the House why he has put a stop to the construction of these three institutions and tell us what is happening indeed to the so-called penitentiary construction program in Canada?

[*English*]

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, first of all, I am not so sure that all public works in the province of Quebec have been suspended, or the construction of them. But in relation to the penitentiaries building program, when I arrived on the scene I was not convinced that the proper statistical base had been found respecting the forecasts of the future inmate population, not only in Quebec but across the whole country. A temporary freeze was put on the building program. We are about to lift parts of it, especially in relation to some parts of Quebec where I think it is quite essential that we get on with building some of the institutions.

● (1450)

[*Translation*]

CONSTRUCTION OF INSTITUTIONS IN DRUMMONDVILLE AND MIRABEL—DATE OF RESUMPTION

Mr. Yvon Pinard (Drummond): Mr. Speaker, given the fact that three weeks ago Correctional Service Commissioner Yeomans confirmed before the Standing Committee on Justice and Legal Affairs that in the last budget the government had enough funds for the construction in Drummondville South and in Mirabel of institutions designed to replace the old Saint-Vincent-de-Paul institution; considering that the commissioner confirmed that the construction of a medium security penitentiary in Drummondville South and of a maximum security penitentiary in Mirabel was still one of the priorities of the Correctional Service of Canada; and finally in light of the fact that the Minister of Supply and Services, who is a member of the inner cabinet, announced the construction of these institutions in Drummondville last Saturday, can the Solicitor General confirm that the Minister of Supply and Services rendered was perfectly right and tell us at what specific date the work is expected to resume in Drummondville South and in Mirabel?

[*English*]

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, simply because funds are available to build these institutions does not necessarily mean that they should be built. I apologize if the hon. member did not understand me, but what I said was that I was not at all convinced that the statistical base was there—when I took over office—in respect of what institutions were required where and in what part of the country.

That doubt is beginning to be resolved by the emergence of a brand new set of statistics. Announcements have been made by the previous administration. As a matter of fact, I think there were four different, comprehensive total building programs announced over five years by the previous administration.

FREEZE ON CONSTRUCTION OF CERTAIN INSTITUTIONS

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, my supplementary question is directed to the Solicitor General. Could he tell the House if the expected lift on the freeze of construction of penal institutions will apply to the proposed medium security institution in Dorchester and the maximum security institution in Renous?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, as soon as a decision has been made, that decision will be announced.

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NORTHERN AFFAIRS

FUNDING OF MANITOBA INDIAN BROTHERHOOD

Mr. Rod Murphy (Churchill): My question, Mr. Speaker, is to the Minister of Indian Affairs and Northern Development. In light of the severe difficulties that the Manitoba Indian Brotherhood finds itself in at the present time, and in view of the fact that the federal department has cut off funding to the organization, with the result that staff members are losing their jobs and the organization cannot operate at the present time, will the minister immediately reinstate funding to the

Manitoba Indian Brotherhood in order that it can carry on its day to day duties while working out the problems it faces?

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, in reply to that question I want to indicate to the hon. member that this funding not only relates to funding from the Department of Indian Affairs and Northern Development but also from the department of my colleague, the Secretary of State and Minister of Communications.

There is an audited deficit of some $440,000. There is also a loan which was guaranteed by my department of $250,000. The status of the situation at present is this. I met with some representatives of the Manitoba Indian Brotherhood late last night in Quebec City and indicated to them that we would want to have a complete audit of the operations of the MIB before money would be released. I had discussions with my cabinet colleague, the Secretary of State and Minister of Communications, this morning and we have agreed that until this has been done the money will not be released. In addition, a meeting of the chiefs in Manitoba has been called for the first days of December, at which time they will take action in terms of both the presidency and the executive members of MIB. Once they have done that and have given us a plan, we will move forward.

Mr. Murphy: Mr. Speaker, my supplementary question is, of course, related to the fact that they cannot hold that chiefs' meeting in Winnipeg without funding. How does the minister expect the organization to bring chiefs in from all parts of Manitoba or plan that meeting without any funding?

Mr. Epp: Mr. Speaker, I have to indicate to the hon. member that, while representatives of the MIB yesterday requested funding to be released in the order of $138,000, they did not make the point to me yesterday that the chiefs' meeting at the beginning of December could not go forward if that funding was not in their hands prior to December. What they did indicate to me was that there would be extreme difficulty for the 30 employees with MIB in terms of their future employment should that funding not come forward.

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TRANSPORT

INQUIRY INTO MISSISSAUGA DISASTER—REPORT THEREON

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, my question is for the Minister of Transport. It was rumoured this morning in the Toronto *Sun* that the inquiry scheduled to begin in Mississauga on December 4, conducted by the Canadian Transport Commission, has been cancelled. Could the minister give us a status report on that hearing?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as I indicated in the committee on transport and communications yesterday, it is the government's intention to proceed with a full and independent inquiry under the Inquiries Act. At the present time, officials of Transport Canada are meeting with representatives of the provincial government and the city of Mississauga to develop the terms of reference and the mechanism which would be best suited to looking into all aspects of the Mississauga incident.

[*Translation*]

VIA RAIL—RATES IN OTTAWA AND MONTREAL REGIONS

Mr. Marcel Roy (Laval): Mr. Speaker, my question is to the Minister of Transport. Since November 19 last, VIA Rail has increased its fares substantially between Montreal, Coteau and Alexandria, and from Alexandria to Ottawa. When I say it has increased its return fares substantially, that represents an increase of 60 per cent over previous rates. Considering that a service improvement and car overhauling program coupled with a promotion program urging Canadians to use this public service initiated under the previous government were already giving encouraging results, how can he justify this attitude on the part of VIA Rail with respect to this increase that I find scandalous?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, this government is, indeed, encouraging the revitalization of rail passenger services throughout Canada. We are examining all the service needs, not based simply on the matter of how much money we can spend but in terms of trying to rationalize the services so that the regional and local needs of the people will be met. I will certainly undertake to look into the matter of increased rates. I will discuss the matter with Mr. Roberts or the hon. member might be interested in appearing before the committee when Mr. Roberts will be there, at which time he can put the question directly to him.

[*Translation*]

MONTREAL AND SUBURBS—FEDERAL-PROVINCIAL MEETING TO CONTINUE SERVICE

Hon. Francis Fox (Blainville-Deux-Montagnes): Mr. Speaker, in late August or early September the minister met with his provincial counterpart to discuss commuter problems in the Montreal area. I would like to know whether the minister can confirm today that he still intends to conclude an agreement with his counterpart of the province of Quebec by the end of December to ensure the continuity of public transport between downtown Montreal and the city of Deux-Montagnes as well as on other commuter lines on both the north and south shores of Montreal.

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, these discussions are going on at the officials' level. It would still be my hope that we would be able to reach an agreement by the end of December. As the hon. member knows, there has been a change in the membership of the

portfolio of the ministry of transport. However, I want to assure the hon. member that the new Minister of Transport has indicated that he is very pleased with the progress of the discussions, and those discussions will continue and, hopefully, we will be able to reach a satisfactory resolution.

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HEALTH AND WELFARE

VIVISECTION OF HUMAN FETUSES

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, I intended to put my question to the Minister of National Health and Welfare or, in his absence, to the Prime Minister. In his absence, perhaps I could refer it to the Acting Prime Minister. I have before me research reports which reveal that human fetuses from ten to 25 weeks gestation were victims of vivisection in the Winnipeg Health Sciences Centre for purposes of scientific experimentation.

Following hysterotomy, a method of abortion which removes a living baby, the infants were subjected to heart puncture and dissection to remove various glands, including the adrenals, ovaries, testes and pituitary. Can the Acting Prime Minister tell the House whether or not such experiments are still being funded by the Medical Research Council of Canada?

● (1500)

Hon. David MacDonald (Acting Minister of National Health and Welfare): Mr. Speaker, speaking for the Minister of National Health and Welfare, who unfortunately is sick today, I am told that the facts as stated by the hon. member are not totally accurate, that the investigation or clinical study was carried on with respect to fetuses that were already dead at the time of the study. They were the result of abortions that apparently had been approved by the therapeutic abortion committee of the hospital. There has been a rather extensive preliminary investigation of the ethical qestions involved. I suppose that this arises out of the form of the question put by the hon. member, but perhaps most important of all I understand that these particular studies were carried on in 1976.

Mrs. Appolloni: Mr. Speaker, I gather that it is presently being reviewed by the attorney general of Manitoba. The information I have is that the babies were indeed very much alive and, indeed, it could have been the procedures which these babies had to undergo that were the direct cause of their death.

In view of the possible criminal implications, therefore, can the minister tell me whether the Prime Minister's office is in touch with the attorney general of Manitoba to find out, indeed, what are the real facts?

Mr. MacDonald (Egmont): Mr. Speaker, I am sure that the Department of National Health and Welfare and the minister will be most anxious to clear up any misunderstanding that exists with respect to these studies. I understand from the information that I have been given from the department that there was very extensive consideration given to all the implications of this matter and that no operations were performed on any live human material. I think it is very important that that be understood. This experiment was conducted on human material that was no longer living, and it was the result of officially approved therapeutic abortions that were in no way related to the use of the material for clinical study. I am told as well that the study took place between 1972 and 1976.

Because the hon. member has raised this question and because there are questions that have been expressed publicly about the ethics, human disrespect and degradation, I think it is important that there be a full exposition on the facts of this matter. I can assure the hon. member and all hon. members that there will be a very clear statement on this matter.

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[*Translation*]

EXTERNAL AFFAIRS

SECURITY OF CANADIANS IN TEHRAN—CREDIBILITY OF IRANIAN STATEMENTS

Mr. Louis Duclos (Montmorency): Mr. Speaker, my question is to the Secretary of State for External Affairs. In view of the fact that on at least three occasions the U.S. State Department had received assurances from the government of Iran that the U.S. diplomatic staff had nothing to fear if the Shah were hospitalized in the United States, could the minister tell the House how much faith she has in the word of the Iranian authorities as to the security of the Canadian diplomatic staff in Tehran?

[*English*]

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, I cannot, of course, give final assurance to the hon. member that the word of any person acting in Iran today can be taken as being the ultimate or final word on any subject. I do know that on the occasions where we have asked for assurances we have been told both by the authorities in Iran and by the chargé d'affaires of the Iranian embassy here in Ottawa that Canadian nationals who are either attached to the embassy in Iran or living in Iran are in no danger. There has been no indication of any harassment or any threat to those people at any point in this very grave situation that exists throughout the country of Iran.

[*Translation*]

INQUIRY WHY MINISTER DOES NOT RECALL IMMEDIATELY CANADIAN DIPLOMATIC STAFF IN TEHRAN

Mr. Louis Duclos (Montmorency): Mr. Speaker, I have a supplementary. Since the usual rules as defined under international law do not seem to guide or do not guide in any way the conduct of Iranian authorities in the circumstances why does the minister not simply order the immediate recall to Canada of our diplomatic staff in Tehran?

[*English*]

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, that question was posed earlier today to the Prime Minister. I want to reiterate to the hon. member that there are responsibilities which our diplomatic staff must carry on in a situation, even one as grave and one which we dislike as much as this particular situation. There are Canadians living in Iran who might want to leave or who would need the services of our embassy at any time. There are services which we are offering to American nationals who are there without any kind of embassy services of their own. There are, of course, reasons for our being on the ground in Iran where we might help to resolve this situation, which we could not do if we were not present.

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SHIPBUILDING

INQUIRY WHETHER NEW FERRY BOAT CONTRACT WILL BE AWARDED TO QUEBEC SHIPYARD

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of State (Transport). In view of the fact that Canadian National at this moment is considering bids for the construction of a ferry to be used on the Canadian east coast, and in view of the fact that the Canadian shipyard industry in Quebec is now in serious trouble, having already laid off some 1,000 workers with another 600 to 800 workers facing lay-off, is the minister prepared to do his utmost on behalf of the Government of Canada to persuade CN to award the ferry boat contract to a Quebec shipyard?

Hon. J. Robert Howie (Minister of State (Transport)): Mr. Speaker, I thank the hon. member for his representations, and I will bring them to the attention of the president of CN Marine.

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

Some hon. Members: Oh, oh!

Mr. Crosbie: Slow down, tiger.

Mr. Speaker: The hon. member for Nickel Belt.

Mr. Rodriguez: Thank you, Mr. Speaker. I was not sure whether you would hear me. My supplementary question is to the Minister of Supply and Services. Is the minister prepared to contact CN Marine to impress upon them the need for this contract to be awarded to a Quebec shipyard, in order to keep that industry going in the province of Quebec?

[*Translation*]

Hon. Roch La Salle (Minister of Supply and Services): Mr. Speaker, since my colleague emphasized the importance of the Quebec shipbuilding industry project, I want to assure the hon. member that I will do everything in my power to co-operate with all my colleagues in this House, in order that the Quebec shipbuilding industry may offer jobs, because the local people are in great need of it.

* * *

[*English*]

PRIVILEGE

MR. PAPROSKI—GOVERNMENT ADVERTISING IN ETHNIC PRESS—EXPLANATORY STATEMENT BY MINISTER

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism): Mr. Speaker, my question of privilege arises out of a question in *Hansard* on page 1492. I do not wish to deliberately mislead the House or the hon. member for York-Centre (Mr. Kaplan). There has been no cutback in the budget for ethnic press advertising. Moneys are frozen pending the results of a study commissioned by the Department of the Secretary of State to evaluate the effectiveness of advertising in the ethnic press and to determine the information needs of ethno-cultural groups in Canada. It is anticipated that decisions on future advertising programs can be taken within one month's time.

ROUTINE PROCEEDINGS

[*English*]

VETERANS AFFAIRS

First and second reports of Standing Committee on Veterans Affairs—Mr. Whittaker.

* * *

FEDERAL DISTRICT COMMISSION

ACQUISITION OF CERTAIN LANDS

Hon. Walter Baker (for the Minister of Public Works) moved the first reading of Bill S-10 (from the Senate), to confirm the authority of the Federal District Commission to have acquired certain lands.

Motion agreed to and bill read the first time.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated with an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 78, 105, 106, 111, 112, 200, 247, 296, 324, 388 and 437.

Order Paper Questions

[*Text*]

SEAWAY INTERNATIONAL BRIDGE CORPORATION

Question No. 78—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice-presidents of the Seaway International Bridge Corporation Ltd.?

2. What is the annual salary in each case?

Hon. J. Robert Howie (Minister of State (Transport)):

The Seaway International Bridge Corporation, Ltd., a subsidiary of the St. Lawrence Seaway Authority, advises as follows:

1. (a) Paul D. Normandeau,
President,
The St. Lawrence Seaway Authority.
(b) David W. Oberlin,
Administrator,
Saint Lawrence Seaway Development Corporation,
(U.S. state corporation).

2. No salaries are paid to either officer for duties associated with the Seaway International Bridge Corporation Ltd.

INTERNATIONAL BRIDGE AT PRESCOTT, ONTARIO—WASHROOM FACILITIES

Question No. 105—**Mr. Cossitt:**

1. Is the government aware of the condition of the washroom facilities in the building owned by the Ogdensburg Bridge Authority and occupied by Canada Customs and Immigration at the International Bridge at Prescott, Ontario and (a) if so (i) have the floor tiles in one of the washrooms been smashed, dug up and disposed of in large patches over a period of two years (ii) has one particular light fixture been out of operation for over a year (iii) has one of the two urinals in the men's washroom been out of order for many months (b) if not, was an investigation undertaken with a view to rectifying the situation and, if so, for what reason?

2. Were representations made to the landlord to have these intolerable conditions rectified and, if so, what were such representations?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue):

1. (a) The government is aware of the condition of the washroom facilities in the building owned by the Ogdensburg Bridge Authority and occupied by Canada Customs and Immigration at the International Bridge at Prescott, and that (i) the floor tiles are missing due to water seepage and freezing (ii) the light fixture has been inoperative for over a year and has not been repaired (iii) one of the two urinals has been out of order due to the unavailability of parts.
(b) N-A (See above).

2. The government has made repeated verbal observations over the last two years to representatives of the authority which refuses to co-operate in maintaining this facility at a standard that we find acceptable. The authority maintains that they are keeping the facilities in the best condition possible with the funds available. We will continue our efforts to resolve these unsatisfactory conditions.

[Mr. Kilgour.]

EXTERNAL AFFAIRS—GIFTS

Question No. 106—**Mr. Cossitt:**

1. Did the former Prime Minister at any time give a gift of a boat paid for from public funds to Chancellor Helmut Schmidt of West Germany and, if so, what was the cost?

2. Is the government aware that Chancellor Schmidt made a public statement in an interview that he had not sold the boat but found it necessary to leave it tied up at a dock because it would not float properly in rough water?

3. Was the boat made in Canada and (a) if so (i) by whom (ii) on what date (b) if not (i) by whom was it made and on what date (ii) what are the reasons that the former Prime Minister gave the chancellor a foreign-made product rather than buying Canadian?

4. What is an exact description of the boat including type, size, etc.?

Hon. Flora MacDonald (Secretary of State for External Affairs): In so far as the Department of External Affairs is concerned the reply is as follows:

1. Yes. It is not customary to disclose the cost of such gifts.

2. Chancellor Schmidt's office has denied that the chancellor has made such a statement and has confirmed that he still had the sailboat; while it was true that the chancellor had found it a bit difficult to handle, because it is very fast, he had sailed it with pleasure and would continue to do so.

3. Yes; (a) (i) Les Voiliers Performance Inc., 530 Delmar Road, Pointe Claire (Quebec); (ii) June, 1978. (b) Not applicable.

4. Thirteen feet, ten and one half inches long, four feet, six inches wide; 125 pounds fiberglass "Laser" sailing dinghy.

MR. LEV VINOGRADOV

Question No. 111—**Mr. Cossitt:**

1. With reference to the answer to Question No. 16 of the Fourth Session of the Thirtieth Parliament, is the government aware of the full name of the wife of the Russian Professor Lev Vinogradov listed on page 6 as attending the Economic Department of Queen's University in Kingston, Ontario and, if so, what is her full name?

2. (a) Was he accompanied to Canada by his wife (b) what were the dates that either he or his wife were in Canada?

3. What were all the qualifications of Mr. Vinogradov that made him eligible for such an exchange with Canada?

Hon. Flora MacDonald (Secretary of State for External Affairs):

1. No.

2. (a) No;
(b) Mr. Vinogradov arrived in September 1977 and left in February 1978.

3. Mr. Vinogradov came to Canada under the terms of Section 1 (D) 1 of the Program of Scientific, Academic and Cultural Exchanges and Co-operation between Canada and the U.S.S.R. in accordance with the Canada-U.S.S.R. General Exchanges Agreement of October 20, 1971. He was nominated to the program by the U.S.S.R. ministry of higher and specialized education.

RUSSIAN PROFESSORS

Question No. 112—**Mr. Cossitt:**

With reference to the answer to Question No. 16 of the Fourth Session of the Thirtieth Parliament, were investigations carried out when visas were applied for by Russian professors and, if so (a) by whom (b) were there any applicants who were turned down and, if so (i) what were their names, fields of study, etc. (ii) in each case, what was the reason for the refusal (iii) how many were refused on the grounds that they were in any way suspected of being connected with, representative of, or in any way having dealings with any branches of Soviet Intelligence?

Hon. Flora MacDonald (Secretary of State for External Affairs): Yes (a) RCMP Security Services; (b) No. (i) N.A. (ii) N.A. (iii) N.A.

EXTERNAL AFFAIRS

Question No. 200—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Department of External Affairs' payroll on March 31, 1979?

Hon. Flora MacDonald (Secretary of State for External Affairs):

The number of employees on External Affairs' payroll on March 31, 1979 was as follows:

(a) permanent	5,053
(b) term	91
Total	5,144

CANADIAN ARMED FORCES—AIRCRAFT

Question No. 247—**Mr. Roy (Beauce):**

Has the government chosen which aircraft it will buy for the Canadian armed forces and, if so (a) will it be the F-14, F-16 or F-18 (b) does the government's choice correspond to that made by the Canadian Armed Forces?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): (a) and (b) It is expected the final selection of a new fighter aircraft for the Canadian forces will be considered by cabinet before the end of the current year. The finalists are the General Dynamics CF-16 and the McDonnell Douglas CF-18. The Grumman F-14 is not being considered.

UNITED NATIONS

Question No. 296—**Mr. Herbert:**

1. What amount was contributed last year by Canada to the regular budget of the United Nations?

2. What amount was contributed (a) to each of the eleven specialized agencies (b) for any other purpose?

Hon. Flora MacDonald (Secretary of State for External Affairs):

Canada's contributions in the 1978-79 Fiscal Year ($000 Canadian).

1. U.N. Regular Budget	17,171
2. (a) Specialized Agencies and IAEA	
ILO	4,349
FAO	4,640
WHO	6,574
UNESCO	5,198
ICAO	661
IMCO	60
ITU	1,639
WMO	426
UPU	480
WIPO	86
IAEA	2,431
GATT	1,249
(b) Peacekeeping	
UNEF-UNDOF	2,782
UNIFIL	3,682
Social and Economic Programs	
UNDP	39,000
UNHCR	1,000
UNICEF	7,500
UNRWA	5,150
UNITAR	80
UNEPTSA	275
WFP	95,000
UNFPA	7,000
Committee on Racial Discrimination	5
Trust Fund for South Africa	20
Fund for Drug Abuse Control	100
Voluntary Fund for Environment	1,109

LOTO CANADA

Question No. 324—**Mr. Dick:**

1. Did Loto Canada, the government, any subsidiary or agent of either in its employ, contact General Instruments regarding the prospects of entering into a contract with them to provide a computer lottery gaming system to Loto Canada and, if so, on what date?

2. Was such a contract finalized and, if so, on what date?

3. What are the names, classifications and departmental sections of all employees who were involved in the negotiation of the contract?

4. Were employees of an agency other than Loto Canada involved in the negotiation of such a contract with General Instruments and, if so, who requested their assistance and on what date?

5. Was the contract sole-sourced to General Instruments without any calls for public tender and, if so, on whose recommendation?

6. (a) What was the dollar value of the contract between Loto Canada and General Instruments (b) was there any clause allowing for an option to increase the size of the initial contract and, if so, what would be the dollar value of the contract if such option were exercised?

7. Did any employee of Loto Canada, the government, any agency, subsidiary or agent in its employ, contact Canadian manufacturers of computer equipment regarding their ability to provide a similar type of computer lottery gaming system as General Instruments and, if so, which manufacturers were contacted and on what dates?

8. On what date did the government or Loto Canada first learn that Consolidated Computer Incorporated, owned 53 per cent by the government, was in a position with Digital Computers to provide a similar type of lottery system as provided for in the Loto Canada contract with General Instruments?

9. Did General Instruments commit itself in the contract with Loto Canada to manufacture, in Canada, any of the equipment necessary for the lottery system and, if so, what was to be manufactured in Canada?

Order Paper Questions

10. Did General Instruments commit itself in the contract to transfer any expertise or technology to Canada to be used in manufacturing the lottery system as a basis for making future sales to other potential customers from this Canadian base?

11. On what date did Loto Canada, the government or any subsidiary in its employ first become aware that the province of Ontario and/or the province of Quebec had asked Canadian computer manufacturers to submit proposals for the manufacture of a computer lottery gaming system for use by them?

12. Prior to the signing of the contract between Loto Canada and General Instruments, was the government or Loto Canada aware that the province of Ontario and/or the province of Quebec had held meetings of all interested and potential suppliers of a similar lottery system for use by the provinces at the conferences held on June 5, 1978 in Toronto and on June 6, 1978 in Montreal?

13. Did Loto Canada, the government or any subsidiary or agency in its employ take into account or know that the provinces of Ontario and Quebec had made requests for proposals on May 12, 1978 to Canadian manufacturers who could potentially produce or might wish to produce a computer lottery gaming system?

14. Did Loto Canada award the Computer Communications Group, a part of the Trans-Canada Telephone System, a contract to provide data transmission facilities for its lottery system and, if so (a) on what date (b) what was the dollar value of the contract (c) was there any invitation to tender for the contract and, if so, was CN-CP Telecommunications contacted?

15. Does Loto Canada appear on the schedule of Crown corporations listed under the *Financial Administration Act* as being exempt from requiring Treasury Board approval for any contracts it might enter into and, if so, on what effective date was it added?

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism):

1. Yes, Loto Canada conducted several extensive discussions with General Instruments Corporation during the period mid-April, 1978 to mid-June 1978, with the view to possibly acquiring the equipment and associated servicing for such a game.

2. A contract to this effect was signed June 14, 1978.

3 and 4. Those directly involved were:

(a) Guy Cousineau, President, Loto Canada Inc.

(b) J. Fulton, Vice-President, Loto Canada Inc.

(c) Gilbert Miville-Deschênes, Solicitor, Department of Justice, attached to Loto Canada Inc.

(d) Jacques Gauthier, Solicitor, Department of Justice, attached to DSS.

(e) R. P. Manley, Section Head, Data Processing (Procurement) Branch, DSS.

(f) G. Gauvreau, Program Officer, DSS.

(g) P. Kelley, Consultant, Peat, Marwick & Associates

(h) R. Olivier, Consultant, Oliver & Ouellet Inc.

(i) R. Auger, Consultant, Samson, Bélair & Associés.

The D.S.S. employees were asked to assist by Loto Canada on 15 April, 1978. The consultants had been involved previously in associated tasks.

5. A sole source contract was let with General Instruments of Canada, based on recommendations, judged valid by Loto Canada from outside independent consultants (Peat, Marwick & Associates; Olivier & Ouellet Ltée.; Samson, Bélair & Associés) that the G.I.C. system was the only one capable of meeting Loto Canada's requirements, including the time constraint.

6. (a) The full lease value of the G.I.C. contract, over a period of three years, could not exceed $47,930,439. (In addition, buy-out provisions were available as discussed in answer 325-1).

(b) No.

7. No direct contacts were made. Loto Canada consultants investigated the capability of all those Canadian firms which could realistically be expected to have a possible capacity of supplying a system which would meet Loto's requirement on the basis of all available literature and personal research on public gaming.

8. Consolidated Computers Inc. indicated in a letter dated June 16, that it had an interest in manufacturing such equipment; however, Loto Canada's consultants were not confident that it could meet the full system requirements—in particular, the time schedule aspects.

9. GIC committed itself to an expenditure within Canada for servicing and maintenance of about $24,300,000 over the three years of the lease contract which represents 51 per cent of the entire contract value. It also undertook to assemble in Canada an additional 2,000 terminals whose possible order (but under competitive bids) was under active discussion, in which discussion IT&C. officials participated.

10. Not in the contract; but as just noted, this was understood to be a condition for future orders. Moreover, Loto Canada had the option to take over the full servicing and maintenance aspects after the first year of operation.

11. On 12 May, 1978, at the time of the announcement, by those lottery corporations.

12. Yes.

13. Yes.

14. Yes, on 2 June, 1978. The commitment value was $2,391,695. CN-CP Telecommunications were asked to bid on this contract.

15. Yes, as of 1 August, 1976.

NATIONAL DEFENCE—EXPENDITURES

Question No. 388—**Mr. Allard:**

What was the total amount spent for military purposes in Canada in each of the past five fiscal years?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs):

Department of National Defence Expenditures in Canada for the fiscal years indicated were as follows:

Fiscal Year	Expenditures (thousands of dollars)
1974-75	2,265,732
1975-76	2,664,704
1976-77	2,979,301
1977-78	3,250,087

1978-79	3,437,356

Note: The above figures include statutory expenditures charged to National Defence appropriations for public service employee benefit plans, military pensions, pensioners contributions and other benefits and they were as follows for the year in question:

Fiscal Year	Expenditures (thousands of dollars)
1974-75	349,332
1975-76	412,008
1976-77	422,286
1977-78	434,645
1978-79	356,953

EXTERNAL AFFAIRS—PASSPORTS

Question No. 437—**Mr. Cossitt:**

1. Does the Department of External Affairs, when issuing passports, stamp thereon the following words "Not valid for travel to North Korea, Rhodesia, Namibia and Taiwan" and, if so (a) on what date was this instituted (b) what are the names of all the persons having a part in such a decision?

2. Is travel to the Soviet Block countries of Eastern Europe permitted and, if so, for what reason is travel to North Korea not permitted?

3. Is it possible to travel to Chile and, if so, for what reason is it not possible to travel to Rhodesia?

4. Will the government review the policy of restricting the freedom of Canadians and cease forthwith, from stamping such restrictions on Canadian passports as well as withdrawing them from existing passports?

Hon. Flora MacDonald (Secretary of State for External Affairs):

1. The Department of External Affairs when issuing ordinary passports does not stamp in them the words "Not valid for travel to North Korea, Rhodesia, Namibia and Taiwan". This stamp is placed in special and diplomatic passports only.

(a) The stamping of diplomatic and special passports was instituted on February 17, 1976.

(b) The decision was made by the Department of External Affairs under the Passport Regulations Charge of April 21, 1973, and was subsequently confirmed by the then Secretary of State for External Affairs.

2. The Department of External Affairs does not prohibit travel to any country. The Department does, however, place a restriction on the use of diplomatic and special passports for travel to North Korea, Rhodesia, Namibia and Taiwan. The reason for this policy is that travel on official passports is not appropriate to entities whose governments Canada does not recognize and with which it has no diplomatic relations.

3. It is possible to travel to Chile and Rhodesia on ordinary passports. Diplomatic and special passports are not valid for travel to Rhodesia, as in accordance with mandatory United Nations sanctions Canada does not recognize Rhodesia and has no diplomatic relations in Rhodesia.

4. As stated, the government has not restricted the freedom of Canadians to travel since ordinary passports are made valid for travel to all countries.

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, if questions No. 325 and 326 could be passed as orders for returns, those returns would be tabled immediately.

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

[*Text*]

LOTO CANADA

Question No. 325—**Mr. Dick:**

1. Did Loto Canada, under the contract with General Instruments for the provision of a computer lottery gaming system (or Loto Select), purchase any of the terminals, computers or data processing equipment and, if not, was such equipment leased or rented and, if so (*a*) what were the terms and length of time of the lease (*b*) did Loto Canada retain the right to sublease or dispose of the equipment in a beneficial way?

2. Was there any provision in the contract specifying that persons employed to (*a*) instal (*b*) operate (*c*) maintain the equipment would be Canadian or U.S. citizens?

3. Prior to Loto Canada's decision to develop a computer lottery gaming system, did it hire any consulting firms or individuals to examine the operations of other similar lottery games and, if so (*a*) what were their names and where were they located (*b*) how much were they paid?

4. Did any agent or consultant acting on behalf of Loto Canada or any employee of Loto Canada visit any other jurisdictions to examine the operations of other similar computer lottery gaming systems and, if so (*a*) what are their names (*b*) what jurisdictions did they visit (*c*) what was the total cost of expenses paid by Loto Canada for such visits?

5. Did the initial contract call for the installation of 2,000 computer terminals throughout Canada and, if so, by what date?

6. Did all terminals have to be installed and in operation by that date and, if not, was there an additional date?

7. Did the contract include the supply of three central computers to be installed in Canada and, if so (*a*) in which cities (*b*) were they built specifically for use in Loto Select or were they off-the-shelf equipment supplied by General Instruments?

8. Did Loto Canada, in preparation for entering into its computer lottery gaming system (or Loto Select), enter into any other contracts with other persons, partnerships or companies in Canada or United States for the purchase, lease or rental of consulting services, furniture, office space, leasehold improvements, advertising, promotional materials, tickets, printed literature, office supplies, display boards or any other product, article or service and, if so (*a*) what are the names and locations of such persons, partnerships or companies (*b*)

what was the total dollar value of each contract and what was the actual amount paid (*c*) in each case, did Loto Canada purchase, lease or rent, and if leased or rented, what were the terms and length of the lease or rental (*d*) did Loto Canada use the service or advice of any government department, agency, subsidiary or agent in its employ for negotiation of any of the contracts and, if so, for which contracts (*e*) in each case, was the contract finalized by a negotiated settlement and, if not, for what length of time will the contract run?

9. Did Loto Canada in preparation for its lottery system (or Loto Select), hire employees for the servicing, maintenance, operation and administration of the lottery game and, if so (*a*) how many and in what classifications (*b*) on what date (*c*) at what annual rates of pay (*d*) in which cities were they to be located?

10. Was Loto Select Loto Canada's first experience with operating a computer lottery gaming system and, if so, how did Loto Canada determine the rate of pay of each classification group to be employed by Loto Select?

11. Did Loto Canada pay for the training of its employees for Loto Select over and above their regular salaries and, if so (*a*) in what locations were they trained and on what dates (*b*) what expenses were paid for hotel accommodations, meals, transportation, entertainment, telecommunications with their home centre and other services?

12. Did Loto Canada in preparation for its entry into a computer lottery gaming system (or Loto Select), enter into any contract with telecommunications networks between (*a*) cities in Canada (*b*) Canada and any other country and, if so, between which cities and/or countries and at what cost?

Return tabled.

Question No. 326—**Mr. Dick:**

1. Was a decision made by Loto Canada to remove itself from a computer lottery gaming system (or Loto Select) and, if so (*a*) on what date (*b*) who made the decision?

2. Were employees hired for Loto Select or by any companies under Loto Canada's direct control laid off by Loto Canada after the decision to remove itself from the computer lottery and, if so, how many and on what dates?

3. (*a*) By category or classification, what amount in salaries did Loto Canada pay to employees hired for the servicing, maintenance, operation and administration of Loto Select (*b*) how many received severance pay and what was the total amount?

4. Was a dismissed or laid-off employee of Loto Select required to sign any agreement or oath of secrecy that he/she would not divulge, discuss or disclose any information that he/she had acquired regarding Loto Select while in the employ of Loto Canada or of any company under its direction or control in order to collect his/her severance pay?

5. Prior to the decision by Loto Canada to remove itself from a computer lottery gaming system (or Loto Select), did the cabinet pass orders in council which in any way affected or touched upon any of the contracts or employees of Loto Canada involved or relating to its entrance into or removal from the lottery system and, if so, which ones were passed and on what dates?

6. Were there any clauses in the contract with General Instruments for the provision of a computer lottery gaming system (or Loto Select), stating a dollar figure for penalty or liquidated damages if Loto Canada were to back out of the contract and, if so, what were the terms of the clauses and the dollar figure?

7. Were there any clauses in the contract with General Instruments for the provision of equipment for a computer lottery gaming system (or Loto Select), stating a dollar figure for penalty or liquidated damages if General Instruments was unable to deliver the equipment contracted for by the date agreed on and, if so, what were the terms of the clauses and the dollar figure?

8. Did it become apparent to Loto Canada, the government or any subsidiary or agent in its employ, that General Instruments would be unable to meet the contracted date of delivery of equipment, terminals and computers for use in Loto Select?

9. Did Loto Canada, the government or any subsidiary or agent in its employ take into account or know that Consolidated Computer Incorporated and Digital Computers would be able to deliver equipment, terminals and computers prior to the date of delivery in its contract with the province of Ontario for a computer lottery gaming system and, if so, on what date was this taken into account or was such information known?

10. Did Loto Canada or the government in return for removing itself from a computer lottery gaming system, reach an agreement with the province of (*a*) Ontario (*b*) Quebec for the province to pay $500,000 towards costs incurred by Loto Canada in extricating itself from its commitments other than the General Instruments contract?

11. Did the province of Ontario and/or the province of Quebec receive, free of any further charge, any of the consulting services, furniture, office space, leasehold improvements, advertising, promotional materials, tickets or information pamphlets, display boards, or any other product, article or service acquired by Loto Canada for use in Loto Select in return for their commitment to contribute $500,000 each towards costs incurred by Loto Canada in extricating itself from contracts other than the General Instruments contract?

12. Did any other province contribute funds toward the costs incurred by Loto Canada in extricating itself from its contracts related to Loto Select and, if so, which provinces and what was their contribution?

13. Did Loto Canada, the government or any subsidiary, department or agent in their employ or on their behalf, enter into negotiations with General Instruments to extricate Loto Canada from its contract with General Instruments and, if so, on what date?

14. Did Loto Canada resolve and finalize its contract with General Instruments and, if so, on what date?

15. Did Loto Canada pay General Instruments to remove itself from its contract for computers, terminals, programs and other equipment for use in Loto Select and, if so, in what amount?

16. Were meetings held between Loto Canada or the government and General Instruments to resolve the dissolutionment of the contract between Loto Canada and General Instruments and, if so (*a*) in which cities and on what dates (*b*) what individuals were negotiating on behalf of Loto Canada at each meeting (*c*) what were the expenses paid by Loto Canada in travel, hotel accommodation, meals and any additional expenses for its negotiators?

17. Did Loto Canada or the government employ any person, partnership or company to negotiate on behalf of Loto Canada with General Instruments and, if so (*a*) what are the names of those employed and on what date did they join the negotiations (*b*) what fee did they receive?

18. Did Loto Canada dispose of any articles, goods, products or services it acquired for use in the Loto Select game through selling them to Crown Assets Disposal Corporation and, if so (*a*) what were they (*b*) what was the original cost to Loto Canada of each item (*c*) for each item, what was the disposal price received by Loto Canada from the corporation (*d*) has the Corporation sold any of them and, if so, at what price?

19. Are any of the leases entered into by Loto Canada as part of its preparation to set up a computer lottery gaming system (or Loto Select) still continuing and, if so (*a*) what are the rental charges for all properties, services or products under lease (*b*) is Loto Canada in the process of finalizing all such lease agreements?

20. Was Loto Canada or the government, before it entered into a contract with General Instruments, aware that General Instruments or its subsidiaries was forced into a position of renegotiating its computer lottery contract with the State of Maryland Lottery Corporation because of excessive profits for servicing the operation of the Maryland State Lottery?

Return tabled.

● (1510)

[*English*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Is it the pleasure of the House that the two questions, No. 325 and No. 326, be deemed to have been made orders for return if the returns are tabled forthwith?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

[*Translation*]

MOTIONS FOR PAPERS

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion No. 20 for the production of papers is acceptable to the government, subject to the usual reservations concerning confidential documents and the authorization of the government authorities concerned.

I ask, Mr. Speaker, that the other notices of motions for production of documents be allowed to stand.

[*English*]

STE. ANNE DE BELLEVUE, QUEBEC—RELOCATION OF FISHERIES RESEARCH STATION

Motion No. 20—**Mr. Herbert:**

That an Order of the House do issue for copies of all minutes of meetings, documents, telegrams and letters relating to the study of the relocation of the fisheries research station at Ste. Anne de Bellevue, Quebec.

Motion agreed to.

Mr. Speaker: Shall the remaining notices of motions for the production of papers be allowed to stand?

Mr. Herbert: Mr. Speaker, I rise on a point of order, of which I gave you notice. It may also be a question of privilege. I refer to the production of documents on October 31, when the Parliamentary Secretary to the President of the Privy Council (Mr. Kilgour) said that motion for the production of papers No. 29 was acceptable to the government. At page 811 of *Hansard* Your Honour put the motion and indicated it was deemed to have been adopted and the House agreed. A week later on, on November 7, I brought to the attention of the House that it had not been possible for me to have access to these documents. In fact, they had not been tabled, as I assumed they would have been, by the parliamentary secretary.

Following my interjection of November 7, the parliamentary secretary was kind enough to tell me that he had experienced some difficulty. The difficulty was that the material I had requested had been sent for translation.

My point of order is in two parts, Mr. Speaker. First of all, motion No. 29 reads as follows:

That an order of the House do issue for copies of all regulations and instructions dealing with the publication of tender calls in the Department of Public Works, including all references to the amount and form of deposits that may accompany such tenders.

I was somewhat amazed on November 7 to be told that such documents had to be translated. I did not inquire whether they were being translated from French into English or English into French.

At a later stage I may raise this point again, once I find out what the problem was in not having these documents, which should surely be in the public domain anyway, in both official languages. More important to me now, is that some three weeks later these documents still have not been tabled. I

suggest that persons who have read *Hansard* and persons who have contacted me would assume the documents are in my possession.

Since the motion was passed by the House I would ask as a point of order whether it is not obligatory for the government under such circumstances, where there was no reserve, to have tabled these documents within a reasonable period of time.

[*Translation*]

Mr. Kilgour: Mr. Speaker, my understanding is that documents may not be tabled unless translated. As I explained to the hon. member for Vaudreuil (Mr. Herbert), this is in the process of being done and will require a little more time. This is all I can say on the matter.

Mr. Pinard: Mr. Speaker, according to what the parliamentary secretary just said I realize that he should have waited until he had the documents translated before informing the House that he was going to table them. I think that the practice he should follow before saying he is ready to table documents related to a motion presented by a member would be to have the translation of the said documents on hand before making his statement.

Mr. Kilgour: Mr. Speaker, can I suggest to my colleague from Drummond (Mr. Pinard) that he raise the matter with his colleague from Vaudreuil (Mr. Herbert)?

[*English*]

Mr. Speaker: Order, please. The hon. member has raised by way of a point of order a matter which I am sure will be examined by the Parliamentary Secretary to the President of the Privy Council (Mr. Kilgour). I certainly hope so.

We have two kinds of situations here. One is that in which there would be an allegation that there has been delay on the part of the government in responding to the order of the House. That has not been suggested but I would want the parliamentary secretary to examine the causes for any delay so as to make sure there is no suggestion the government is delaying. That is only half the problem.

Once we have eliminated that—and, as I say, there is no allegation that there is any delay on the part of the government—then I and all hon. members would want to have some assurance that, if the House of Commons passes an order demanding the tabling of documents, that order will be complied with within a reasonable time. Again I say there is no allegation that it is the government that is flaunting the orders of Parliament, but I would want to be absolutely certain—and I would entrust this responsibility to the parliamentary secretary—that the public service, who might have responsibility in this regard, is giving proper respect and attention to the order of this House. I think all hon. members would want to be given some assurance in that regard.

Mr. Kilgour: I would be very happy to look into that, Mr. Speaker.

[Mr. Herbert.]

Mr. Speaker: Shall the remaining notices of motions for the production of documents be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

AMENDMENT TO PROVIDE TAX CREDIT IN RESPECT OF MORTGAGE INTEREST AND PROPERTY TAX

The House resumed from Tuesday, November 20, consideration of the motion of the Minister of Finance (Mr. Crosbie) that Bill C-20, to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax, be read the second time and referred to Committee of the Whole.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, yesterday in the first part of my speech I expressed this party's appreciation of the need which the mortgage tax credit legislation tries to meet; that is to say, the need of potential home owners and existing home owners to be better able to bear the costs of home ownership.

I went on to give some of our criticisms of this legislation as a tax policy, as an economic policy and as a housing policy. I noted that as a housing policy it overlooked the far greater need for action on the housing situation which is characteristic of the inner city areas in our major Canadian cities.

I also noted that as a housing policy addressed to the problem of the high cost of housing it missed the point of why house prices are so high in the first place. That is due to the incredible increase in the price of land which developed in the early 1970s, thanks to the developer monopolies which controlled most Canadian cities.

I was just about to speak on what I call the "unknown" in this legislation when we were called to the Senate to witness the royal assent of a bill. What I meant then and what I mean now by the unknown in this legislation is that we do not know where the money is going to come from. On this side of the budget which we expect on December 11, do we really know where the money that is necessary to finance the mortgage tax credit will come from? Given the envelope policy of this government and the government's lack of will to raise new amounts of revenue by considering ways in which more of the wealth created in this country might accrue to the public purse, we are faced with the situation in which we have to imagine just where the money will come from.

● (1520)

As we have said, we are in sympathy with the desire of any government to make life easier for those who are finding it difficult to realize one of their aspirations, in this case to own a

home. But trying to do this without at the same time considering ways in which we could increase the revenue of government instead of considering raiding other programs is unacceptable to us. I believe it is unacceptable to the Canadian people both on practical and on philosophical grounds.

It seems to me that mothers and families who lose income through adjustment in the family allowance program, changes to it or the elimination thereof, or through changes in the tax deductions for dependants, and then who may gain through this program, will not be fooled. They will know that in the long run, or in the short run for that matter, their situation is not improved significantly. Then there will be those who do have a net benefit from this legislation. In my opinion, they will not be happy either. They will not be happy to know that their benefit comes at the expense of other people because of the intention of this government to pay for this particular piece of legislation at the expense of other programs already in place.

I suggest that the government, if it is intent on pursuing this proposal to the state of implementation, should start to get serious about the other side of the question of government spending, that is, government revenue. It should seek out ways in which more revenue can accrue to the Canadian public purse by getting a bigger share of the wealth which is created through the abundant resources of our country. In this way we will not always be in a position, as we have been of late, of having to choose between social programs because we mistakenly believe that we have reached the limit of economic capability to engage in various social programs.

I do not believe for one minute that we have reached that limit of our ability to innovate and to do new things. But I sense in the country, and particularly on the part of this government, a feeling that we have reached the limit of the funds available for social programs.

In my view this is a terrible premise on which to act as a government. I suggest to the government that it get serious, not just about restraint on ways to raise new money. We should not have to face the kinds of difficult decisions that we now mistakenly believe we have to face because we do not address the other side of the restraint argument, which is the raising of new moneys.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I speak as a person committed to Bill C-20 which is before the House. I think that it is a good measure and should be passed.

As a new member of this House, I must say that for a number of days it was interesting to listen to members of the New Democratic Party and their rhetoric on various bills and motions before us. I now have no doubt that the purpose of members of the New Democratic Party and some members opposite in the loyal opposition is to filibuster this bill, or certainly to stall it. It has become boring to listen to the NDP rhetoric. It is true that certain people walk through life backwards opposing everything and having no creative ideas on the various matters before this House. This is a party that lacks dynamic ideas and the ability to lead. It is not dealing with the real problems of the country. On all bills that we have faced to this point we have heard criticism with no alternatives. That applies whether the finance committee is dealing with high interest rates or whether it is this bill before us. How limited is the view of that party, with no real alternatives? It has a repertoire limited really to three phrases—"attack on profits", "multinational corporations" and "rip-off".

First let me deal with the phrase "attack on profits". Anyone who has been in business, certainly the small business community in this nation, understands that the word "profit" is simply gross revenues less the cost of producing that product and putting it on the market. We all know, except members of the NDP, that profit is necessary if plants are to be expanded and if new capital equipment is to be bought to fulfil future needs.

Next, with respect to multinationals, there is always an attack on multinationals whenever that word comes up in the Income Tax Act. It is only through the multinationals that highly complex and technical oil sands plants can be developed and highly technical machines can be produced. It is only through a multinational corporation that the money and the skills can be brought together in order to develop a huge project. It cannot be done by simple corporations or by proprietors. It certainly cannot be done by government. It is interesting that the NDP have made such vicious attacks on the multinational corporations when in fact the union pension plans and members of the unions hold thousands and millions of shares in those multinational firms.

Concerning rip-offs, I have heard these two words constantly used with never a stitch of evidence in support, and certainly no hard evidence.

It was gratifying to hear the hon. member for Winnipeg-Birds Hill (Mr. Blaikie) refer to revenue. He should have been concerned with revenue. Over the last ten years the Liberal-NDP love affair has driven this nation into a budgetary deficit of $11 billion each year, and into a current account deficit of $7 billion. That has to be laid directly at their feet; it is their responsibility.

What is their philosophy? Again, we are always faced with a great deal of hoo-haw and rudeness from their side of the House. If they were running the country they would not permit the same free expression that we permit here. Their philosophy is the philosophy of the ant hill, of the beehive, that everybody has to be reduced to the same, that there should not be a chance of opportunity for people to build and to grow in this country. Sir, they will always remain in their present position with that attitude.

With respect to this bill, the hon. member for Broadview-Greenwood (Mr. Rae) has argued that the bill will not help solve the problem of the inner cities. There is no doubt that the problem of the inner cities is great. This bill does have a provision in it that could go some substantial way toward helping that problem. Anyone in the inner city who wants to renovate their home can do so and deduct the interest on any mortgage against their income tax pursuant to this bill.

The NDP also argue that this bill applies to a special group. I must agree with that. The group that this bill is designed to help are those 3.8 million people who own homes. I say to them, so what that a certain group has been set out? Every tax law, every tax deduction, every exemption applies to a certain group and not necessarily to everyone else. Certainly our old age security applies to a certain group. Would they turn that back because it is a privileged group?

The hard reality is that the home owners of this country are really the workers. They are the people who live next door to us, who work in the multinational corporations and run the small businesses. It is this group who have been carrying this country, and I have no hesitation at all in backing a bill that will give some status and some protection to this group.

● (1530)

It has been argued by several members opposite that this bill is of no benefit to renters. Obviously they have not been in the real world. In fact, it is a very real incentive for people to get out of their rented premises and buy homes. With the concepts of nationalization and universalism as promoted by the NDP, if they were in government each and every one of us would be renting our homes. We would not have that privilege of owning our home, a privilege for which thousands of our ancestors died.

The members of the NDP are always calling for universalism and nationalization. If they cannot have it their way, they say nationalize it. They would have us all return to the mid-1700s when there were serfs from which our ancestors escaped, many of them losing their lives.

Renters have cheaper costs of living than those who own a home. That is simply because the landlords can deduct the mortgage interest and taxes from their gross income. In actual fact, landlords do not make much money from the rent they receive. They make their money from the capital cost allowance and the capital gains that accrue on the property. The members of the NDP would deny them that. They would deny people the right to buy a home, deduct the interest and have capital gains.

It is also argued by members opposite that this measure has no social value. In actual fact, what could be of a higher social value than encouraging people to own their own homes? Anyone who has lived in a high-rise apartment knows there is no sense there of belonging to the community. However, when you own a home, have neighbours and neighbourhood skating rinks, you feel you belong.

With respect to the cries and wails of the Liberals, it is absolutely apparent and crystal clear that their only regret is that they did not think of this idea first. Their entire position can be dismissed with that simple statement.

The hon. member for Broadview-Greenwood in particular has argued that the government cannot have it both ways. In actual fact, the NDP are in the awful position of not having it both ways. They know that to retain their mere 17 per cent of the supporters they must always be yelling "profit", "rip-off", "multinational"! However, they also want more votes. They want to form the government some day. In order to do that, they have to cozy up to small business, and that is where they cannot have it both ways. You cannot be yelling "corporate welfare bums", "nationalization", "universalism", and at the same time attack the small business community and home owners who carry this nation. They have to decide which way they are going to have it.

In summary, given the present state of our income tax law, which is incredibly complex and confused and needs a tremendous amount of work in order to rationalize it, given the system as it is at this time, given the present status of our national accounts and given the fact that the Liberal-NDP love affair of the past ten years has practically destroyed this nation, it is time we give a special status and special tax credits to the home owners of this nation. I therefore have no hesitation in backing this bill.

Mr. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I might say that I looked forward to getting into this debate today and in fact was ready to participate last night. It is with a somewhat heavy heart that I rise this afternoon due to today's events which have had a profound effect on all members on this side of the House and undoubtedly accounts for the fact that we do not have too many in their seats this afternoon.

That being said, I wish to refer briefly to some of the comments I have heard from across the chamber and from gentlemen on my left, and then demonstrate, I believe to the satisfaction of everyone present, that this bill is a monstrosity and a disaster.

I was quite impressed with the rhetoric of the Minister of Public Works (Mr. Nielsen). I had not had the opportunity of hearing the minister engage in debate in this House at any length. I realized in the course of his remarks that I had met on a number of occasions and admired for many years a brother of the Minister of Public Works, who is a renowned and quite able Canadian actor by the name of Leslie Nielsen. It is quite apparent after watching the minister's performance that his brother Leslie learned his trade at the knee of the master. I found that the remarks, which were both outrageous and filled with hyperbole, were delivered with a straight face, and that is surely a mark of great Thespian ability.

I listened to the hon. member for Broadview-Greenwood (Mr. Rae), as I frequently do because we seem to follow each other in these debates. I might say it was one of the first times during the course of this Parliament that I agreed with much of what he had to say in terms of criticizing the bill and describing the obvious housing need, which is an affordability problem and is particularly true in my area of Saint-Henri-Westmount.

I took exception to a number of his remarks, particularly when he seemed to confuse what he alleged to be a Liberal statement of social policy with one that is surely the cornerstone of his own, namely that Liberal social policy, he stated, can be described as "nothing for everybody".

As the hon. member for Lethbridge-Foothills (Mr. Thacker) just pointed out, that basically is fundamental to the NDP philosophy and is founded on the famous sum zero theory, a complete disbelief in the role of private capital and in the marriage of capital, resources and labour in the creation of economic growth.

Mr. Orlikow: You are being ridiculous.

Mr. Johnston: You had your opportunity; I look forward to hearing you on another subject.

Moving from there, I almost felt like rising on a point of order when I heard members such as the last one, and a questioner in a question addressed to the Prime Minister (Mr. Clark) the other day, claiming that this was an original Tory idea. That statement is discredited on its face because the Tories, to my knowledge, have never had an original idea. This particular idea has been bandied about for years. The Tories are perhaps not as far behind as in the past—generations and decades—but they certainly are behind with respect to this idea.

In May, 1978, after having been nominated as a candidate for the Liberal party but prior to the byelection when I was elected in September, I examined this question of mortgage interest deductibility. I had actually been a promoter of the idea for some time. On May 15, 1978 I wrote to the then prime minister, now the Leader of the Opposition (Mr. Trudeau). I would like to read one passage from that letter. I quote:

> Some tax relief must be provided to home owners who are now prohibited from deducting interest on loans obtained to acquire a home. The relief need not take the form of a deduction of interest but could take the form of a tax credit which the officials in the Department of Finance would regard as "progressive" inasmuch as it benefits the taxpayer with lesser income as compared to the taxpayer with greater income. A limit to the credit or to the amount deductible if that is the preferred technique could be etablished.

That letter was sent in May, 1978. I subsequently had discussions with members of my party and in caucus. When the present Prime Minister first released this idea to the Canadian public as mortgage interest deductibility in September, 1978, we had moved past that stage. Of course, the modification of which they are so proud, that it take the form of a tax credit, was only introduced this autumn. In this instance they are only a year and a half behind the Liberal party instead of a decade or a generation. I would point out that we on this side of the House, far from being ashamed of this idea, examined it from every point of view and rejected it, recognizing that it was socially not acceptable.

● (1540)

We recognized, too, that it was a bad economic instrument, that it was not fiscally neutral, and while it appeared to me, sitting in the private sector and trying to promote reform ideas, as being a vehicle which perhaps we should consider, upon examination we concluded it was not in the interests of the country to introduce a scheme of that kind.

We drew those conclusions from our own expertise and from the trip to Washington to which the hon. member for Broadview-Greenwood made reference. We did not have the benefit at that time of the study by the C. D. Howe Institute which condemned the plan, or of the study of the prestigious Institute for Policy Analysis of the University of Toronto, which condemned the plan, or by the Fraser Institute of Vancouver, which condemned the plan, or of various other studies and commentaries which have since been carried on by renowned economists across this country. We had the intelligence and the foresight to abandon this plan, having examined it, before it even occurred to the spirit of these gentlemen to make the modification they first made this autumn. So I object to being told that this is an original Tory idea.

First of all, mortgage interest deductibility is an old idea. As the Minister of Finance (Mr. Crosbie) has pointed out, it has existed in the United States since 1862. The idea of a tax credit is not new, either. All of these plans have been examined over the years and they have always been rejected on the grounds I have indicated, apart from the fact that it is fiscally irresponsible to consider any such plan at this time when the minister makes much of the deficit afflicting this country. Yet this is a plan which might have the effect of increasing it by 25 per cent.

You might ask, Mr. Speaker, having read the passage which I wrote to the then prime minister: What made you change your mind? What made me change my mind was a close examination of the impact of that package on our economy and on our society. As far as I am concerned, the plan is totally unacceptable. One might ask then: If it is totally unacceptable, why has it enjoyed so much popularity? We know that hon. members on the other side of the House attribute much of their election victory to this plan. What is at the root of its popularity? I have spoken in the House before on that subject and I do not want to belabour the point today, but it is perfectly clear there is a constituency in this country, one to which this plan appeals, which believes it is overtaxed.

As I have often stated, I share that view. I believe that middle and upper income groups in this country are bearing a disproportionate amount of the tax burden. But if that is the problem, let us face that problem and introduce meaningful fiscal reform rather than attempting to create a benefit for one particular interest group, namely, home owners. We want to achieve tax neutrality and a fair distribution of the tax load. This plan, as members have acknowledged, and as people across the country have acknowledged, has absolutely nothing to do with housing. It happens to be a tax plan which is of particular benefit to home owners. It does nothing for the housing industry and it is detrimental to the economy in almost every way one could imagine.

What do we need? Apart from the fiscal reform to which I made reference and for which I will continue to fight, what we need, essentially, is capital formation. There are capital requirements. Net investment has fallen—I am talking about investment in productive areas, not investment in residential construction. I was looking recently at some comments of Mr. Tony Boeck of the "Bank Credit Analyst" which he delivered to the Canadian Institute of Chartered Accountants, and he

points out that net investment, which is what gives an economy its growth, production and rising living standards, has fallen from around 13-14 per cent of the gross national product in 1965-66 to less than 8 per cent in recent years. Net investment has thus fallen from almost 50 per cent of government current spending to around 20 per cent.

It should not be our object to reward people who live in homes. What we want is to create a fiscal system which attracts capital into productive sectors. That is why I put my question to the Minister of Finance the other day asking him whether he was considering introducing some kind of tax credit to attract capital to the small business sector, where at the moment companies are labouring under high interest rates. They could use a project of that kind at any time, but particularly now when they are burdened with such high interest rates. The need facing us today is for capital in certain sectors of our economy, that is, in the productive sector.

But what about housing per se? The C. D. Howe Institute in a report which was published earlier this year asked the question: Does Canada have a housing problem? The Institute said:

> While it has been in the interests of both private sector builders of housing and those in government responsible for public housing to create the impression that serious problems exist, housing statistics indicate that generally Canadians have become better housed than they were 20 or 30 years ago without increasing the proportion of their income spent on housing.

The quantity and quality of housing has constantly increased in this country, and as the hon. member for Broadview-Greenwood pointed out, the housing picture here is roughly equivalent to that in the United States where there is mortgage deductibility as well as many other forms of interest deductibility. This being the case, surely we are targeting the wrong area. That area is not where the need lies.

Allow me, Mr. Speaker, to read into the record just two other comments from observers whom I regard as very objective. Again, one is Mr. Boeck from the "Bank Credit Analyst" who states as follows with respect to this specific scheme:

> As for the government's scheme of mortgage interest and property tax deductibility, I think it is an absurd, inefficient way to cut taxes. It was solely a cynical election ploy to buy votes through creating a handout to that large special interest group—homeowners. On grounds of equity, there is now a tremendous clamour for renters to cut themselves through a tax break of their own.
>
> People should not be given tax rebates based on how they spend their incomes. This only drives up the price of the items for which they are being subsidized—houses and mortgage interest costs. Tax breaks should derive from working, producing, investing and saving. That is the fairest and most desirable in terms of accomplishing the nation's economic and financial objectives.

I would have thought those were objectives which hon. members on the other side would share. Apparently they are not.

More recently, an editorial which appeared in "Canadian Building" in October was brought to my attention. One might think they would have an interest in this program. The article has the following to say about it:

> The mortgage interest deductibility scheme which raised such high expectations during the election campaign has become as explosive as other hastily improvised promises of that time such as the embassy move to Jerusalem and the privatization of Petro-Canada. The reasons are the same. MID was a badly conceived idea proposed for the wrong reasons and introduced at the worst possible time. MID has been condemned by virtually every serious study. Benefits are limited and temporary, but the costs are massive and perpetual. It is a cumbersome, discriminatory and counter-productive allocation of capital resources. It will distort the tax structure, rental sector and money markets and it will increase house costs, interest rates, property taxes, inflation, individual debt and federal deficits.

I read that, Mr. Speaker, because we could not say it better ourselves.

• (1550)

Given all this information, given all these studies and given the fact that hon. members on this side of the House—like myself, for example—have repented and recognized that this was a bad plan since we first examined it, how is it that the Minister of Finance insists on putting this bill forward as being in the best interests of Canada and of Canadians, and how is it that he has so much support from his backbenchers, who are toeing the party line? I am not sure, but I suspect in the case of the Minister of Finance that there is an additional problem for him. I made a conversion, as I just described, from being a supporter of this plan to being a detractor of the plan.

As hon. members know, the Minister of Finance at one time was an outstanding member of the Liberal party in Newfoundland, and I suspect that underneath his flamboyant exterior there still lurks a somewhat Liberal personality. Perhaps he is being put to the loyalty test. Hon. members have probably seen those films in other instances in which somebody comes over to your side, but you want to make sure he is really on your side so you make him shoot one of the prisoners or poison a member of his family. Well, the Minister of Finance in this case is being called upon to put forward in this House this atrocious, regressive fiscal measure which he knows full well is not in the interest of anybody. In fact, as I read his speech, it becomes very apparent that he is unable to treat the matter seriously and wants to expedite its passage through the House as soon as possible.

I am on record on this issue a number of times. My colleague from Winnipeg has pointed out many of the social problems associated with it. There are many other speakers who will bring their points of view to bear on this problem and who will demonstrate what a serious question this is. It is not a question of this debate being a filibuster. I say in all seriousness that I think this Conservative government is at the point of foisting a law upon our country which will have very long-term, serious, negative consequences.

I think I am in a unique position when I make that declaration, having proposed the idea before it came to the attention of hon. gentlemen opposite and having rejected it after serious examination. Hon. members opposite have had the opportunity for serious examination. I wish they would reject it themselves, but that does not appear to be the case because they are intent on trying to save what is left of their political credibility, if there is any.

Mr. Evans: Not much.

Mr. Johnston: However, I urge one thing upon them. Something which crosses my mind as I stand here and as I flip through the Standing Orders of the House—it is not a technical legal question—is that I believe members of this chamber who themselves have mortgages and would benefit from this bill morally should not vote on this issue because they have a direct pecuniary and financial interest in the passage of this bill. I believe it is Standing Order 6, Mr. Speaker. I do not think it has been subject to a judicial interpretation, but it is a logical rule.

There is a moral message here. If one extends the application of that Standing Order, of course, one could deal with old age pensions and a series of other things; but here there is such a direct pecuniary interest—since members of this House who hold mortgages would benefit—that I think it would be most inappropriate for them to vote, and I am sure their abstention from voting would be much appreciated by the Canadian public.

With those brief comments I will conclude my remarks. I look forward to hearing interventions by hon. members on both sides of this House.

[*Translation*]

I am sure the hon. member for Laval (Mr. Roy) will follow suit, and doubtless he will describe many other negative aspects of this bill. On behalf of my electors, I can say that there is nothing in this bill that will ever benefit the electors of Saint-Henri who are tenants. In the city of Montreal, the vast majority of voters are renters, so there is little reason to induce me to vote for this bill.

In any event, Mr. Speaker, I appreciate the fact that you are now having a look at our Standing Orders. I should appreciate knowing what you think about the matter. So, I now give the floor to other hon. members.

[*English*]

Mr. Deputy Speaker: I wonder if the hon. member was really raising a point of order and requesting the Chair to make a judgment. I will look into the matter. At first glance, if the Chair were to go as far as the hon. member seems to wish it to go, it might become a judge on many matters and subjects which are debated in this House, and it might prevent freedom of speech. At the same time, I have to protect freedom of speech.

Mr. Jake Froese (Niagara Falls): Mr. Speaker, this is my first opportunity to speak in the House. I am very happy to participate in this debate.

Some hon. Members: Hear, hear!

Mr. Froese: I have not had the privilege of sitting in this House before, and I did not realize the important position and the confidence Your Honour has in this Parliament. I had a very good experience as I flew home on a plane some three weeks ago. You gave up your more comfortable or better seat in the plane for a father and his two children. You moved to the back. I was very happy that I had the privilege of knowing you. You showed not only that you are a gentleman in the House but also that you are a great gentleman in your everyday life, which I truly appreciate.

I come from the riding of Niagara Falls, which is made up of the city of Niagara Falls and the town of Niagara-on-the-Lake. Often in the time I lived in Niagara-on-the-Lake I wondered, if it were not for the war of 1812, whether the capital of Canada would still be Niagara-on-the-Lake and not here in Ottawa. I suppose that is something we really do not know.

History has been made in Niagara-on-the-Lake and, as we are talking about housing policy or something which will relate to reviving the housing industry in Canada, I cannot help but bring to the attention of this House the fact that in the riding of Niagara Falls the question of housing and its importance is not new. However, I want to draw to the attention of the House another factor regarding the area from which I come which is tremendously important to Canada. When I was the lord mayor of Niagara-on-the-Lake, I had the opportunity of having Mr. John Diefenbaker as a guest of honour to the town of Niagara-on-the-Lake. There was something he related to me which I did not know. In fact, I was surprised that historians who were very active in our area had not brought this to my attention sooner. Mr. Diefenbaker said that it was in the town of Niagara-on-the-Lake—it was Newark at the time—that freedom from slavery legislation was passed 42 years before any other country in the world abolished slavery. At the present time the town of Niagara-on-the-Lake has a population of only a little over 3,000. At that time it had a population of not much greater, but there were 1,300 black people living in Niagara-on-the-Lake who had fled across the border.

There is a very interesting thing which I would like to relate to the House and which seems just about impossible. In "Uncle Tom's Cabin" there is a story—which is true—relating to a Negro woman who escaped across the Niagara River by jumping blocks of ice with her child. She was running to freedom. I was not born in the area and did not go there until I was 15 years old, but many a time I stood at the bank of the river, looked across and thought about how impossible this was, until one year in the 1950s when the ice jammed up because of a northwest wind, and one could walk across the Niagara River by jumping from iceberg to iceberg. I take it that was the kind of winter it must have been when that Negro lady came across.

● (1600)

Niagara-on-the-Lake was built at the time when the United Empire Loyalists came to Canada from the United States. It became a place of refuge. The gentleman who was in charge of the armed forces in Upper Canada at that time was Colonel John Butler. He is not noted for his military activities but rather for providing housing and agricultural land for the survival of the United Empire Loyalists.

At that time my constituency played an important role in the history of Canada. The important parts of my riding were Queenston and Chippawa which now are at the heart of the city of Niagara Falls, a place which is not only known for the part it played in the history of this country but also for its beauty. God has given this universe a miraculous gift in the form of the Niagara Falls. Some of us Canadians take Niagara Falls for granted.

About a month ago I had the opportunity to be host to some gentlemen from the German Bundestag, and I thank the Senate for having given me this opportunity. These diplomats watched the water run over the Niagara Falls and asked, "Does it never stop running?" I have heard a few other people ask that question. When you look at the Niagara Falls you marvel at it and wonder where the water comes from that it never stops running. It is a truly magnificent sight. Not only is Niagara Falls important in that it is the honeymoon capital of the world, but its importance also lies in the fact that this was the area where the first electrical power in this country was generated, a fact which is important not only to the industry but one which has brought a tremendous change in our homes.

As I was listening to the proposal for this property tax and mortgage interest deduction, I heard it said from the opposition side that it will help only the elite of this country. I should like to inform the House that 50 per cent of my riding is made up of ethnic groups. I am very pleased to see, when I look at the statistics, that 75 percent of the Niagara Falls riding is made up of home owners and, what is still more important, that we are considered to be a low income area in Canada. In fact, you can buy a house in Niagara Falls for less than $40,000. The reason I mention this and the reason I spoke of the background of the population in my riding is that the people in my riding put tremendous importance on owning a home. It is the most prized possession of any Canadian, and that is evident from the income level in Niagara Falls and from the number of people who own homes in that area.

Let me tell hon. members why this is so important. Niagara Falls was first populated in the 1950s when the hydro canal was being built. People from different parts of the world arrived there because there was a job available in Niagara Falls for anyone who wanted to work. Those who came liked Niagara Falls and stayed there. Does that mean to say that they were guaranteed jobs? On the contrary, they liked the area and what they found important was to own a home. The evidence of how important this has been is that owning a home has kept the family unit together.

Let me give an illustration of how important owning a house is to the people in Niagara Falls. About eight years ago I had the opportunity of travelling to the United States in connection with a Mennonite program called the MDS. We travelled to the city of St. Louis, which is the gateway of the west. When we arrived there I asked myself what kind of disaster befell the place that a carload of six men was sent down there in order to provide their services to the area. On arrival we found that a Negro organization in that city was rebuilding the old part of St. Louis for the Negro people.

Hon. members might not be aware of the fact that St. Louis is the first place where people coming from the south have the opportunity to improve themselves economically before going farther north to the more industralized centres. I was appreciative of the fact that I was a Canadian at that time because this was soon after the racial strife which had taken place in the United States. The night we drove into the city we did something totally wrong but we got away with it. We found ourselves in an area which was inhabited totally by Negroes, and being white people and males we were in some danger in that section of the city. At one point we lost our way and I stepped out of the car for a moment. As soon as I did so, another car pulled in behind me, blocking me in. I did not know exactly what the reason for that was. I asked the man in the car for directions. We were looking for a certain church. He gave us directions and we went there. The next day when I told people what had happened, they could not believe that we got away with it without being beaten.

The first few days in the city we could not get anyone to pose for a picture. We wanted to take pictures of some children there but they would not allow us to do so, until the third day when a lady asked us why we were there and where we had come from, to which question we told her we were from Canada. The whole situation changed then, the atmosphere in the whole community changed, when they found out we were Canadians. It really made me proud to be a Canadian.

But I learned a lesson that was even more valuable than this one. There were three people connected with the program there; one was a businessman who had given up his business in order to run the organization, and the other two were also businessmen from St. Louis, all three of them black. I realized what importance they put on owning a home when they said that they were rebuilding houses in their free time so that larger families could move into them. One of the businessmen said they could go to Washington to obtain interest-free money to restore these homes because they had a hard time borrowing money at 1 per cent to build these homes. I asked him why he did not take the interest-free money. He said that if you want to teach the Negro people responsibility you have to give them a sense of responsibility. Instead of giving them the money free he arranged loans at 1 per cent interest. In effect, this gave them a sense of responsibility.

● (1610)

The important thing is not to give handouts because that makes people totally dependent upon the government. We must provide a sense of responsibility, and I believe that is exactly what this bill does. This bill does not make the people come to the government on their knees and become dependent on the government but, rather, it allows them to achieve something on their own with the assistance of government. That is what makes me happy about this program.

I heard members of the NDP say we were not being fair to certain people, particularly those at the lower end of the income totem pole, and perhaps some senior citizens. I should

like to put one fact on the record. I have been involved in two senior citizens' projects, one ten years ago and one about two years ago. To a certain extent I agree with what has been said, but I should like to clarify one thing. Perhaps this is not true in provinces like Manitoba, but in at least three provinces in Canada, including the province of Ontario, those people who have no assets and no income other than the old age pension are well looked after. They can receive rental units for as low as $46 a month.

A lady came to me not long ago and said that if only her husband was alive they could move into this kind of accommodation. I have had people tell me they have never lived in accommodation as good as that being provided to senior citizens. These accommodations are subsidized, and I agree with government subsidization in that regard. I do not disagree with these programs that are in place, but I bring forward this fact to set the record straight.

We are not discriminating against these people by this program. The people who may suffer to some extent are those people who have worked hard and have saved a little for their old age. These are the people who have not been at the lower level of the income scale. I take my hat off to Canadians who have worked hard all their lives. Many of them have now sold their homes and have a little money. They are proud people and will not accept government housing. If they disposed of their life savings they could then obtain government relief, but their pride does not allow them to do this. Many of them will not accept anything from the government because they are so thankful to have been able to live in this country, most of them knowing what it is to live somewhere else.

Let me give an example. An elderly couple came to see me about a month ago. They originally came with a problem and they ended up showing me an uncashed cheque for $179. It was a cheque for rental subsidy from the Ontario government. I asked them why they had not cashed it and these two old age pensioners both told me that they were so thankful to be in Canada they would not accept a single cent from the government. These are the kinds of people who sometimes can be hurt by our tax system.

While I was mayor of the town of Niagara-on-the-Lake I was approached time and time again by people who said that if only something could be done to alleviate the local tax burden they could continue to live in their homes. I heard this same comment many times during my election campaign. I am very thankful that this tax rebate program is something that will be of benefit to these senior citizens who are finding it hard to maintain and keep up their homes. This will alleviate some of their tax burden. I am very thankful for this program because of what it does for these people.

Let me approach this subject from another point of view, and I do so with a little bit of knowledge of the building industry. I used to be in the home building industry. Although I never had the opportunity to grow up on the farm, I love farming and I am farming at the present time. I have been in full-time farming since 1961, and prior to that I was in the building business. I started as a labourer and finally formed my own company.

I became interested in politics when I was about 12 years old, having met the prime minister of Canada at that time in western Canada. I had the opportunity of shaking the hand of Mr. Mackenzie King.

An hon. Member: A great man.

Mr. Froese: I think I know more about Mackenzie King than most of those in the opposition today, as I followed everything he did. I guess that is the reason I never could become a Liberal. Mr. Mackenzie King did a great many things for the purpose of getting re-elected. We all know about the one thing he did for re-election that he became famous for, and that was bringing in the baby bonus. He used the Canadian public in many ways to get himself and his party re-elected, and he did so on many occasions by using the building industry. I have the facts before me and I will read them for hon. members opposite, if they like.

In a sense my success in the building business can be related to my knowledge of what Mackenzie King did while he was in government. Each year before an election changes were made either in the down payment required to buy a house, or in some other related area. As a result this would create a building boon during an election year. This did not happen once, it happened time and time again. Then within two years after the election the building industry was as flat as it could be. This is the way in which he used the Canadian public. If we look at the history of the building industry, we will find that as that industry went in this country, so went the Canadian economy. The building business has always been the icing on the cake in the Canadian economy.

• (1620)

What happened to our building industry? Some of the things which happened were good for the industry. It hit a high, and then it went down, and it appeared as though prices within the industry were levelling off. That is where the chaos began. I heard a member on the other side say that our costs went up because of high profit. I know that that is exactly what they are saying. In the 1970s the Canadian government which was in power at that time kept pumping, pumping and pumping money into the industry, changing interest rates and changing down payments and increasing loans. As a result, there was no levelling off at any time. Who made the money? The profit from these homes to the builder who built the house and sold it went from as low as $300 to as high as $5,000 per home.

The money and the incentives, plus what was mentioned by my colleague yesterday and which I do not wish to repeat, was so evident in the building industry that it can be seen in the fact that because of the give away programs of the former government today we have homes which people could really not afford. This has destroyed the building industry. I am excited about this program and I believe it will bring our industry back to its feet.

Hon. members opposite have said much about the high-interest rate. For the first time since 1970 the cost of building materials has levelled off. For the first time there is a realistic price on building materials. It is because that former government did not do its part in stimulating the industry properly that it has taken so long. When I was the mayor of the town of Niagara-on-the-Lake, we had a subdivision, which was very rare for that town. I am very thankful that they are very rare to the town of Niagara-on-the-Lake because that is the last land which should be used for a subdivision, but it was an area which could not be used for farming. The gentleman who started the subdivision began on the basis that he would get "X" number of dollars for his subdivision. The lots were so lucrative that he sold 40 to the builders. The builders saw the extra money, and they did not sell those lots until 50 per cent was put up toward the lots. This man expected to sell those lots for $8,000, but when he saw the inflation caused by the unrealistic incentives given to the building industry, the lots went from $8,000 to $22,000, and this because of the former government. The building industry is still suffering from that situation. I am thankful today that we have a program which will almost completely relieve the industry of the programs introduced by the former government. For three years the home building industry has suffered.

Who can afford to build a home? For those people who have money in their pockets, it is an ideal time to build. But for the average Canadian or the young person just starting out, the situation created by the former government does not allow them to build a home. This plan will change all that. It will give these people an opportunity. I have five children who are at present looking to build a home. They say that the interest rate is too high. I could not agree more, but it is not high because of the government. It is high because of the financial situation left to us by the former government.

If I were a Liberal I would be the last person to run for re-election if after 11 years I had created the current interest situation which this country faces. I would not sit on that side of the House or anywhere in this House if I were responsible for creating the chaos that has been created in this country and the indebtedness which they have left to our young people. We are not only asking our young people to pay high interest rates; we are asking them to pay the debt created by the last government. How will they ever get out of this situation? My part is committed to reducing this debt, but we do not want to forget about the person who wants a home, or forget that the most important thing to most people is owning a home.

[*Translation*]

Mr. Marcel Roy (Laval): Mr. Speaker, first I would like to congratulate the hon. member who just resumed his seat, not necessarily for the content of his message but because it was, as he told me, his maiden speech. So I congratulate him on that, but if he continues to use the tone of voice he used today—

Miss Bégin: He will have a sore throat.

[Mr. Froese.]

Mr. Roy (Laval): He will last as long as his party will stay in power.

An hon. Member: Not for long.

Mr. Roy (Laval): Mr. Speaker, November 21 is a somewhat special date, particularly for Liberals, but also for all Canadians. We saw today the House pay tribute to a great Canadian who worked to develop Canada's human potential and resources, wherever they are, to redistribute them among individuals, families, provinces and regions within the provinces. To that great Canadian, Mr. Speaker, with whom I have been proud to work, I would like to pay a tribute of gratitude, the tribute of all the people in Laval. And I am sure, Mr. Speaker, that the content of the legislation we have before us today does not reflect at all the Liberal philosophy I just mentioned and which was advocated in all areas of this country during the last election.

Mr. Speaker, about Bill C-20, an act to amend the Income Tax Act to provide a tax credit in respect of mortgage interests and home owner property tax, it seems to me we should not be asked as members of this House whether we are for or against the bill. It seems to me we should rather look carefully at this legislation and determine what need there is for it. Is this an appropriate time? Will this money be distributed in an equitable way? Will it be distributed to people who need it, or is it simply a matter of keeping another election promise that does not reflect, I think, the needs within the priorities or the imperatives that will have to be those of the government in the present economic context? I think we have to reflect together on those issues rather than ask whether we approve of the bill or whether we are against it.

● (1630)

We are all in politics. Handing out money is always popular, and this may sometimes be the way to fast popularity. If in the present state of our economy we could afford to hand out that money, I believe nobody would like to vote against such a piece of legislation. But in this party, with that conscience I referred to earlier when paying tribute to Mr. Pierre Trudeau, we are responsible enough to think in terms of managing public funds. Managing means studying the facts, the needs and then giving people or families what they need. Managing is making choices. To us Liberals, this has always been the basic principle of our philosophy.

I would like to deal now with the question of whether the needs are really there. There has been extensive discussion of the housing problem in Canada these last few years. In my view, that debate did reach its climax in 1969, when the Task Force on Housing and Urban Development published its report in which it suggested that although there was no urban crisis, there certainly was an urban problem because in the minds of most Canadians the housing problems was, according to the commission report published in 1960: "The housing problem is in itself the urban problem." It may be remembered that it was after that report that we had a seminar in Vancouver.

You, sir, who are now in the Chair and are also member for Beauharnois-Salaberry (Mr. Laniel), attended the seminar in Vancouver, in Harrison Hot Springs, where we laid the foundations of a housing policy, whereby we suggested through our leader, Mr. Trudeau, that the needs of Canadians had to be met, wherever they might live, whether in St. John's, Newfoundland, in Quebec City, in Toronto, in Vancouver or anywhere else in Manitoba. Canadians in ever-increasing numbers would be moving into urban centres, and the Canadian government had to help those people who would require not just housing, but quality housing. After that study and those findings, the Liberal government set up a Ministry of State for Urban Affairs in order specifically to work with the provinces, with various social bodies and with municipalities to develop not one but a number of programs, to establish a sampling of programs capable of catering to the needs of the Canadian people. What has happened since? As I said, in 1968 we built some 70,000 housing units. What has happened since 1968, sir?

I have here the 1978 annual report of the Canada Mortgage and Housing Corporation which says that the annual average of new housing starts from 1969 to 1978 in Canada exceeded 235,000 units. In the last ten years, from 1969 to 1978, 235,000 housing units have been built compared with over 250,000 for 1978 alone. Before the Minister of Finance gets down to establish a new housing program, we should consider the situation. We should try to identify housing needs, study the quality of housing made available to Canadians and see if housing is plentiful enough.

Mr. Speaker, I think it is very important that we should study the question of quality of housing in Canada. I refer to a Gallup poll made in 1968 and in 1978 whose purpose was to get an indication of housing conditions offered to Canadians. The question was as follows: Are you satisfied, dissatisfied or indifferent about your dwelling? The survey was made throughout the country in October, 1978. According to that poll, more than 85 per cent of Canadians were satisfied with their accommodation. In the Atlantic area where the financial problems are the greatest, more than 79 per cent of the people said that they were satisfied with their housing.

In 1968, the degree of satisfaction was 60 per cent while in 1978, according to the Gallup poll, 85 per cent were satisfied with their accommodation. In 1968, 34 per cent were dissatisfied and in 1978, 13 per cent only were dissatisfied.

Mr. Speaker, I am really trying to see on what basis that legislation was introduced for consideration by the Minister of Finance as a priority that had to be passed before Christmas. I am trying to see what are the quantitative and qualitative needs of Canadians.

Mr. Chénier: Never.

Mr. Roy (Laval): This is the situation. I mentioned that the performance was not that bad. As for quality, I think that once again the Gallup poll reveals that it is very good. We are conscious of the fact that there is room for improvement. It is obvious that we must continue to have some. This is why the previous Liberal government had introduced a bill which was given three readings and was passed by the House of Commons on March 12 last. It was Bill C-29, an act to amend the National Housing Act and the Central Mortgage and Housing Corporation Act, and it provided for an additional program to continue to improve housing conditions.

Mr. Chénier: Improper priority of the Progressive Conservatives!

Mr. Roy (Laval): Sometimes we make comparisons with the United States which already has a program such as the one being proposed by the Progressive Conservatives. In the U.S. there are 235,000 housing units a year. The number of housing starts in the past few years is as follows: in Canada, we built 11 units per 1,000 people whereas in the U.S., over the same period, there were only eight units per 1,000 people. In other words, under our housing policy we built more units per 1,000 people than in the United States, 11 units per 1,000 persons compared to eight units per 1,000 to be precise.

I am still trying, Mr. Speaker, to understand why the Progressive Conservatives are introducing such a piece of legislation. According to the statistics that I have before me and that I have just given, there does not appear to be any urgency or need for this measure, as they would want to make us believe. There is no urgency. That is why we tend to think that only to fulfil a haphazardly-made electoral promise the government is now ready, despite other priorities, to go ahead with a measure which, in my view, is discriminatory.

Mr. Speaker, I said that we are aware of the fact that we must continue to work towards improving housing conditions for Canadians, but for all strata of society; not just for the haves, but also for those who have family responsibilities, those who have reached an age where incomes decrease instead of rising, those whose needs and obligations remain the same, or for those who live in underdeveloped areas. It seems that this bill in no way reflects the needs of that sector of Canadian society, bearing in mind the statistics I gave at the start. It seems to me that the figures quoted by the Minister of Finance (Mr. Crosbie) are too negative and in no way prove that all levels of Canadian society benefit from this bill according to their needs. Instead, it reflects once again the initiative of a Progressive Conservative government that gives in to regional pressures from those who are better off. I would even say, Mr. Speaker, that I am convinced that, if in the riding of the Minister of Finance, as well as that of the minister responsible for housing, the Minister for Regional Economic Expansion (Mr. MacKay) people were asked to choose between the present housing policy and this one they are being asked to swallow whole, they would say they feel far better protected by the present policy.

I asked earlier: Does our economy justify that kind of investment? I spoke earlier about the yearly construction of 235,000 housing units over the last ten years. We had programs, Mr. Speaker, set up by Canada Mortgage and Housing Corporation, in every field, including programs for the rural areas and our native peoples. We set up a program, in co-operation with the municipalities, to organize community services, under Bill C-29 which the House passed on last March 12, and which offered substantial grants to the municipalities for community projects.

● (1640)

We used to have a special assistance program of the Government of Canada regarding community housing. We have a guaranteed loan program for rental housing, and we used to have a renovation assistance program. I would have liked to know the intentions of the government respecting the continuation of all those social programs. The Liberals are concerned about the future of existing programs. And yesterday, Mr. Speaker, I wonder whether all hon. members witnessed a demonstration right here on Parliament Hill where people came to urge the Liberals to make pressure so that family allowance benefits will not be reduced—

An hon. Member: Shame!

Mr. Roy (Laval): —so that the future government housing policy will not benefit only the more fortunate Canadians to the detriment of those who most need it. I see that the hon. member for Saint-Léonard-Anjou (Miss Bégin), the former minister of health and welfare, is in the House. With other Liberal members she met those people who had come to Parliament Hill to try to bring their problems to our attention. But I am sure that the former minister of national health and welfare has indicated to them that it was not only to make us aware—for we were already aware—but to make the Canadian people aware that we would spare no effort to make sure that public funds would be spent to meet real needs, and not to honour election promises made on the spur of the moment, because statistical data indicate that there is no housing crisis in Canada, Mr. Speaker.

I mentioned a while ago the housing construction program for the aged and the Assisted Home Ownership Program. How much has the Liberal program administered by the Central Mortgage and Housing Corporation cost over the past ten years? Well, according to the nearly complete sampling procedure which I described earlier, it has cost $2,266 million. And now the new government puts a gun to our head, so to speak, and demands that we adopt before Christmas a housing policy which, by 1982, may cost as much as $3 billion a year, while the whole program of the Liberal government had cost only $2,226 million over a ten-year period. And now the new government wants us to swallow a program which will cost in 1982 some $3 billion, in order to distribute this money among the richer residents of the richer municipalities and provinces.

[Mr. Roy (Laval).]

I think that other hon. members have already emphasized in the House that the richer provinces will benefit more from this program. It is clear that Quebec will not be among the favoured ones, if we accept the bill as it is drafted now.

I suggest that this legislation is discriminatory, as mentioned by the former minister of national health and welfare and hon. member for Saint-Léonard-Anjou. This policy will discriminate against 40 per cent of Canadian tenants.

And then, Mr. Speaker, what about the 27 per cent of home owners, that is 2,200,000 taxpayers, who have paid off their home, whose home is clear of any mortgage? This initiative of the Progressive Conservative government seems to me to apply only to one-third of taxpayers, those who classify theoretically as being entitled to the mortgage loan and property tax credit.

In light of all those figures I have tried to make hon. members fully aware of that and to say that there is no urgency in housing, that this is not a housing policy but rather a matter of keeping an electoral promise inspired by guesswork and not necessarily consistent with statistics. Mr. Speaker, I challenge the Progressive Conservative members or the minister to question the figures I just mentioned. However, as I said a moment ago, if we had the funds required I believe nobody would oppose this legislation, but we have to establish a set of priorities.

An hon. Member: Right on. Wrong priority on the part of the government.

Mr. Roy (Laval): Being the representative of an urban riding which is rapidly expanding and which also benefited from programs already established, I would agree to add, as my colleagues have suggested, some improvements to the act, namely a reduction in the property tax. That would affect all owners whose houses are paid off and no longer mortgaged. The income of those people may have gone down in the last few years. Elderly Canadians want to keep their homes. I would agree to amend the act or consider a separate tax credit in respect of property tax. It seems to me that that way we would be helping many more Canadians, we would not be penalizing those home owners who have already paid off their mortgages and we would be helping elderly people who wish to keep their houses and can no longer afford to because of the yearly increase in municipal rates. That would certainly be more appreciated and more liberal philosophically speaking. It seems to me, Mr. Speaker, that that proposal should be considered.

I would have liked to know better the Progressive Conservative program about the tremendous increase in interest rates. I would have liked to know the public housing program of the Progressive Conservative party. I would have liked the Progressive Conservatives to tell us what they intend to do about the Canada Mortgage and Housing Corporation.

Is this legislation a means of superseding the Canada Mortgage and Housing Corporation to eliminate existing programs and through taxation distribute funds of $2 to $3 billion to those who are already fairly well off? We are not ready to vote for or against such legislation, Mr. Speaker, because Canadians are wondering what will become of the Canada Mortgage and Housing Corporation that has been in charge of our housing programs. We succeeded in having a yearly average of 235,000 housing starts.

An hon. Member: Excellent!

Mr. Roy (Laval): We had the Gallup poll I mentioned at the beginning of my remarks, according to which 85 per cent of Canadians are satisfied with their present housing, in 1978. We achieved all that thanks to the Canada Mortgage and Housing Corporation. However, I would like to know what will happen to the corporation before voting on this legislation.

In conclusion, Mr. Speaker, it seems to me that one can judge how important are the food chains that advertise and are very popular by the number of customers they get. In the food business, we hear that Steinberg's is on our side. It is a commercial, Mr. Speaker. I would say that Canadians are aware that as far as energy and housing are concerned, the Liberals are on their side.

An hon. Member: Indeed! The Progressive Conservatives are against them.

• (1650)

[*English*]

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I am pleased to again get up in my place to speak in support of Bill C-20. I have been impressed by the honesty and the concerns expressed by the various members when giving their views on this bill. The people of Canada also have a view, an honest one. They have indicated to us that they are in favour of this type of bill.

The only time I was somewhat distressed was when a member across the way this afternoon questioned the propriety of members voting on this bill because they own a house and might therefore have a pecuniary interest in this bill. In my opinion, that is a ludicrous position, hardly sufficient in scope or intelligence to be placed before this House.

There are many pieces of legislation that come before a provincial legislature or indeed the House of Commons which affect each and every one of us in some manner. The income tax legislation affects every one of us. Therefore, to put Your Honour in the position of having to rule on the matter is below the level of debate that should occur in this House. If the hon. member feels so bad about this bill, perhaps he will not want to claim the tax credit. As well, some on the other side who own businesses or apartments may not want to deduct their property taxes and interest paid with regard to those businesses and apartments.

It is important that we pass this legislation before Christmas so that Canadian families who own homes might take advantage of this deduction and reinvest their money in other areas of the economy. I might say that the idea of mortgage deductibility and tax deductibility from income tax is not a new idea, as some members have said.

An hon. Member: You never have new ideas.

Mr. Yurko: I have no hesitation in saying that as minister of housing in Alberta I suggested this proposal to the former minister in the Liberal government in 1975, 1976 and 1977. At a sectoral conference of housing ministers in Alberta in January, 1978, a conference which I initiated and which was the first of a series of sectoral conferences, this issue was very specifically discussed. We dealt with it in two forms. First, we dealt very specifically with property tax as a deductible item from income tax paid. The view was very strongly expressed that no person in our society should have to pay tax on tax.

The fundamental principle here is that people are paying taxes on taxes. This is a beginning toward removing an inequity for certain people in our society. I hope later to state approximately how many in this nation own their own homes. Certain people in our society are paying taxes on taxes that they have already paid. It is very easy for tax accountants to get up and confuse us with technical terminology and suggest there is no equity here or that there is no equity there. Mr. Speaker, there is no equity in a tax in the eyes of the person who has to pay that tax. But by far the greatest inequity is when people, particularly home owners, have to pay tax on tax. That is a totally improper type of tax.

• (1700)

I want to tell hon. members what happened at that sectoral conference of housing ministers from across the land.

An hon. Member: You weren't there!

Mr. Yurko: I chaired the conference. There was unanimous agreement among the provincial ministers. We met on the first day as provincial ministers only and on the second day we met with the former federal minister to tell him what we had agreed upon the previous day. We came to the unanimous decision that property taxes up to a certain level should be deductible for income tax purposes. There had been agreement from Progressive Conservative governments, from a Liberal government—at that time Prince Edward Island still had a Liberal government—from NDP governments and from Social Credit governments. Governments from every party in the country recognized the need to make property tax up to a certain level deductible by home owners, fundamentally because of the inequity of paying tax on tax.

A large percentage of poor people are paying 35 per cent of their net incomes on acquiring their homes. Some of them are even paying as much as 50 per cent of their net incomes for this purpose and they are being called upon to pay a double tax, tax on tax. I say that no poor people, or people with average incomes, should ever be called upon to do that.

At this conference, as I was saying, governments across the political spectrum agreed at the provincial level that deductibility was the answer. If my memory does not fail me, and I can be corrected on this, the New Democratic government in Saskatchewan, prior to the last election, came out with a modified system of its own providing for a rebate. Indeed, the party in the corner opposite me whose members have been arguing so strongly against this bill may be surprised to know that the government of Saskatchewan, one of the strongest provincial governments in the nation, adopted a measure almost identical to the one before us. Why did they do so? Was it because of their philosophy? Maybe they did so because it was good politics. What is wrong with good politics when it helps people? What is wrong with good politics when it helps a lot of people?

There is no doubt we are the best housed people in the world. Our occupation rate for housing units is, if I remember correctly, just below three and our housing stock is fairly young. The ratio of home ownership to apartment dwelling is still fairly high. So we are well housed.

At the present time, though, we are entering a new era in housing, one which is related to very high energy costs and severe new demands on services. Moreover, a lot of the housing stock owned by average Canadians is in need of repair. One of the fastest rising costs in the field of housing besides interest rates in the last couple of years is represented by property taxes. Property taxation in this nation is rising dramatically because we have enjoyed and demanded a highly upgraded kind of urban life. Nothing in our society has been more dramatic than the rate of urbanization in the last 25 years. People have demanded all kinds of new services, particularly at the municipal level. Municipal taxes used to be levied for water, road work, street lighting and so on. Today municipalities provide a wide range of services, including education, social services, special services for single parents who wish to put a child into a day care centre, and so on. No end of services are provided at the municipal level and the tax burden has become increasingly heavy in consequence.

It is interesting to note the high percentage of home owners there are across the nation. From now on our housing stock will be increasingly in need of repair and I suggest that CMHC will, in future, be more involved in repairing and insulating housing than in building new units. But here are the home ownership figures: Newfoundland, 80.6 per cent; Prince Edward Island, 77.6 per cent; Nova Scotia, 72.4 per cent; New Brunswick, 71.8 per cent; Quebec, 50.4 per cent; Ontario, 63.6 per cent; Manitoba, 66.4 per cent; Saskatchewan, 75.4 per cent; Alberta, 64.8 per cent; British Columbia, 65.3 per cent; the Yukon and the Northwest Territories, 34.5 per cent; Canada as a whole, 61.8 per cent.

All of us know that there are senior citizens who are in a difficult position. I have opened more senior citizens' housing in three and a half years than most people here in this chamber. And I am repeatedly told by those senior citizens that they would have preferred to stay in their own homes but they could not afford to do so. So they moved into government housing where rents are geared to their incomes.

• (1710)

Because some senior citizens do not pay income tax, they may not get the advantage of this program, and it is therefore being suggested that it is unfair. There are other programs to deal with senior citizens. One of them is the construction of government housing which has been happening on a massive basis in this nation. Senior citizens are moving away from the loneliness of their own homes, in some instances, and into an atmosphere and environment which they enjoy. I am proud that CMHC and the provinces have come out with a number of excellent programs. Suites of 500 to 700 square feet of excellent living space for senior citizens are being supplied. This is a very enjoyable type of housing which provides an existence for many people in their later years, although not all senior citizens have gone to this form of housing.

This program is not a one-time program. It is not a two-year program, a three-year program or a five-year program.

An hon. Member: It is a nothing program.

Mr. Yurko: It is a program which we hope will continue, unless some silly party forms the government and negates it later. It is a program which will last a long time, and much housing stock will revert from senior citizens to young couples and from middle age people eventually to younger folk. All that housing stock will at some time or other house people who need breaks and who will repair much of that housing stock.

That is one of the reasons this is fundamentally a sound program. It was recognized by provincial governments across the nation with regard to the property tax deductibility aspect. It was not only recognized but, indeed, implemented by the NDP government in Saskatchewan. I must say that just now and again that party over there has a good idea and implements it. That does not happen often, but I do have to give it credit every now and again.

I want to talk about mortgage interest deductibility because mortgage interest deductibility is in a different category. To be perfectly honest, at the sectoral conference on housing in January of 1978 among provincial governments provincial ministers could not reach agreement on this. We could not and did not find a consensus on mortgage interest deductibility. We sent the matter back for more study. One of the reasons we sent it back for more study was that we recognized what was happening to the housing stock in the nation. Housing stock was very high. In many situations one person was occupying 2,000 square feet of housing stock. In others, couples, be they senior citizens or whatever, were occupying in excess of 2,000 square feet of housing stock. We knew what was happening or what was going to happen to energy costs. It did not take any great magician at all to recognize that energy costs were going to skyrocket. When I lived in New Jersey my energy costs were in the order of $50 a month. I visited my brother the other day.

Mr. Campbell (LaSalle): Mr. Speaker, I rise on a point of order. There is a piece of legislation before this House. I think the hon. member is straying. The indulgence of the Chair has been that we can sway from the subject, but the subject is tax credits and interest rates, not the hon. member's stay in New Jersey, senior citizens' residences and so forth. I think the hon. member should stick to the subject and we will listen to him, but this is nonsense.

Mr. Yurko: Mr. Speaker, I have not heard such nonsense for some time. An hon. member opposite talked about mortgage interest deductibility in the United States and tax deductibility in the United States. The hon. member has the gall to get up and suggest—

Mr. Campbell (LaSalle): We are in Canada, not the United States.

An hon. Member: Never mind New Jersey.

Mr. Yurko: I just want to give an example of the rate at which energy costs are rising. United States prices are ahead of ours by a couple of years. On the same house in the United States the average energy cost was $270 a month after a matter of eight to nine years. We are about two years behind. The energy costs in Canada in connection with urban communities, which have been built in a very scattered way, will indeed impact on our society in a major way, and governments will need more programs to alleviate the tax load at the local municipal level. Indeed, we will need more tax measures to alleviate the load on home owners in this nation, and if hon. members opposite do not think this is necessary—every indication they have given is that they are totally opposed to giving the home owner a break—then I would like to meet them in the next election campaign on that very issue and tell every one of them that governments in this nation of every political stripe recognize the value of this type of program.

An hon. Member: That is the only platform you have.

An hon. Member: One more than you.

Mr. Yurko: Housing is an area of considerable importance in this nation. It is an area of concern which is very close to my heart, for the simple reason that I have been involved with housing in a major way not only nationally at national conferences, where we got together repeatedly as provincial ministers with the federal minister, but also provincially where we have upgraded our housing stock in the province of Alberta and in just three years took the number of new units coming on stream per year from 15,000 units to 48,000 units. That was in just three years, so one can accelerate rapidly the construction of housing stock, and nowhere in this nation has this been proved more than in Alberta. That can be done. Any time you want to provide incentives to get housing stock on the market, you can do that; but what we have to do with this bill is address ourselves to what is necessary to deal with the cost of existing housing stock, monthly tax bills and monthly interest bills from here on in. That is what this government is doing, and I suggest it is moving in the right direction in terms of the entire housing picture in the nation from here on in.

Mr. Gary F. McCauley (Moncton): Mr. Speaker, first of all I would like to ask my colleague and a great Canadian from northern Ontario, the hon. member for Timmins-Chapleau (Mr. Chenier), to come over and protect me from the slings and arrows of outrageous insults from across the way as I go through my speech. Would the hon. member come over here?

This has been a momentous week in this House, two days of which I will never forget. For us on this side of the House this has been a day in which we have witnessed the resignation of a great Canadian from the leadership of this party. We were all tremendously moved by the reception he received when he announced that resignation this morning and also by the reception he received this afternoon in the House from both sides, from the Prime Minister (Mr. Clark), from the House leader of the NDP and from the House leader of the Social Credit party. It was a tremendously moving experience for me personally and, I am sure, for all of us here today. It goes to show that, despite the insults we trade and will trade in the next few minutes, we do share a common vision of this country. We are all together in our goals if not in our policies; we do care about this country and we respect each other. So this was probably the most memorable day of my life.

● (1720)

The second most memorable day was Monday night. I do not think that ever in my life have I witnessed such a performance as I witnessed Monday night when the Minister of Finance (Mr. Crosbie) introduced this bill. I felt that I was at a revival meeting with an Evangelist who was trying to sell me a bill of goods. I felt that "St. John Crosbie" was really getting into it in terms of trying to put across a program in which he did not really have his heart but which he wanted to con us into believing he did. He spoke with all the fervour of a convert, which of course in political terms he is. I almost felt that if he had issued an altar call at some point in his speech, all of us on this side of the House would have gone down on our knees in front of him and repented for our sins.

An hon. Member: That would take a long while.

Mr. McCauley: No, it would take only 30 seconds. One of the greatest spectacles I have ever witnessed—and I want to congratulate the Minister of Finance for the tremendous roles that he plays in this House—was on Monday night when he was the Evangelist. He also plays a role in the question period, what I would call the glowering inferno, acting out righteous indignation. He is a tremendous performer and he plays many roles, that of the clown, that of the buffoon and so on. I have a great deal of admiration for his ability to play all these roles.

An hon. Member: Except for his ability as Minister of Finance.

Mr. McCauley: That is right. He cannot do anything right in that role. He does a fantastic job playing all these other roles, however.

The Acting Speaker (Mr. McCain): Order, please. It is the general practice of the House that we restrict the right to speak to one person who, I think, should remain relevant and on the subject. We should let the speaker have the floor to himself.

Mr. McCauley: Thank you, Mr. Speaker. One of the points the Minister of Finance made was when he quoted extensively, for about 15 minutes, from an article by a criminal lawyer by the name of David Greenspan, an article which he used to support the bill and to support his position. Of course, he quoted selectively from the article and neglected to point out something with regard to the property tax credit that I think is worth pointing out to the people of Canada and to the House. Mr. Greenspan said, in the second to last paragraph of his article:

> The proposed property tax credit is important to municipal governments because it offers politically acceptable breathing room in which to raise taxes.

The voters of New Brunswick have had some experience with that kind of shifting of the tax bite from one hand to the other. A few years ago we were promised that the provincial government would get out of the property tax business. They were phasing it out while at the same time the municipalities phased it in. This is exactly what is going to happen with this famous property tax credit about which the minister spoke so eloquently. However, he had neglected to mention that the vacuum would be filled by the municipalities and that the Canadian taxpayer would be no better off.

I would hate to use the word "fraud" in describing this tax bill—it is too strong a term although I tend, in my weaker moments, to think of it in those terms.

Mr. Baker (Nepean-Carleton): It might be unparliamentary as well.

Mr. McCauley: "Deception" is a good word, but let us use the word of the Minister of Finance. He called it a scheme. Not being very learned, I looked up the word in my handy pocket dictionary. It says: "artful or underhand design".

An hon. Member: That is right, the scheming minister.

Mr. McCauley: That is a good description of this tax bill. It is an artful or underhand design for a number of reasons. First of all, the minister himself has admitted that he thinks the mortgage interest and property tax credit scheme is "inconsistent"—that is his word—with the goals of his budget. But, as he explained in a radio interview, political parties have to make good on some of their promises sometimes, and that was one of those times. Well, that was okay, I suppose, with the Jerusalem embassy, but perhaps not okay in view of the fact that this country lost $5 million worth of business. But how can the minister, if he feels that this bill he introduced on Monday night is inconsistent with the government's philosophy, stand up in the House in good conscience and try to convince the people of Canada that it is a good thing? It is quite beyond me.

The minister went on with his artful or underhand design or scheme to tell us what the people of Canada want and that that is why the people of Canada voted for a Conservative government on May 22. Is that a fact? Who wants it? Do renters want it? Do the elderly who own their own homes want it? Did the people of Canada vote for the Progressive Conservative Party because of that?

An hon. Member: Only 35 per cent of them.

Mr. McCauley: Not even that many. According to a Conservative party poll taken immediately after the election, 2 per cent voted for the PC Party because of the party's promise to bring in mortgage tax deductibility. So only 2 per cent of the voters of this country want it. That is not what you would call a stunning majority.

The other question which I have with regard to this artful or underhand design or scheme is, who pays for it? Where is the money going to come from? That is a question that the Canadian people are concerned about. They want to know the answers to it because they know governments do not hand out anything with one hand without taking something else from their pockets with the other.

Some people are concerned that the government is going to finance this underhand design by abolishing family allowances. As we all know, there is in the air the idea that the government plans to do three things with regard to family allowances. The first is to abolish family allowances entirely; the second is to increase the refundable child tax credit by the amount of the allowance; and the third is to reduce the child exemption by that same amount. The intended effect of all that on the lower income half of Canada's families is roughly nil, zilch. What such families lose of the allowance, they get back from the credit. The tax they would have paid on the allowance is balanced by the tax they would have saved from the matching portion of the exemption.

Higher income families, on the other hand, so the story goes, are to lose benefits, and these will be used to finance their mortgage interest and property tax credits. The government will certainly deny it, but there are many reputable people who believe that this is exactly what will happen.

The other thing about which I am concerned in this underhand design or scheme is the regional bias.

• (1730)

Mr. Munro (Esquimalt-Saanich): On a point of order, Mr. Speaker, I would just like to draw to the hon. member's attention the fact that there are other definitions of the word "scheme". For his selective illiteracy I would like to draw to his attention that "scheme" also means "systematic arrangement proposed in operation; a table of classification or of appointed times, outline, syllabus; a plan of construction, work, action"; and then it goes on to the pejorative use of "scheme". Thank you, Mr. Speaker.

An hon. Member: Those definitions don't apply.

Mr. McCauley: Certainly not. Why pick ones that do not apply, Mr. Speaker?

Mr. Baker (Nepean-Carleton): On a question of privilege, Mr. Speaker, the hon. member for Moncton (Mr. McCauley) has perhaps not yet learned the rules here. The Minister of Finance (Mr. Crosbie), whom he would call underhanded, a schemer and so on, is not in the House at the moment. Perhaps he might reserve his intemperate remarks about the minister for a period of time when the minister is here to answer.

Mr. McCauley: Mr. Speaker, I would like to correct the hon. member. I did not and do not refer to the Minister of Finance as an underhanded or artful schemer, I referred to the plan. I am not attacking the man, I am attacking the plan, and surely that is acceptable, is it not?

The other thing I am concerned about, as I was saying before I was interrupted, is the regional bias of this—I cannot call it a scheme anymore.

An hon. Member: Plan.

Mr. McCauley: Plan, thank you. It transfers wealth to those areas of the country where mortgage indebtedness and federal taxes paid are quite high. Thus, in Ontario where 35 per cent of families and unattached individuals carry mortgage debt and pay relatively high federal taxes, these are the people who will gain most from the mortgage credit. People in the Atlantic provinces, on the other hand, where only 26.3 per cent of families and unattached individuals carry mortgages, and where federal taxes paid are relatively low, will benefit relatively less from the mortgage credit. Over all, the people in the Atlantic provinces and Quebec will benefit least from these credits, whereas the people in Ontario and in the west will benefit most.

To me, that situation enhances regional disparity at a time in this country when we are having great difficulty in coming to grips with a vision of this country that is bigger than regions and bigger than provinces, at a time when we are dealing with a government that does not see or share that vision, that cannot see that this country is bigger than a collection of provinces. This program or plan will enhance that difficulty. It will make it even more difficult for us to think of this country as a whole. When the people of Atlantic Canada get wind of this regional inequality and disparity that is inherent in the plan, they are going to be very upset and wonder if this government is really the government of all Canadians or is the government of a few Canadians.

I do not believe the people of this country are so selfish or so greedy that they are going to latch on to this plan without realizing that it is discriminatory. I have faith in the Canadian people. I think the Canadian people are decent, altruistic and are ready, if given the leadership, to think of the less fortunate parts of this country and to do something for those less fortunate parts. I believe Canadians are concerned that this bill does nothing for the renters, nothing for those who have been industrious enough to pay off their mortgages, nothing for the senior citizens and nothing for those who have no income.

I sat in the House the other night and listened to an hon. member opposite talking about the backbone of this country being the hard pressed middle class. I think there are other people who are the backbone of this country, just as much as the hard-pressed middle class. The elderly who put the sweat of their brows into the fabric of this country for years, those people who worked hard in their own small way to contribute to this land that we call Canada, are surely just as much the backbone of this country as any other group. Surely the working poor, the people who are too proud to go on social assistance and are just barely making it day after day, are just as much the backbone of this country as any hard pressed, so-called middle class.

The Prime Minister has suggested that reasonable and responsible amendments to this bill would be welcomed. I believe it needs reasonable and responsible amendments or alternatives because, as it stands, it is a blunt instrument, a sledge hammer, when what we really need is the touch of a surgeon's scalpel. The mortgage tax credit as proposed by the Minister of Finance is inequitable, inefficient and too expensive.

In keeping with the Prime Minister's request, we as a party would like to offer some responsible and positive alternatives that will at the same time be effective and not add to cost.

The proposed tax plan excludes major segments of the Canadian population. Among the excluded are those most in need of immediate assistance to help them cope with the rising cost of shelter. We would propose a national rental assistance program for the elderly and single parent families, and this would help those most urgently in need of relief. As the economy improves, and the government tells us it will, this program could be extended in the government's generosity to all renters in need.

As we all know, and as the previous speaker pointed out, the cost of operating and owning a residence is skyrocketing. The cost of heat and energy will go up and up. Services, maintenance and everything connected with the cost of owning a home is going up, so we would propose in view of that a residential operating cost tax rebate that could be provided for renters and home owners. That kind of program would be progressive, maximum payments being made to the lowest income groups, thereby putting the money where it is most needed.

Let me make another suggestion for the benefit of the government. We all know that deducting interest rates is an attack on the symptom and not the problem. The real problem is putting enough money into the pockets of potential buyers so they can afford to consider buying a home in the first place. Registered home ownership savings programs have been shown to be extremely effective in this regard by helping people save so they can purchase a home. The Liberal party suggests that the government should encourage the extension and expansion of such programs by raising the current limit from $1,000 a year per person to $2,000 or $3,000 a year per person. This

would help people save in advance of their purchase so they might realistically be able to handle the subsequent mortgage payments.

We all know that the high cost of interest is creating a very serious problem, but these high interest rates have been created by the government. As the Minister of Finance keeps telling us, and we agree with him, hopefully this is a short-term problem. If they are a short-term problem, then perhaps they require a short-term solution.

In that regard we as the Liberal party would suggest that the minister implement two programs aimed specifically at the problem of short-term, high interest rates. The first of these programs would provide a mortgage interest subsidy on renegotiated mortgages. The program would provide maximum benefits this year, which would be phased out in subsequent years as mortgage interest rates drop. The second program would involve a mortgage interest rate subsidy for the puchase of new homes. As with the other program, this would also be reduced over a period of time.

● (1740)

High interest rates are serious and they are with us now. The Liberal party proposes strong action to offset these exorbitant interest rates, but it proposes action that is short-term and limited to the duration of the problem. The difference between our proposal and the government's proposal is that we will not be shackled with this program for the rest of recorded history.

In conclusion, we are suggesting that there are better ways of going about this plan than the ways suggested by the government. We have provided an indication of better, more effective ways in which the government could spend the taxpayers' money to achieve the desired end. That raises the question of why the government is sticking to the mortgage tax credit. There is no reason why they should stick to it. Perhaps it is to honour an election promise. That is not good enough for the Canadian people, and I know that they will not be fooled by a government that has no other reason for this plan than the honouring of an election promise. We have provided sincere and positive indication, as the Prime Minister has requested, that responsible alternatives do exist. We call on the government to show some leadership in this regard and to show the people of Canada that it is ready to make some sound decisions on their behalf. We want the government to be honest with the Canadian public, to repudiate this election gimmick and to adopt some serious and rational policies that will deal with the real problem.

The Acting Speaker (Mr. McCain): The hon. member for Regina East (Mr. de Jong).

Mr. Knowles: Hear, hear!

Mr. Simon de Jong (Regina East): Mr. Speaker, I thank the hon. member for Winnipeg North Centre (Mr. Knowles) for his support. It is with pleasure that I participate in this important debate. The measures discussed in this debate will affect this country for many years to come. It is definitely a very naked piece of legislation which will cost billions of dollars in the years ahead, and it is a piece of legislation that once in place will be very difficult to change.

Therefore, the members of this House are taking on a great responsibility for future expenditures. That is why I was somewhat dismayed on reading the type of threats or ultimatums made by the Minister of Finance (Mr. Crosbie) that we pass it or else. I was hoping that we might have some enlightened discussion on this tax measure before us so that as we take on this responsibility of tax expenditures of billions of dollars in the future we could do it wisely.

I welcome the Prime Minister's invitation to members of this House to bring forward suggestions, and we will definitely be doing that in committee. I hope that we can bring forth constructive suggestions that the members opposite as well as the members of the official opposition will find acceptable and which we hope will improve this bill and make it a sound bill.

Having listened to some hon. members this afternoon, particularly members of the government, I suggest that the statement that members of the New Democratic Party are not interested in people owning homes or in the individual home owner is false. This statement may have resulted from excessive rhetoric, but in this day and age such statements just do not make much sense.

I can remember reading my history books where in the thirties and early forties members of both the Conservative and Liberal parties tried to scare the people of Saskatchewan by saying that once the CCF got elected, they would burn down the churches and that it would be the last time they would ever see an election. Of course, the people of Saskatchewan never paid much heed to those threats and succeeded in electing the CCF, which they kept in power from 1944 to 1964 and returned to power in 1971.

That government produced some very progressive pieces of legislation, which the hon. member for Edmonton admitted, rather grudgingly, I might add, earlier this afternoon. That government was concerned that the basic human necessities be available to all, basic necessities such as a warm house, health care, clothing and food. These items are all essential and it is a human right that they be available to everyone.

We feel that the government has a part to play in helping to provide those basic human needs. It is our belief that if those basic human needs are not a burden which people must carry, we will then experience a qualitative improvement in the society in which we live. As I mentioned before, housing is very important to most Canadians. For many Canadians it takes anywhere from 10 per cent to 30 per cent and even 40 per cent of their incomes to pay for such things as their mortgage, their heat and the maintenance of a home. It is an item of major concern to most Canadians, and particularly young Canadians.

There are those who were quite fortunate to have purchased a home ten, 15 or 20 years ago, but those who have purchased a home in the last five years or those who face the prospect of purchasing a home now are faced with a tremendous burden.

It is no wonder that there is labour unrest among the young people. The cost of supplying this basic human necessity has increased by leaps and bounds over the last half dozen years. Young working people must scrabble very, very hard in order to meet monthly payments, and, as a result, in many instances both the husband and wife must work. There are cases where families postpone having children because they want to buy a home.

Any member from a riding in which there are a fair number of young families, particularly members from suburban ridings in major Canadian centres, who knocks on doors and listens to his constituents will very quickly realize the extent of the problems that young working people face.

● (1750)

In answer to that need, the Saskatchewan government and the New Democratic Party of Saskatchewan in the last provincial election proposed a scheme to help new home owners, especially those who were less well-to-do. I noticed that an hon. member opposite from the Edmonton area referred to this. The Minister of Finance also referred to it in his speech, as reported in *Hansard* of November 19 at page 1464:

> But the Ottawa government, the PC government stimulus and mortgage interest deduction, is going to be voted against by the NDP in this House, while the NDP in Saskatchewan gives its own mortgage interest deduction. What is wrong with this mortgage interest credit? Is it because it is being introduced by Tories that these idealogues down in the corner are going to vote against it?

It is not because it is the Conservatives who are introducing this particular measure that we are against it. In fact, if we can persuade them to accept amendments in committee, we will probably vote in favour of it. The essential difference between this proposal and the Saskatchewan proposal is that this one will tend to help those who are already well-to-do and who do not need the help, while the Saskatchewan proposal is geared to income. It has a ceiling to ensure that the maximum $250 reduction in the provincial income tax which is related to the first $1,000 in mortgage interest payments is reduced as an individual's taxable income rises, so that there is a minimum deduction of $100 per year. In other words, as the ability to pay the mortgage increases, help from the government decreases. Those least able to pay for the mortgage receive the maximum benefit from the program.

That makes sense to us, Mr. Speaker, and I hope that hon. members opposite will also see the sense of it and accept our amendments in committee. I think our amendments will help them bring about all the things they would like the program to achieve, such as making housing more accessible to the Canadian people without increasing the government's deficit. I hope hon. members opposite will not be caught up in their own ideology and partisanship when it comes to voting on some of the amendments that we will propose in committee.

We are quite unhappy with the fact that this legislation will not benefit a great many people. It is really a major income redistribution program, a major tax item. Billions of dollars will go back to Canadian taxpayers but there is still a large number of people who will not benefit from the scheme. Hon. members who have any sense of fairness will recognize that this is an unattractive aspect of the bill.

When the Saskatchewan program was introduced, it was accompanied by a $115 renters' rebate so that they could also benefit from the program. The provincial minister of finance, Mr. Ed Tchorzewski, issued a press statement on September 14, 1979, in which he made this point:

> We have in the past, and will continue to urge Ottawa to adopt a national program that is equally fair and balanced. It is well documented that tax deductions benefit upper income groups far more than the rest of society. Our tax credit plan, on the other hand, will ensure that the benefits will go to Saskatchewan taxpayers in relation to their needs.

The government took at least a partial step in the right direction when it changed from a tax deduction to a tax credit program. The amendments that we will offer at committee stage will urge them to take the other step, which will make this program much more acceptable and of greater benefit to the Canadian people.

We are concerned, Mr. Speaker, that Canadians have decent housing, and this program fails in several criteria. When we first examined it, we wondered if it was a tax policy, but I think, as other hon. members have also said, that as a tax policy it is unfair and regressive. It is a redistribution of income in a reverse sense: it helps those who are capable of helping themselves but does not offer any help at all to those less capable.

When we examine the American experience, figures from the U.S. treasury for 1977 show that 15 per cent of U.S. taxpayers, those in the highest income bracket, received 75 per cent of the benefits under their program. That is not a fair distribution of income, Mr. Speaker. I would suggest that the proposal before us has the same drawback. It does not make sense economically, and given the present high interest rate it will not do much to stimulate the housing industry. In fact, that industry will remain somewhat dormant until interest rates begin to go down. I do not believe the program will ultimately reduce the cost of housing; instead, I am afraid it will increase the cost.

Now, we must ask if it is a housing program and, if so, what sort of housing program. During the debate the Minister of Finance said it was a housing program, not a financial program and not a tax program, but a program whose major purpose was to make housing accessible and to relieve home owners of the high costs of housing in this country.

We are concerned that after the second, third and fourth years of the program, when its benefits are maximized, it will increase the demand for housing and, ultimately, the cost of housing. Economists have estimated that in years to come the cost of housing, because of this program, could increase from 10 per cent to 25 per cent. This kind of increase then gets built into the cost of housing. This has been the experience in the United States where they now find it impossible to withdraw the program. The tax benefits have been built into the homes and withdrawal of the program would mean a reduction in the value of homes, so it is locked in. Increasing the cost of homes does not make housing more accessible. Ultimately young

people will be faced with higher mortgage costs and higher housing costs.

May I call it six o'clock, Mr. Speaker?

The Acting Speaker (Mr. McCain): Order, please. It being six o'clock, this House stands adjourned until 2 p.m. tomorrow, pursuant to Standing Order 2(1).

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, November 22, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*Translation*]

LABOUR RELATIONS

REQUEST GOVERNMENT AMEND REGULATIONS TO IMPROVE CONDITIONS—MOTION UNDER S.O. 43

Mr. Jacques Olivier (Longueuil): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

Considering that the Minister of Labour (Mr. Alexander) announced on November 15, at a meeting of the Standing Committee on Labour, Manpower and Immigration, that he intends to introduce a bill to set up a committee responsible for settling disputes in the public and private sectors, that such a committee will have practically no power and will be a source of annoyance, that under its terms of reference it will study the economic consequences of a strike, but will not consider the reasons which have motivated the strike—which is strongly prejudicial to the workers—that the bill setting up the committee does not contain a definition of "essential services", which can lead to abuses; and that the 20-day waiting period, which is supposed to set minds at rest, but might, indeed provoke them, I move, seconded by the hon. member for Chambly (Mr. Dupont):

That the Minister of Labour withdraw his bill to set up such a committee and, instead, concentrate all his efforts on removing potential hazards at places of work, on improving the quality of life at work, and on discovering the causes of labour conflicts in Canada, those aims having priority and deserving more attention than a committee for the settlement of disputes in the public and private sectors.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

TREASURY BOARD

RESEARCH GRANT TO DE HAVILLAND—MOTION UNDER S.O. 43

Mr. Bob Kaplan (York Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. I move, seconded by the hon. member for Parkdale-High Park (Mr. Flis):

That the President of the Treasury Board be directed to end the delay in considering the $2 million research grant which has been recommended for de Havilland Aircraft of Canada Ltd. by the Department of Industry, Trade and Commerce, and that the grant be authorized so that this important company can carry on its research and development of the Dash-8.

Mr. Speaker: Pursuant to Standing Order 43, this motion can be presented for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FINANCE

THE BUDGET—CALL FOR IMPROVED PENSIONS—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for Broadview-Greenwood (Mr. Rae), I move:

That this House notes that the Minister of Finance intends to present a budget on December 11, and calls on the minister to include in that budget provision for a substantial increase in the amount paid to our old age pensioners so that they can cope with the high costs now confronting them, instead of just being told to endure and this House also calls on the Minister of Finance to make budgetary provision for pension equality between men and women so that older women, regardless of marital status, may enjoy adequate pensions and a dignified standard of living.

Mr. Speaker: This motion can be introduced at this time, pursuant to Standing Order 43, only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

● (1410)

CRIMINAL CODE

DEBATE ON ABORTION—MOTION UNDER S.O. 43

Mr. Robin Richardson (Beaches): Mr. Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43. In view of the fact that since 1969, more than 400,000 therapeutic abortions have been performed in Canadian hospitals, and that last year alone there were more Canadian lives sacrificed by abortions than were lost in the Second World War, I move, seconded by the hon. member for Assiniboia (Mr. Gustafson):

That this House immediately debate the issue of abortion with a view to amending the Criminal Code of Canada to ensure that the innocent, unborn child receives the full protection of the law.

Some hon. Members: Hear, hear!

Mr. Speaker: Order. The introduction of this motion calling for immediate debate of this measure can be presented only at this time, pursuant to Standing Order 43, with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

DESIGNATION OF MUNICIPALITIES—MOTION UNDER S.O. 43

Mr. Antonio Yanakis (Berthier-Maskinongé): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

In view of the fact that the Minister of Regional Economic Expansion (Mr. MacKay) is about to announce the Montreal special area agreement, and that the program inaugurated in 1977 for a three-year period was a partial failure, causing serious damage to the ridings of Berthier and Joliette and undermining all initiatives to create new industries and develop existing ones, I move, seconded by the hon. member for Madawaska-Victoria (Mr. Corbin):

That the Minister of Regional Economic Expansion review the rules suggested by technocrats in 1977 and exclude from his new program the municipalities within the federal riding of Berthier-Maskinongé, municipalities which should not be considered as satellites of Montreal, thereby allowing them to develop according to their own natural resources.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

[*English*]

HOUSING

CAPITAL COST ALLOWANCE FOR MULTIPLE UNITS—MOTION UNDER S.O. 43

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. In view of the expressed desire of the government to encourage residential construction, I move, seconded by the hon. member for Parkdale-High Park (Mr. Flis):

That this House approves the deduction of capital cost allowance for new multiple unit residential buildings against any source of income at any time, and would view with alarm any attempt by the Minister of Finance to terminate the allowance in his budget speech.

Mr. Speaker: Such a motion can be introduced for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

VETERANS AFFAIRS

PRORATA PENSIONS—MOTION UNDER S.O. 43

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. In view of the statement in committee on Tuesday of this week by the Minister of Veterans Affairs that a bill would be presented to the House in the near future amending the Pension Act, and in view of his lack of commitment to changing the act in relation to disability pensions, I move, seconded by the hon. member for Timmins-Chapleau (Mr. Chénier):

That the House calls on the Minister of Veterans Affairs to include in the forthcoming bill an amendment that would tie the basic rate of war disability pension to the take-home pay of the five categories of public servants previously used to determine the amount of pension, and an amendment providing for prorata pensions to be paid to widows of pensioners assessed at less than 48 per cent.

Mr. Speaker: This motion can be introduced for debate at this time, pursuant to Standing Order 43, only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST GOVERNMENT NOT INCREASE PREMIUMS—MOTION UNDER S.O. 43

Mr. Raymond Savard (Verdun): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

In view of the fact that it is the intention of the Minister of Employment and Immigration (Mr. Atkey) to raise unemployment insurance premiums and force Canadian workers to carry the burden of a higher unemployment rate, which is a consequence of the policies of this government, I move, seconded by the hon. member for Blainville-Deux-Montagnes (Mr. Fox):

That this House instruct the government not to impose higher unemployment insurance premiums on Canadian workers.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

TAXES PAID BY MULTINATIONAL OIL COMPANIES

Hon. Marc Lalonde (Outremont): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. According to this morning's paper, the president of Shell Canada, a company that paid no taxes last year on $360 million income—

Mr. Crosbie: Under your policy.

Mr. Lalonde: —and whose profits have risen by 66 per cent in the last year—

● (1415)

Mr. Crosbie: Don't be such a hypocrite.

Mr. Lalonde: According to press reports, the president of this company is threatening to cut its program to invest in exploration and capital investment in energy development if it does not get even higher prices and the tax incentive guarantees that it wants. My question to the minister is this: In the face of this fresh evidence as to what it means to be at the mercy of multinationals to ensure Canada's future energy security, does the government remain committed to dismantling Petro-Canada and thus tossing away our best chance at long-term security of energy supply and independence from petroleum multinationals?

Some hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I do not think it needs reiteration in this House to say that the whole question with respect to the attitude the hon. member takes toward the role of multinationals in this country is not unrelated to the position taken by the previous government. This government is interested in and will take steps to encourage Canadian participation and control of its resources. If in his statement there is reference to any dismantling of Petro-Canada, it is misleading. The fact is that we intend to strengthen this corporation to make it more viable.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: The hon. member and his party are trying to stand in the way of this innovative process which we are undertaking.

* * *

[*Translation*]

PETRO-CANADA

DISPOSITION OF CORPORATION BEFORE BUDGET

Hon. Marc Lalonde (Outremont): Mr. Speaker, my supplementary is for the Minister of Finance. In view of the fact that the report of the task force on Petro-Canada contains a recommendation which would substantially increase the tax burden of the federal government, and in view of the statement made by the Minister of Energy, Mines and Resources which would also add to the burden of Canadian taxpayers as far as Canada's energy policy is concerned, can the Minister of Finance tell us whether we will be advised of the future of Petro-Canada prior to the budget speech on December 11, or will this question remain a vague hypothesis which will be settled only after his budget?

[*English*]

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, the world and Petro-Canada will unfold as they should, and there will be an announcement on Petro-Canada.

An hon. Member: Arrogance.

Mr. Crosbie: When you talk of arrogance, what about the question—

Some hon. Members: Oh, oh!

Mr. Crosbie: The answer to the hon. member is that it was his administration that passed the laws which permitted Shell Oil to pay no taxes last year. When we return PetroCan to the private fold, it will be paying taxes and will not be a Crown corporation sheltered from paying taxes in the future. There has been no decision on PetroCan yet. We have other imperatives to come before us, such as the energy situation generally and the budget. However, PetroCan will be dealt with and an announcement will be made as soon as cabinet has considered the latest analysis.

Mr. Lalonde: We have no answer, so I will come back to the energy minister. It appears that Tory times are bad times for Canadians except for one unemployed. According to the *Toronto Star* of November 10, Mr. Don McDougall, the former chairman of the task force on Petro-Canada, is being paid by the federal government to tour Canada to explain the task force report.

Some hon. Members: Shame.

Mr. Lalonde: He is using taxpayers' dollars to sell what we have obviously been told is not even government policy yet. My question to the minister is as follows. Are the 136 Conservative members and ministers in this House too divided to tell the people where they stand on this issue, or are they afraid to face the Canadian public and therefore rely on Mr. McDougall to go out and explain the policy? Will the minister put an end to this most objectionable type of contract, immediately?

Some hon. Members: Hear, hear!

● (1420)

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): It is clear to me, from that question, why I have not come across the hon. member's name in any paper or any newscast as a possible contender for the Liberal party leadership.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: The answer is straightforward. Mr. McDougall has now completed his duties and carried out his responsibilities as chairman of the task force. In the course of discharging those responsibilities, he was, of course, called upon to discuss the task force report which was mandated by this government. I make no apology for that; it is not a big deal. The only thing I can say about the hon. member is that he does not understand common sense when he sees it.

* * *

ENERGY

OIL IMPORT COMPENSATION

Mr. Speaker: The hon. member for Winnipeg-Fort Garry.

Some hon. Members: Leader!

[Mr. Crosbie.]

Mr. Lloyd Axworthy (Winnipeg-Fort Garry): There seems to be a substantial amount of noise coming from the other side, Mr. Speaker. I have a question for the Minister of Energy, Mines and Resources. While the government is unfolding PetroCan rather than dismantling it, is the question of the payments under the oil import compensation program being investigated in terms of the fact that the amount of payment has risen from $3 at the beginning of 1979 to $11.50 at the moment? Aside from the fact that OPEC prices have gone up, has the hon. gentleman investigated whether the oil companies are working in concert to bring a larger proportion of higher price oil into Canada so that they will receive a higher subsidy from the Canadian taxpayer?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Let me say, Mr. Speaker, that I read only one paper with the hon. member's name in it as a leadership contender—

Some hon. Members: Oh!

Mr. Speaker: Order. Perhaps both sides of the House could get back to the question.

Mr. Hnatyshyn: The fact of the matter is, the scheme itself is designed to encourage importers to bring in lower-cost imports because there is a flat rate attached to them. That has been the subject of some discussion in terms of ensuring, on that flat rate basis, that there will be a supply available in view of the high prices on the spot market in some instances. However, it is a flat rate that is paid. In the second place we do, in fact, carry out an extensive audit by the department with respect to the books of the companies involved in the import compensation program. Independent audits undertaken by the department give us an assurance that fair and reasonable amounts are being paid under this program.

Mr. Axworthy: In the light of that answer, I would ask the minister: does he consider it a fair and effective audit when it is being conducted by one person in the Department of Energy, Mines and Resources on a six-month basis? Is that sufficient to take care of the monitoring and observations needed, or are we likely to run into the same kind of "effective" monitoring that we saw in the Irving Oil case?

Mr. Hnatyshyn: The Irving Oil case has nothing to do with the question posed by the hon. member. I am saying we are sastisfied, now, that the audit system is working. If we can improve the system which was put in place by the previous government, we will do so. There are a lot of areas in which that is, indeed, justified.

* * *

CROWN CORPORATIONS

SALE OF DE HAVILLAND

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, I have a question for the President of the Treasury Board concerning

Crown assets in the city of Toronto. Can he explain to the House the logic of the government having taken an *a priori* decision to put the de Havilland Aircraft Company up for sale before the cabinet has had an opportunity to consider and study the strategy paper on the future of the aerospace industry, especially considering we were told last week by the Minister of Industry, Trade and Commerce that the report could have an effect not only on the timing of the sale of de Havilland but also on whether de Havilland would be sold at all?

Hon. Sinclair Stevens (President of Treasury Board): The hon. member is perfectly correct in saying we intend to take into consideration the aerospace study to which he referred. That is the whole purpose of our approach. The privatization unit is simply looking at the alternatives, evaluations of such companies as de Havilland who may be the buyers, and is working in conjunction with the Department of Industry, Trade and Commerce. Also, with regard to the study to which the hon. member has referred, a co-ordinated picture will then be put before cabinet with respect to any possible sale of de Havilland.

● (1425)

Mr. Rae: Mr. Speaker, I would have thought that the minister's experience would have told him that this kind of uncertainty does nothing for the prosperity of that industry, for its future and for the security of the workers in that industry.

My supplementary question concerns the DIPP funding for the Dash-8 plane. I wonder if the President of the Treasury Board can give us some indication as to when—or, indeed, whether—if a decision is going to be made, when the decision will be made to provide the necessary $2 million funding that will enable the Dash-8 plane to be developed successfully in Canada.

Mr. Stevens: Mr. Speaker, as I answered the hon. member earlier with respect to this matter, the Department of Industry, Trade and Commerce is working on a submission to bring to the Treasury Board with respect to the $2 million funding to which the hon. member has referred. The Treasury Board can react only once the submission has been made, and certainly there will be no delay, as far as the Treasury Board is concerned, in arriving at our decision.

However, I remind the hon. member once again that the only confusion about the disposal of de Havilland and the future of the aerospace industry in Canada is with the hon. member himself and certain of his colleagues. In short, the greatest thing we can do to strengthen the aerospace industry in this country is to get it back into private sector hands.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

PUBLIC WORKS

FUNDING OF HARBOURFRONT

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, I find it funny that the minister would say, in answer to my first question, that they had not taken the final decision until they got the strategy picked.

My final supplementary is to the Minister of Public Works and it concerns another Crown asset in Toronto—Harbourfront. I wonder if the Minister of Public Works can tell us what the attitude of his government is toward the request by Harbourfront for $18.5 million over seven years for the servicing of public lands, and I wonder if he can tell us when he will be making and announcing a decision with respect to that money.

Hon. Erik Nielsen (Minister of Public Works): Mr. Speaker, that matter is under review now. I saw some of the officers of Harbourfront yesterday morning. As soon as the decision has been made, the House will be informed.

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

INTRODUCTION OF BILL ON OPENING OF MAIL

Mr. Gilles Marceau (Jonquière): Mr. Speaker, my question is for the Solicitor General, who is responsible for the legislation on RCMP mail openings.

Can the minister tell us whether this legislation is still one of his priorities, and when does he intend to introduce it?

[*English*]

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, a measure with respect to enlarging some of the powers of the law enforcement agencies of this country has not yet been considered by my cabinet colleagues.

[*Translation*]

PROVISIONS OF LEGISLATION

Mr. Gilles Marceau (Jonquière): Mr. Speaker, the minister did state last July that this was priority legislation, which seems to be a discrepancy with his statement today.

In any event, does the bill he intends to introduce provide for judicial appeal, in cases of authorization and what he himself called modernization of RCMP discipline as well as an extension of civil liberties?

[*English*]

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, any such bill which will come before the House will be a government bill. Therefore, it will be considered and approved by the govern-

ment in total, including my cabinet colleagues and, as I have just indicated to the hon. member, my cabinet colleagues have not had the opportunity to take a look at it yet.

Mr. Maurice Harquail (Restigouche): Mr. Speaker, my supplementary question is to the Solicitor General. In view of the obvious conflict between statements by the Prime Minister and the Solicitor General with respect to the administration of justice, and the Prime Minister's statement in this House that he is seeking ways and means to contravene the law—

Some hon. Members: Oh, oh!

Mr. Harquail: Can the Solicitor General inform the House what his position is?

An hon. Member: Order.

● (1430)

Mr. Harquail: The Minister of Justice, not being here, what is the Solicitor General's position with respect to finding ways and means to break the law of this country?

Mr. Lawrence: Mr. Speaker, unlike some of the practices carried on under the previous administration—

Some hon. Members: Oh, oh!

Mr. Lawrence: —there is no knowledge on my part of any illegal acts now being carried on by any law enforcement agency. In respect of future activities, I would suggest to the hon. member that obviously he, the public, members of the House and everyone else will be fully apprised of the government's policy when the legislation is presented.

* * *

POST OFFICE

REGULATIONS THEREOF

Mr. Robert Daudlin (Essex-Kent): Mr. Speaker, my question is to the Postmaster General, but in his absence I will put it to the Acting Prime Minister. Hon. members and the Acting Prime Minister will know that section 43 of the Post Office Act currently provides the following:

Notwithstanding anything in any other act or law, nothing is liable to demand seizure or detention while in the course of post except as provided in this act or the regulations.

Perhaps the Acting Prime Minister could tell us whether or not he is aware of the Postmaster General's declaration outside this House that he, in fact, upheld the sanctity of first-class mail as being his prime responsibility in that role. Perhaps he could assure us that in fact the Postmaster General will continue to be instructed by the government that the sanctity of first-class mail is to be preserved?

Hon. Lincoln M. Alexander (Acting Postmaster General): Mr. Speaker, I have no hesitation in assuring the hon. member, if that is his position—which I think is the position of everyone—that the sanctity of first-class mail is uppermost in everyone's mind. I think the hon. member must have a supplementary question, because he would not ask such an innocent question without having a supplementary.

Mr. Daudlin: Mr. Speaker—

An hon. Member: Sock it to him.

Mr. Daudlin:—it is good that the minister anticipates my supplementary. Once again, I would ask the Acting Prime Minister this question: Given the fact that the Postmaster. General declared, outside this House, that he opposed the sanctity of first-class mail and given that, in fact, we have heard the Solicitor General in other places indicating matters quite to the contrary, could the Acting Prime Minister tell us whether or not he supports the legislation as it now exists, whether or not he is moving in other directions, and whether or not the minister who is absent or the minister who is present is speaking for this government?

Mr. Alexander: Well, I know what the hon. member is trying to get at, but he does not have the guts to put the question bluntly and straightforwardly.

Some hon. Members: Oh, oh!

Mr. Alexander: If the minister were here, he would answer your question. I would state, respectfully, that I will take the hon. member's hidden question as notice so that I can pass it on to the Postmaster General in order that he will be in a position to answer the question.

* * *

FREEDOM OF INFORMATION

OPENING OF MAIL

Hon. J.-J. Blais (Nipissing): Mr. Speaker, my question is for the Acting Prime Minister. It follows the question that was asked by the hon. member for Essex-Kent. We were witnesses of two blatantly and diametrically opposed statements by, on the one hand, the Solicitor General of Canada and, on the other hand, the Postmaster General of Canada dealing with the mail opening bill, on the one hand, one saying it ought to be extended and, on the other hand, the Postmaster General indicating he would defend his position on the sanctity of the mail when it came to cabinet.

In view of the fact that the Prime Minister himself, at his press conference, indicated he favoured the extension of the authority to open mail—and he said that quite categorically—was he speaking for the government at the time when he made that statement?

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): I want to thank the hon. gentleman for the question. The Prime Minister always speaks for the government. The Prime Minister was indicating at the press conference he was holding that the matter was under

review by cabinet as it had been under review by the former government as to the propriety of extending the right of surveillance with respect to the mail. That remains the position.

In the course of that, the Postmaster General was expressing his opinion with respect to it, his opinion on a matter that is still before cabinet. I know that the Prime Minister will be delighted to inform the hon. gentleman of the decision of the cabinet with respect to that position once it has been taken.

Mr. Blais: I take it from the reply of the hon. gentleman that the fact that the Postmaster General has taken a diametrically opposed position to that of the Prime Minister is deemed by that government to be completely in order and is to be encouraged.

Mr. Baker (Nepean-Carleton): The great thing that distinguishes this government from the former government is the ability of members and ministers from time to time to say precisely and correctly what happens to lie on their mind. The Postmaster General has a very strong view with respect to this matter. His view will be taken into consideration, as will be the views of all members on this side of the House with respect to the ultimate government position, and I am not surprised that the hon. gentleman is unused to that, having regard to where he sat for the last five years.

* * *

CRIMINAL CODE

SUGGESTED AMENDMENT RESPECTING UNBORN CHILDREN

Mr. Robin Richardson (Beaches): Mr. Speaker, my question would normally be addressed to the right hon. Prime Minister, but in his absence I will direct it to the Acting Prime Minister and House leader of the party. In view of the almost unanimous support for my motion under Standing Order 43, and also in view of the stated objections of the House leader of the NDP to a much needed reform of private members' legislation, I would ask the Acting Prime Minister if this government would consider bringing in legislation to amend the Criminal Code to protect the unborn child under our law.

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): Mr. Speaker, there has been no discussion in the government with respect to bringing in that kind of legislation. However, I want to inform members of the House that issues such as the one raised by the hon. member—issues which are of great importance to members of this House on all sides—may well have an opportunity to be aired in the House under the proposals for changes in the rules of the House of Commons which will permit greater freedom and greater opportunity for members of the House to decide which, among their particular private members' motions, should be brought to a vote.

I want to inform the House that it is my intention to table tomorrow a position paper outlining a proposal to the House which would permit the House to make its decisions as to what matters could be brought before the House with much greater precision than they could before. I hope that that provision will meet with the approval of members on all sides of the House.

* * *

LOTO CANADA

FEDERAL FUNDING

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, my question is directed to the Minister of State for Fitness and Amateur Sport. The minister is undoubtedly aware of the fact that the province of British Columbia has recently demanded that the federal government fulfil its commitment under the Loto Canada agreement and, further, has protested a cutback of federal funding of amateur sports this fall. Therefore, I should like to inquire whether during the Loto Canada transfer discussions an agreement was reached whereby provinces would henceforth deal exclusively with requests for funds by volunteer sports groups?

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism): Mr. Speaker, I thank the hon. member for posing this question. I should like to say to him that we have had continuous discussions regarding the fact that amateur sports should be handled at a certain level by the provinces as well as the federal government. Our negotiations with the province of British Columbia and all other provinces have been very fruitful. We, in turn, will be getting $24 million in 1979 dollars from the provinces as compared with the so-called $6 million which we were supposed to get but never got. Our average income from lotteries since 1976, so far as my department is concerned, was around $3.2 million, and I think members of the previous administration had mentioned we were getting $6 million. Members can take a look at the books in my department and they will see that we have been given an average of $3.2 million.

Mr. Rose: Apparently, the province of British Columbia is concerned that all requests for funds from the federal government have been turned back to the province, and that seems to be contrary to the agreement. Would the minister agree that when he appears before the parliamentary committee he will be prepared to bring with him for examination Mr. David Jenkins from the Prime Minister's office who negotiated the Loto Canada give away to the provinces in the first place?

Mr. Paproski: Yes, Mr. Speaker.

* * *

● (1440)

EXTERNAL AFFAIRS

NINETEEN EIGHTY OLYMPIC GAMES

Mr. Jesse Flis (Parkdale-High Park): Mr. Speaker, in the absence of the right hon. Prime Minister, I should like to

address my question to the President of the Privy Council and Minister of National Revenue. Given the fact that souvenirs and other trinkets commemorating the 1980 Olympic Games in Moscow are being manufactured through the use of forced labour, according to the first-hand testimony of many Soviet dissidents, including the 11 that the Prime Minister and the Secretary of State for External Affairs met with just last month, will the minister, in the name of the Government of Canada, denounce this practice and impose an immediate ban on the importation, handling, sale and purchase of these articles in Canada?

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): Mr. Speaker, I am not aware of the practice which has existed according to the allegation or the statement of the hon. member. The member having made the statement in the House today, I will undertake to investigate it on his behalf.

* * *

[*Translation*]

INDUSTRY

POULTRY INDUSTRY IN QUEBEC

Mr. Marcel Ostiguy (Saint-Hyacinthe): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce, but in his absence I will direct it to the Minister of Agriculture. Were representations made to the minister by spokesmen for the chicken industry in Ontario and Quebec responding to information bulletin No. 126 directed to importers and dated October 19, 1979? If so, why does the government persist in delivering additional import permits to the Maple Lodge company while chicken meat is piling up every day in Quebec and Ontario warehouses where fresh chicken must be frozen or sold in another form?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, in response to the hon. member's question, he must recognize that in accordance with the regulation and law respecting the issuing of import and export permits it is necessary to provide import permits when the product is not available in Canada.

With reference to the particular processor the hon. member mentioned, it is true that a few days ago the Department of Industry, Trade and Commerce received a request for the issuance of an import permit to the extent of about 1.2 million pounds of broilers and about 500,000 pounds of roasters. I must give my colleague, the Minister of Industry, Trade and Commerce, credit because he refused to issue that import permit without asking the national board to supply the processor from Canadian sources.

The national agency was able to secure about half of the necessary product with respect to broilers and about half of the necessary product with respect to roasters. Therefore, we must understand that every effort was made. In fact, we even went as far as the province of New Brunswick to find available birds.

An hon. Member: What for?

Mr. Wise: Therefore, we have picked up—

Some hon. Members: Order.

[*Translation*]

POULTRY IMPORT QUOTAS

Mr. Marcel Ostiguy (Saint-Hyacinthe): Mr. Speaker, a supplementary to the Minister of Agriculture. Did the government discuss the mechanisms of chicken imports quotas with representatives of the poultry farming industry? I ask this question, Mr. Speaker, because poultry farmers have been told, when making representations to officials on basic import quotas, that the government has already dictated a policy without the poultry farming industry having been consulted.

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, that is just not true because I have been consulting the industry and also individuals within the total industry almost on a daily basis. The member can shake his head negatively, but I know with whom I met. I have met with them on a very frequent and regular basis. In fact, I am meeting with a group tomorrow morning.

* * *

ENERGY

PRICE OF OIL—EFFECT ON TOURIST INDUSTRY

Mr. Gary F. McCauley (Moncton): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. The government is planning a major increase in the price of oil, and the tourist industry in this country is a vital part of our economy. It is a $11 billion business, 5 per cent of the gross national product of the country, and it employs over one million people. Given those facts, has the government conducted any studies on the impact of major increases in the price of oil on the tourist industry?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I think the hon. member will understand if I point out to him that unless we take some new steps with respect to bringing about energy self-sufficiency, we will not have the necessary supplies in order to sustain a viable tourist industry. For example, the cost of gasoline is substantially below the levels now being paid in the United States, as has been pointed out on a number of occasions in this House.

Mr. McCauley: Mr. Speaker, I do not think the minister's answer will satisfy the tourist industry in this country. I would ask him specifically what measures the government will take to alleviate the high cost of energy when it comes to the industry?

Mr. Hnatyshyn: Mr. Speaker, the fact of the matter is that we fully intend to make sure our tourist industry, as well as other industry in Canada, is competitive with our major source of tourist inflow into Canada and with our major trading partner, the United States. We will keep a competitive advantage. That is the policy of this government, one we will undertake and continue to carry out.

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FISHERIES

FREEZER-TRAWLER LICENCES OFF EAST COAST

Mr. Charles Haliburton (South West Nova): Mr. Speaker, my question is directed, through you, to the Minister of Fisheries and Oceans. I was down in my riding last weekend, and it is a beautiful place.

Some hon. Members: Hear, hear!

Mr. Haliburton: I recommend it to members. Information was given to me in my riding which indicated that there are in existence, in the province of Nova Scotia, two freezer-trawler licences held by people in that province.

An hon. Member: Question.

Mr. Haliburton: In view of the well-known attitude of the previous minister of fisheries—

Some hon. Members: Order.

Mr. Speaker: Does the hon. member have a question?

Mr. Baker (Nepean-Carleton): He is just putting it.

Mr. Haliburton: My question to the minister is simply: Is it a fact that there are in existence freezer-trawler licences off the east coast of Canada? If so, how many are there, and when were they issued?

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, the hon. member is quite correct; the only freezer-trawler licences which have been issued were issued by the previous administration.

Mr. Baker (Nepean-Carleton): Oh!

Mr. McGrath: At the present time there are licences in the Atlantic provinces for four freezer-trawlers. The policy of this government on freezer-trawlers will be announced in due course.

[*Translation*]

REGIONAL ECONOMIC EXPANSION

DESIGNATION OF SPECIAL ZONES—REQUEST CERTAIN MUNICIPALITIES BE NOT DESIGNATED

Mr. Antonio Yanakis (Berthier-Maskinongé): Mr. Speaker, my question is for the Minister of Regional Economic Expansion.

June 30, 1980, is the expiry date of the order relating to special zones which came into effect on July 1, 1977, and which applies to the Montreal area and satellite localities. The minister said in the House recently that the new policy relating to the special zones of Montreal is actually under close consideration in his department and that a new program will soon be announced.

In light of the fact that the program relating to these Montreal special zones has proven to be a near failure since 1977 as far as the establishment of new industries in this area is concerned, will the minister consider making municipalities located within 50 or 100 miles of Montreal independent from this special area, since these towns should never have been considered as satellites of Montreal? I am referring, for instance, to the counties of Berthier and Joliette, whose economies are disturbed because of a bad recommendation by technocrats.

[*English*]

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, the policy with respect to the Montreal special area agreement will be announced shortly. I can understand the hon. member's concern; but going back to what he said in his motion under Standing Order 43, I would remind him that this program was put in by the former administration. It has resulted in a substantial increase in investment. It has resulted in the creation of a substantial number of jobs. We hope to improve on it. I think that the pejorative comments made by the hon. member with respect to the program in his Standing Order 43 are not fully justified.

● (1450)

[*Translation*]

DESIGNATION OF SPECIAL ZONES

Mr. Antonio Yanakis (Berthier-Maskinongé): Mr. Speaker, I would like to put a supplementary to the Minister of Supply and Services, the member for Joliette. I notice that since he took over his new office the minister has suddenly become very quiet about the economic development of Quebec. So I would like to ask him if he can assure the House and the voters in the Lanaudière area that he will personally be talking to the Minister of Regional Economic Expansion so that the order on special zones which has brought deplorable economic stagnation in certain Quebec ridings, and which is to be reviewed shortly will no longer apply arbitrarily to the area he represents

in Parliament, namely the ridings of Joliette and Berthier-Maskinongé.

Hon. Roch La Salle (Minister of Supply and Services): With great pleasure, Mr. Speaker, I would say to my hon. colleague that as early as on the morning of May 23, I discussed this with the minister in charge who understood the importance of my representations. I would also like to say to the hon. member for Berthier-Maskinongé that I have been looking after the riding of Joliette for a long time.

* * *

[*English*]

LABOUR RELATIONS

RAILWAYS—PENSIONS OF RETIRING EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question could be addressed to the Minister of Labour, whose department fathered the Hall report on railways pensions in Canada, or it could be addressed to the Minister of Transport, who is the link between us and the railways of this country. I trust that the Minister of Labour will not mind if I put the question to the Minister of Transport.

In view of the fact that nothing substantial has been done by way of improving the pensions of the retired employees of either Canadian National or Canadian Pacific since the publication of the Hall report, may I ask the Minister of Transport if, since his coming into office, he has made representations to Canadian National and to Canadian Pacific that they at least carry out the recommendations of that report. If he has not done so yet, will he do so at the earliest possible date?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I can assure the hon. member that that matter is being considered. I have taken into account the representations which the hon. member made to me personally, and I have also taken into account the representations of the hon. member for Winnipeg-Assiniboine. The hon. member for Winnipeg North Centre did indicate that he wanted to meet with me privately on this matter, and I have indicated that I would be prepared to do so. I am still prepared to do so, and I assure the hon. member that we will continue looking into this matter. Hopefully, we can arrive at a satisfactory resolution which will be in the best interests of railway pensioners.

Mr. Knowles: Mr. Speaker, when the minister makes his representations to the railways, even though the Hall commission did not deal with this aspect, will he take up with them the unfairness of the present provision whereby the widow of a retired railway worker receives only 50 per cent of the pension when, surely, that ought to be 75 per cent or more?

Mr. Mazankowski: Mr. Speaker, it would be my intention to consider all such items, and I look forward to our meeting at which time I can discuss these matters with the hon. member as I have with the hon. member for Winnipeg-Assiniboine.

[Mr. Yanakis.]

[*Translation*]

TRANSPORT

RAILWAY SERVICE BETWEEN MONTREAL AND CHICOUTIMI

Mr. Marcel Dionne (Chicoutimi): Mr. Speaker, my question is for the Minister of Transport. An amount of $43 million is being added to the $234 million provided for in the main estimates to cover a review of the financing of passenger train service. Can the minister tell the House whether, following a complaint lodged by the Quebec transport department against VIA Rail and the CN about the poor service being provided between Montreal and Chicoutimi, progress has been made on that and if our area can count on those few millions to improve the passenger train service to which we are entitled?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as I said in the House yesterday, it is not necessarily a matter of dollars and cents that could improve the rail service in this country; it is a matter of rationalizing the rail passenger service and ensuring that the best possible service is made available to meet the regional and local needs as well as the transcontinental needs.

I invite the hon. member, if he has specific questions with respect to that particular service, to come to the Standing Committee on Transport and Communications this afternoon when the president of VIA Rail will be before the committee, and he can pose those questions to him.

* * *

TOURISM

STEPS TO REDUCE TRADE DEFICIT

Mr. Roy MacLaren (Etobicoke North): Mr. Speaker, my question is to the Minister of State for International Trade who is also responsible for tourism. The government announced earlier this week that, contrary to expectations, it would contribute only 25 per cent of the cost for a new convention centre in metro Toronto.

In view of the fact that our tourism and travel accounts are major factors in our trade deficit, and that the new convention centre would increase travel to and within Canada, will the government reconsider its position and increase its portion to 33 per cent of the total cost of the centre, as in the case of Vancouver, as a tangible step toward reducing our trade deficit?

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, I thank the hon. member for his question because it gives me an opportunity to address this particular problem. The question of convention travel is a very important part of our tourism trade and has a very important impact on our balance of payments.

However, on the question of our policy toward convention centres in Canada, we had to establish a rational basis for

approaching various requests for support. On the question of the 33 per cent commitment to the Vancouver Centre, that was made by the previous government and we felt that we had to follow through on that commitment. But we did not feel that it was appropriate for us to make that sort of support available at that level on a nationwide basis, and it is on that basis that we chose the figure of 25 per cent.

* * *

HEALTH AND WELFARE

DISTRIBUTION OF FUNDS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question was to have been somewhat supplementary to the question put by the hon. member for Beaches, but it stands on its own. It is to the Minister of National Health and Welfare.

Would the minister tell me whether, in the interest of equity, he would be prepared to re-examine the criteria for the distribution of funds through his department in support of voluntary agencies to ensure that those agencies which oppose abortion, like the Pro-Life movement which honours the sanctity of life, will have a more equitable share of those funds rather than having all the funds go to the pro-abortion groups such as Planned Parenthood?

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, I would like to thank the hon. member for his question and indicate to him and, indeed, to all members of the House that I will take the question as notice and as a representation in terms of the concern which he registers for himself and for those whom he represents. The department is reviewing funding to all voluntary organizations, and I would be happy to take as notice the query from the hon. member.

* * *

FINANCE

TAXING OF OIL MULTINATIONALS

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, my question is to the Minister of Finance and it follows his response to my colleague, the hon. member for Outremont.

If I heard the minister correctly, he said that next year Petro-Canada would begin paying taxes. I did not hear the minister say the same thing with regard to a multinational oil company like Shell. How does the minister justify making a company which is owned by all Canadians pay taxes when multinational oil companies are not paying taxes?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I am delighted to see that the hon. gentleman, who was parliamentary secretary to the minister of finance in the former reincarnation, is now interested in the issue of Shell Oil Company and the oil industry in general paying taxes. I ask the hon. member to wait for my budget to see whether or not there is anything new in that direction. As far as PetroCan is concerned, it will not necessarily be owned by all Canadians—just by some Canadians if certain things happen in the future. That policy has not yet been decided. When that time comes, then it should pay taxes just as other Canadian-owned companies should pay taxes.

PROFITS OF MULTINATIONAL OIL COMPANIES

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, my supplementary question is to the House leader in his capacity as the Minister of National Revenue. Since the Prime Minister made the unprecedented statement in this House a week or so ago that the government will discuss an excess profits tax with multinational oil companies, has the minister taken any steps to ensure that these multinational oil companies have not started to transfer some of these excess profits out of the country?

● (1500)

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): Mr. Speaker, the hon. gentleman will recall that the Prime Minister indicated he felt it wise to consult as broadly and in perhaps a different way than consultations have taken place before so that the budget-making could be relevant. I frankly support that. I think the hon. member ought to know, from his associations with the former government, the immense capacity of the Department of National Revenue to make inquiries from time to time with respect to the activities of all taxpayers. I want to assure him that the Department of National Revenue would have that matter very much in mind.

* * *

GOVERNMENT ANNUITIES

CIVIL SERVICE RECIPIENTS—GOVERNMENT POSITION

Mr. Ray Chénier (Timmins-Chapleau): My question is for the Minister of Employment and Immigration who, I understand, is responsible for the administration of government annuities. Thousands of Canadians have invested in government annuities in the hope of having a cushion for financial requirements when they retire.

In view of the fact that the rate of return on annuities was reviewed because of important variations in interest rates under the Government Annuities Improvement Act which was adopted by the previous government, would the minister tell the House whether he plans to raise the rate of interest on annuities to a level higher or close to the level of inflation, to help Canadians who invested in Canada in good faith?

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, I thank the hon. member for giving me an opportunity to indicate that we have that matter currently

under review. I hope to be able to report back to him and other hon. members opposite in the very near future.

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PETRO-CANADA

FINANCING THEREOF

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, my question is for the Deputy Prime Minister. Is it true that the recommendations of the task force on PetroCan are hung up in cabinet, due to the resistance of the President of the Treasury Board and the Minister of Finance, because they do not want to assume the cost of servicing the debt minus the assets and cash flow? If this is true, what changes can we expect in the bill that would be different from the recommendations?

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): Mr. Speaker, the hon. member's imagination knows no bounds. I just want to assure him that, as the Prime Minister mentioned a few days ago, the matter of the report of the task force and the question with respect to PetroCan is under review by the government. When that review is completed an announcement will be made in the House in the appropriate way.

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THE CANADIAN ECONOMY

INTEREST RATE—SERVICING OF DEBT

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, may I put a supplementary question to the President of the Treasury Board? Given the present interest rates, could the minister indicate how much the annual cost of servicing that debt would be, and from which envelope he expects to pick the money?

Mr. Crosbie: Order paper!

Hon. Sinclair Stevens (President of Treasury Board): Mr. Speaker, I am sure you will agree that the hon. member's question is purely hypothetical and a very difficult one for me to answer without the figures being supplied.

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PRIVILEGE

MR. KNOWLES—RESTATEMENT OF POSITION ON RULE CHANGES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I indicated to you by a note that I would raise a question of privilege, although perhaps it is more properly a point of order.

When the hon. member for Beaches (Mr. Richardson) put his question to the Minister of National Health and Welfare (Mr. Crombie) on the question of abortion, he indulged in a *non sequitur* that made me feel I had a point of order right then. However, I decided I would respect the traditions of this House and wait until the question period was over.

I must say, however, that I think it is quite unfair, in the question period, to drag in some other member's name on a subject not related to the point of the question, giving that other member no chance to reply. This is precisely what the hon. member for Beaches did. He said that the member for Winnipeg North Centre was opposed to changes in the rules respecting the rights of private members.

My colleagues around here have been reminding me of the number of changes in the rules for which I have had some responsibility over the years. I welcome the prospect of a white paper on procedure and the opportunity to discuss our rules and to bring them up to date.

I suppose that what the hon. member has seen—I have not but I know I have said this sort of thing to the media—is that, much as I want to see improvements, particularly for private members, I would resist changes that were purely for the purpose of relieving the government of its responsibility to take a stand on issues such as capital punishment and abortion.

Some hon. Members: Hear, hear!

Mr. Knowles: The government has control of this House and can deal with these matters, and its will can prevail if it so wishes. My protest has been against using something as important—almost as sacred—as the rules of this House to relieve the government of its responsibility.

The statement to the effect that I was opposed to improving the rules for the private members of this House is totally and utterly false and a *non sequitur*.

Some hon. Members: Hear, hear!

Mr. Robin Richardson (Beaches): Mr. Speaker, I am very glad that the hon. member has explained his position. I was responding to what I had read in the *Toronto Star* a few weeks ago.

Some hon. Members: Oh, oh!

Mr. Richardson (Beaches): From what I have read, it was my impression that he was opposed to this much needed reform. I am very glad to hear that he is fully in support of this much needed reform for private members' bills.

I would ask the hon. member to accept my apology. I am sorry that I misunderstood his position and I am glad that he clarified it.

MRS. APPOLLONI—VIVISECTION OF HUMAN FETUSES

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, my question of privilege arises from the answer which the Acting Minister of National Health and Welfare (Mr. MacDonald) gave to me in the House yesterday and which is also printed on page 1550 of *Hansard*.

If I might comment on that answer, Mr. Speaker, I note with a considerable amount of astonishment that in speaking on matters of life and death the minister stated, and I quote:

—most important of all I understand that these particular studies were carried on in 1976.

I submit, Mr. Speaker, that the most important factor of all is not when these studies were carried out but whether the experiments were carried out on live human beings. In this connection, the minister stated three times that "no operations were performed on any live human material".

Section 206 of the Criminal Code provides that a child becomes a human being within the meaning of the code when it has completely proceeded, in a living state, from the body of its mother.

In the experiments described in the "Journal of Clinical Endocrinology and Metabolism", we are told—and I would be happy to table these journals, if necessary—that the babies came into the hands of the scientists following the procedure of hysterotomy. This is a method of abortion which removes a living and not a dead baby as opposed, say, to saline abortions. The same records described some of the subjects of vivisection as having reached the age of 25 weeks in fetal age. Fetal age, of course, is about two weeks behind what the normal age of gestation would be, judging by the date of the last menstrual period. In other words, from an obstetrician's point of view, these babies would be two weeks older, which is important in considering their viability. This is an age when doctors of the Women's College Hospital in Toronto can now frequently manage to ensure the life of a child.

Having established that the child was removed live from the body of its mother, we now face the question of whether it was still alive at the time at which the heart was punctured which, again, according to the same reports, occurred immediately after hysterotomy; that is, when the baby was still alive.

Again, referring to the records in the "Journal of Clinical Endocrinology and Metabolism", we find that 8 cc's of blood were removed from some of the subjects. On the authority of several independent scientists with whom I have been in contact, it is well nigh impossible to remove that amount of blood from the heart of a subject whose heart was not still pumping. Furthermore—

Mr. Speaker: Order, please. It seems to me that the hon. member for York South-Weston (Mrs. Appolloni) is pursuing a line of argument which differs from the statement given by the acting minister in answering the question yesterday. She does so under a question of privilege. Even if I were to accept her argument, I have some difficulty. The minister made a statement to the House yesterday in answer to her questions saying that it was his information that experiments were carried out on non-living material and that no experiments or actions were carried out on living material, or words to that effect.

If the minister reported that to the House and he was in error, that may be something that might be investigated or pointed out to the House. If it is a matter of argument or dispute, however, how do I find a procedural matter involved in it? The member for York South-Weston (Mrs. Appolloni) is beginning with an argument, and I say to her that even if she pursues it to a successful conclusion and convinces me that there is a case to be made that in fact some experiments were carried out on living fetuses and, therefore, the minister's information was erroneous yesterday, there still is no question of privilege. It may be a disagreement with the minister, or maybe his information was wrong. It may be worth while bringing it to the minister's attention to see whether or not it can be corrected, but I do not see that it can lead us to a procedural discussion.

● (1510)

Mrs. Appolloni: Mr. Speaker, obviously I am in your hands and I want your guidance. The point is that it appears extremely difficult for me to dispute what was said by the minister, and I believe his information is erroneous. Therefore, if his information is erroneous, my privileges as a member were at least infringed upon.

Mr. Speaker: This is where I have to part company. The Minister of National Health and Welfare (Mr. Crombie) is here. He appears to want to participate and perhaps he can shed some light on it. But I cannot accept the basic proposition put forward by the hon. member that, if the minister made an error yesterday, that gives rise to a question of privilege today. As I say, I have given the member an opportunity to point out her side of the argument to the minister, but it seems to me to be a dispute with the minister and his interpretation.

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, I will not deal with the question as to whether or not we are dealing with privilege. As you know, sir, and as the hon. member knows, I was not in the House yesterday when the acting minister spoke on my behalf.

The matter is of some concern to me. I think I share many of the views of the hon. member on the whole question. But I think what we are talking about is what the appropriate facts are in the matter. I can reassure the hon. member, and through you, sir, invite her to meet with me and the whole of the department. As I understand it, information coming to the department is at her disposal as well.

I do not want to deal with the question on a matter of fact. We may have different views on the whole of the matter and we may share views, but I would at least like us to share the same information. Therefore, although it may not be a question of procedure, as you so state, I would like to make the offer to meet with the hon. member so that we can at least share the same information, whether we agree with that information or not.

Mr. Speaker: Then perhaps after the matter has been pursued in that way, if the hon. member for York South-Weston thinks she has any procedural argument, then I can hear it at that time.

Business of the House

POINTS OF ORDER

MR. JARVIS (WILLOWDALE)—TAXES PAID BY SHELL CANADA LIMITED

Mr. Bob Jarvis (Willowdale): Mr. Speaker, I rise on a point of order which arises from information put before the House. The hon. member for Outremont (Mr. Lalonde) alleged or stated in posing his question to the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) that Shell Oil Company of Canada did not pay taxes in 1978.

I would like to correct the record, Mr. Speaker. In 1978, in the case of current income taxes, no taxes were paid as a result of increased exploration and depletion of expenses. However, in the case of other forms of taxation, in 1978 Shell Oil paid other taxes of $138 million and production royalities of $205 million, for a total of $343 million.

Mr. Speaker: Order, please. The hon. member will realize that he has a matter of debate and not a point of order.

MR. McGRATH—FREEZER-TRAWLER LICENCES—CORRECTION OF PREVIOUS ANSWER

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, I rise on a point of order. With your permission, I would like to correct an answer that I gave to the hon. member for South West Nova (Mr. Haliburton) in reply to his question on freezer-trawlers.

Subsequently on checking I find that I was incorrect. There were in fact 13 licences issued for freezer-trawlers by my predecessor in April of this year. Of these 13 licences, six were for unrestricted ground fishing. The hon. member was right, of course; two of these licences are held in the province of Nova Scotia.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. MacEachen: Mr. Speaker, could I ask the traditional question as to the business for next week.

Mr. Baker (Nepean-Carleton): Mr. Speaker, today we will be continuing with Bill C-20, the property tax credit bill. Tomorrow is an allotted day, I believe in the name of the hon. gentleman's party. Next week we will be continuing the presentation and debate of Bill C-20. I would hope that the hon. gentleman and others in the House would consider the time that might be involved respecting that. Perhaps we could discuss getting the bill into committee where a detailed examination of the bill might be accomplished, and if there are amendments to be put, the amendments might be considered. That is the business for next week. There is an allotted day next Friday which again I am prepared to designate now.

So that the House will know, there have been some discussions among House leaders and others with respect to other pieces of legislation. First is the transportation of dangerous goods act. I understand there is a willingness in the House to deal with that bill rather quickly and to get the matter into committee. I would hope that I could have some indication that that is so. Perhaps we could discuss the actual method and time privately.

The other bill with which I think there is some agreement to proceed quickly concerns Bill C-4, an act to amend the Federal Business Development Bank Act. I believe there is an anxiety on all sides of the House that that short bill move forward.

I hope to be able to bring forward within a day or so the veterans' bill, which is of interest to the hon. member for Winnipeg North Centre. I should tell him that a bill has been approved within the government. It is coming to the committee which I chair—the legislation house planning committee—to be reviewed. As soon as that review is completed and confirmed by cabinet, it will be placed on the order paper very quickly.

Quite frankly, I am anxious to have some arrangements with my friends with respect to consideration of the main estimates and the period of time which they wish to debate that matter. It is my hope that we will adjourn parliament for a Christmas recess of some length—I cannot advise the House at the moment as to what length—on December 21 at the latest. That is what I would hope will happen.

I might add that we seem to be moving toward an agreement by which we could have second reading of Bill C-15, the freedom of information act, completed prior to Christmas. There may be some hope that we could deal with the balance of Bill C-6, the spouse's allowance, in all stages tonight.

During question period I said I would be tabling tomorrow the paper on parliamentary reform which stands in my name. A motion will be placed on the order paper in that connection soon. I would certainly like the whole question of changes in the procedure of the House—not just my paper—to go to a committee so that we can look at reform in the House of Commons.

I am anxious to arrange a time, if we can, so that the four select committees on FIRA, voluntarism, cost overruns and rehabilitation can be set up for debate and so that Parliament can have its work cut out for it in the committees.

I think that indicates a reasonable and not unreasonable legislative program that we could complete between now and December 21. I hope at the meeting I will call for next week that we might be able to discuss those items, in terms of time.

While I am on my feet, I would be grateful if I could ask the government House leader and the opposition House leader—pardon me, not the opposition House leader but the New Democratic Party House leader—whether or not there is any disposition to deal with Bill C-6 this evening as we had discussed.

Mr. MacEachen: Mr. Speaker, we are prepared to deal with the spouse's allowance bill in all stages after eight o'clock. That has been agreed to, and we are prepared to proceed.

With respect to the transportation of dangerous goods bill, we are prepared to give it second reading with a very short debate, and the same applies to the Federal Business Development Bank bill.

I believe I have indicated also to the President of the Privy Council that we are prepared to give the freedom of information bill second reading, and I do not anticipate a protracted debate. There may be some participants from this side, but not many. That is a rather positive response to the concerns of the President of the Privy Council.

● (1520)

I should mention to him that I see some difficulty with respect to how we deal adequately with the main estimates which are coming out of committee on December 7, if we have to complete the budget debate and the main estimates before December 21. That seems to be rather difficult. Maybe he would reflect upon my concerns.

Mr. Knowles: Mr. Speaker, I appreciate the fact that the government House leader proposes to call Bill C-6 at eight o'clock for report stage and third reading. I believe we can complete the spouse's allowance legislation tonight. I have noted his comments on the other items before us. Certainly with respect to the transportation of dangerous goods legislation, we will facilitate getting that into committee, which is the place where it can be gone into in some detail.

With regard to the freedom of information act, I indicated earlier that we think two days should be allowed for that debate, certainly no more. On the setting up of the four committees to which reference has been made, we believe that can be done in one day, that is, one day for all four.

We are prepared to enter into discussions about the length of time of other debates. However, I see the same problems that the government House leader now sees about trying to get in a budget debate, and get the estimates and all these other things through, before December 21. It does not surprise me that the point of view he now has led him to refer to my friend for Cape Breton Highlands-Canso as the "government House leader". That left him in some doubt as to what to call me! I suppose this is because he is now appreciating the difficulty that is faced from the government side. However, we are prepared to co-operate, though that does not mean we will be silent where there are issues which we feel should be debated.

I am glad the government House leader announced today that the bill respecting veterans is passing through cabinet and will soon be before us. I hope it was not just a case of trying to forestall my asking my question for the seventh week in a row. A while ago I was quite justified in trying to get that bill before the House before Remembrance Day. I hope now we can not only get it before the House but get it passed before Christmas.

My friend from Mission-Port Moody is prompting me to make one other reference. Earlier this afternoon I was up on a serious question of privilege. I raise this one rather lightheartedly. We down in this corner did notice that the government House leader waved in the direction of the hon. member for Cape Breton Highlands-Canso and called him the "hon. gentleman". He then waved down here and said, "others in the House". I suppose he did that because down here we are both ladies and gentlemen.

Mr. Corbin: Mr. Speaker, I would like to ask the government House leader if, when he tables his proposals in the form of a paper tomorrow with respect to the reform of the rules, he intends to provide for a limited but special debate beyond what is already provided for in the rules of the House. I want to point out to the government House leader that this sort of discussion is usually held within the confines of a very small and possibly specialized circle of members from all quarters of the House. However, some of us have been sitting here for years and we have a number of frustrations to air. Would the government House leader consider providing a two-hour special debate on the paper before it is shunted off to committee?

Mr. Baker (Nepean-Carleton): Mr. Speaker, I am very happy that the hon. member has raised this matter. I am quite prepared to consider that kind of suggestion. It is important that we not be shackled by the hours.

With regard to the important matter the hon. gentleman has raised with respect to the estimates and the problem that was put to the House by the opposition House leader and the NDP House leader, that is, the question of how we can deal reasonably with a legislative program while also facing the provision of the main estimates, on the one hand, and a piece of legislation affecting taxpayers and their tax returns on the other, as well as a budget debate within the short period that is involved, this is why I have kept the list of items I believe we should consider by Christmas relatively short, and I think reasonable. Now that the hon. member for Madawaska-Victoria has raised the point, I hope that all hon. members will consider whether it might be appropriate for the House to sit extra hours in order that we can accomplish this and the kind of question raised by the hon. member for Madawaska-Victoria, if not at this time perhaps a bit later as we go along. It might be something we could consider in order to do the kinds of things the hon. member for Madawaska-Victoria wants.

Mr. Dinsdale: Mr. Speaker, I would like to make a comment on the general discussion with respect to the order of business of the House. I once again thank the House leader of the NDP for indicating that they are willing to deal with an important matter that has been pending since the House opened, namely the setting up of the four select committees. I appreciate the fact that the government House leader has indicated that this matter has great priority.

However, the House leader for the official opposition failed to mention in his remarks the setting up of the select committees. I hope he has not deliberately avoided that question because some of us who are going to have special responsibilities in these matters are going to be placed under an impossible time restraint, particularly in reference to the select committee dealing with the interest of the disabled and handicapped citizens of Canada.

Point of Order—Mr. Malone

I trust that the opposition House leader will join with the representative of the NDP and the President of the Privy Council in indicating that the setting up of all these committees will be given high priority. In his former role as government House leader, he was strongly in support of this measure. I trust that this is still his sentiment and desire.

Mr. Speaker: Is it the desire of the House, arising from the discussion, that an order be made at this time that the House at eight o'clock this evening will turn to the consideration of the report stage of Bill C-6, and that at 9.45 the Chair shall interrupt the debate and any progress to put all questions necessary to dispose of any motions then outstanding pursuant to Standing Order 75, and any other questions necessary to dispose of the report stage and in turn the third reading of Bill C-6? Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

* * *

POINT OF ORDER

MR. MALONE—LEVEL OF LIGHTING IN CHAMBER

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I rise on a point of order. I wish to take a moment to ask if Your Honour would investigate what appears to be an increasing intensity of light and certainly a feeling of increased heat in the chamber.

Some hon. Members: Hear, hear!

Mr. Malone: Perhaps Your Honour could report back as to whether that is fact or whether I am not feeling well.

Mr. Speaker: This is following the point raised by the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre) a few days ago. We did in fact discover that the lighting and camera people had increased the lighting intensity by about 10 per cent. We have reduced it to the level at which it was in the last Parliament and will experiment with this for a while.

The question of temperature is the easiest of all aspects to solve. We have within our means the power to control the temperature quite accurately. I will take the hon. member's representations in that regard and examine what can be done to reduce the temperature, which may help some. We ought to continue for a few days at this lighting level. If it is then still troubling members, we may have to try it at a reduced level from this which, I repeat, is the level at which we operated during the last Parliament.

[*Translation*]

Mr. Yvon Pinard (Drummond): On the same point of order, Mr. Speaker. Even if the lighting intensity may have been lowered by 10 per cent it is still at the same level as last year when the situation was terrible, especially for me as I spend long hours in this House because of my duties. I therefore support those of us who suffer particularly because of the lighting, which gives splitting headaches to several of my colleagues. I myself get them more often than otherwise.

Our working conditions are almost inhuman, Mr. Speaker, and I join the whip of the official opposition who spoke up last week and the previous speaker in asking you specifically, Mr. Speaker, to lower the lighting intensity even further: as it is, it is unacceptable. You have said that it is possible to reduce the temperature but, to my mind, that is of secondary importance; it is the lighting intensity which affects our eyes and gives headaches to several members of the House.

If it is true that the lighting intensity was reduced by 10 per cent a few days ago, I must say that maintaining that level, which is the same as we had last year, is not good enough because the situation was intolerable then. We accepted it because we thought we were going through an experimental stage. So, without in any way wanting to jeopardize the televising of our debates, I nevertheless trust that science will allow us to reduce the intensity of the floodlights to enable hon. members to work under minimally acceptable human conditions.

• (1530)

[*English*]

Mr. Speaker: I want hon. members to know that we are examining this matter very carefully. The technicians have been taking readings each day and we are trying to find a balance which will ensure not only the proper quality of reproduction but, in addition, something which involves a little more difficulty, a fair distribution of the quality of the picture throughout the chamber. This is a matter, which is, of course, of some sensitivity. We must keep the light at a level which will ensure that members in the corners of the room have the same kind of image projected, the same quality of picture, as those who sit in the centre. That requires a certain level of lighting below which we cannot go. We are very close to that level now, but I assure hon. members that I will keep watching this matter very carefully.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the following questions will be answered by the government today: Nos. 55, 64, 107, 235, 429 and 643. Mr. Speaker, I ask that the remaining questions be allowed to stand.

[*Text*]

CANADIAN DAIRY COMMISSION

Question No. 55—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice-presidents of the Canadian Dairy Commission?

2. What is the annual salary in each case?

Hon. John Wise (Minister of Agriculture):

1. (a) Gilles Choquette—chairman

(b) Elwood G. Hodgins—vice-chairman

2. (a) $42,700—$58,500

(b) $38,300—$52,100

NATIONAL CAPITAL COMMISSION

Question No. 64—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice-presidents of the National Capital Commission?

2. What is the annual salary in each case?

Hon. Erik Nielsen (Minister of Public Works):

1. (a) Hon. C. M. Drury—chairman

(b) Mr. William T. Perks—vice-chairman

2. (a) $58,500—$65,500

(b) As vice-chairman of the N.C.C., Mr. Perks receives an honorarium of $8,000 per annum and, in addition, the payment at the rate of $123 per diem for time spent in performing his duties as a member of any committee.

FORMER PRIME MINISTER'S OFFICIAL RESIDENCE

Question No. 107—**Mr. Cossitt:**

What was the total cost to the taxpayer of all expenses whatsoever since April 20, 1968 when the former Prime Minister assumed office, up to the date he left office, in connection with the Prime Minister's official residence at 24 Sussex Drive and what amount was for (a) maintenance (b) salaries (c) alterations and installations of any new (i) building fixtures (ii) furniture or other contents (d) food (e) alcoholic beverages (f) private entertainment?

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): In so far as the National Commission is concerned, records are available from April 1, 1970, only and indicate a total amount of $327,132 from that date up to June 9, 1979. This total amount includes:

(a) $148,078, of which (i) $94,510 was for general maintenance of the grounds and (ii) $53,568 was for site refurbishment including landscaping and construction of a boundary fence.

(b) $179,054

(c) (d) (e) and (f) None.

In so far as the Department of Public Works is concerned: in accordance with the Government of Canada Records Disposal Schedule, information prior to April 1, 1973, is not required, but is available from previous records in total only.

The total cost to the taxpayer of all expenses in connection with the Prime Minister's official residence at 24 Sussex Drive, from April 1, 1968, to June 9, 1979, was $859,345.93.

Since April 1, 1973, the following was spent for:

(a) Maintenance, $271,588.74;

(b) Salaries, $56,974.58;

(c) Alterations and installations of any new

(i) building fixtures, $243,105.43;

(ii) furniture or other contents, $89,825.92.

(d), (e) and (f) None.

In so far as the Prime Minister's and Privy Council offices are concerned:

(a) and (c) To be answered elsewhere.

(b), (d), (e) and (f) See below.

Prime Minister's Residence Costs

Year	Salaries and Wages (excluding superannuation)	Supplies	Sundries (entertainment)	Total	Person-Years
1968-69	$ 23,499	$ 6,796	$ 4,119	$ 34,414	7
1969-70	28,520	6,868	3,571	38,959	7
1970-71	31,200	7,712	4,142	43,054	7
1971-72	37,192	8,736	2,929	48,857	6
1972-73	44,367	11,241	3,673	59,281	6
1973-74	57,261	12,739	5,620	75,620	7
1974-75	69,056	14,953	1,533	85,542	7
1975-76	102,380	18,753	4,771	125,904	10*
1976-77	123,880	21,718	6,364	151,962	10
1977-78	148,340	23,220	3,020	174,580	10
1978-79	164,517	26,132	6,166	196,815	10
1979-June 4/1979	27,321	3,819	280	31,420	

*NOTE—The person-year increase in 1975-76 and beyond was caused solely by withdrawal of cleaning services by DPW and the transfer of the chauffeur's position from PMO office to residence establishment.

POWDERED MILK—SUBSIDY

Question No. 235—**Mr. Lambert (Bellechasse):**

During the fiscal year 1977-78, did the government subsidize the milk industry in regard to powdered milk and, if so, in what amount?

Hon. John Wise (Minister of Agriculture):

No. However, in 1977-78 the Canadian Dairy Commission paid a subsidy of $2.66 per hundredweight of industrial milk containing 3.5 per cent butterfat produced by the Canadian dairy farmers.

FARM CREDIT CORPORATION—LOANS

Question No. 429—**Mr. Mitges:**

For each fiscal year ended March 31 (a) 1973 (b) 1974 (c) 1975 (d) 1976 (e) 1977 (f) 1978 (g) 1979, what was the total amount of loans provided by the Farm Credit Corporation to (i) individuals (ii) farming corporations (iii) co-

operative farm associations that had a mailing address in the constituency of Grey-Simcoe?

Hon. John Wise (Minister of Agriculture): Farm Credit Corporation advises that statistics are not maintained on a constituency basis. However, for the townships which make up Grey-Simcoe, the answer is as follows:

(a)	(b)	(c)	(d)
(i) $621,000	(i) $950,400	(i) $1,435,500	(i) $2,789,700
(ii) 178,400	(ii) 174,100	(ii) 27,000	(ii) 294,500
(iii) 0	(iii) 0	(iii) 0	(iii) 0

(e)	(f)	(g)*
(i) $1,158,400	(i) $2,524,900	(i) $1,718,700
(ii) 0	(ii) 150,000	(ii) 325,000
(iii) 0	(iii) 0	(iii) 0

*to June 30, 1979

GOVERNMENT PURCHASES OF WINE

Question No. 643—**Mr. Cossitt:**

What was the total amount spent by the government in each of the past three fiscal years for the purchase of wine and, in each case, what amount was spent on (a) Canadian: (b) imported wine?

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): Departmental accounting records are not kept in such a manner as to permit retrieval of this information without requiring the checking of each item purchased by each department.

[*English*]

Mr. MacEachen: Mr. Speaker, on a point of order, could the parliamentary secretary tell me when he thinks he will be able to answer the single question I have had on the order paper for some weeks with respect to the functions of the Clerk of the Privy Council? As I rise on this point of order I recollect the admonitions which used to be delivered so regularly by the late right hon. gentleman from Prince Albert, and I regret he is not with me today to impress upon the parliamentary secretary the necessity of answering these sensitive questions.

Mr. Kilgour: Mr. Speaker, would the hon. gentleman from Cape Breton Highlands-Canso be good enough to tell me the number of that question? There are 650 on record and I think we have answered some 25 per cent of them already.

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

Some hon. Members: Agreed.

[Mr. Mitges.]

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

AMENDMENT TO PROVIDE TAX CREDIT IN RESPECT OF MORTGAGE INTEREST AND PROPERTY TAX

The House resumed from Wednesday, November 21, consideration of the motion of the Minister of Finance (Mr. Crosbie) that Bill C-20, to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax, be read the second time and referred to Committee of the Whole.

Mr. Simon de Jong (Regina East): Mr. Speaker, yesterday when addresing the House on this bill members in my party explained why we felt the measure before us is unacceptable as a tax policy and as an economic policy. We started to discuss why it fails in some very significant aspects as a housing policy.

In introducing the bill the Minister of Finance (Mr. Crosbie) emphasized that it was a housing policy, one designed to make housing more accessible to people, especially those with young families. I pointed out then that economists estimate that when the tax credit is properly enforced it would have the effect of increasing the cost of housing anywhere from 10 to 25 per cent, that this amount would be capitalized in the price of homes and that the subsidy would simply constitute, basically, a windfall to all present home owners.

To developers who are now holding an inventory of close to 10,000 new housing units across the country, the increased demand generated by the subsidy would also constitute a major windfall. We were afraid that in the end the benefits from the program would not accrue to young families but would, in fact, end up in the hands of development companies and lending institutions. For a government which purports to be concerned about the efficiency of direct spending programs, this sort of back door giveaway scheme is a disgrace. We estimate that up to 95 per cent of the subsidy will not reach the hands of new home buyers and, therefore, of the young families which need some kind of assistance if they are to acquire homes. This is one criticism we have of the program as a housing program—that it will drive up the cost of housing.

The other point I should like to make is that because of the increase in interest rates any benefit that the program may bring is more than wiped out. There are some major problems with housing in this country. Just the other day I read in *The Globe and Mail* of Toronto that 1,200 new home owners in Peel county have walked away from their homes because they could not keep up with the increased monthly cost. So here alone we find 1,200 former home owners, Mr. Speaker, who could no longer afford their homes. These people were living in homes built under the AHOP program; their monthly payments increased from some $400 a month to over $760 a month. It became impossible for them to meet those payments. What did they do? They mailed in their keys to the mortgage company and said: "Take them; I cannot afford it any more".

In the process these people lost their initial down payment, plus whatever they had spent on improvements to their homes, and today they are renters. What will the proposed legislation before us do for these people? Will it make housing any more accessible to them? We submit it will not. It may, in fact, make it even more difficult for these people to own homes in the future.

What are some of the problems in housing in this country? I have mentioned one—the high interest rates. Another problem, of course, is the cost of land. In 1977 the NHA financed houses in the cities of Edmonton, Hamilton, Toronto and Vancouver at the following cost of land. In Edmonton it cost $25,252; in Hamilton, $26,078; in Toronto, $25,956; in Vancouver, $22,799. This is what it cost for an average lot for an NHA financed house in those cities.

The cost for urban land in Canada is so much greater than in the United States. For example, a recent Alberta study shows that a three-bedroom bungalow in Alberta cost $60,200, whereas in Montana a three-bedroom bungalow cost $42,300. There was some difference in the construction, the material and the labour costs, but that accounted for only 23 per cent of the difference. The major difference was in the price of land. It was in the cost of lots. The difference was that in Montana a lot cost $8,400 whereas in Alberta the same lot would have cost $20,700.

● (1540)

Why is housing so expensive? Why is land so expensive? Because most of the major urban land in Canada is controlled by a half dozen major developers who have bought land, who operate their own "land bank" and who have been able to manipulate the price of urban land, reaping major windfall profits. The profits of large suburban land developers have added $10,000 to the price of a $50,000 home in my home city of Regina. But even that is small stuff. In cities like Toronto and Vancouver the cost of a house has increased $25,000 because of speculation in urban land. If we are going to make housing more accessible to the average Canadian, that is the type of problem we must attack. We must stop the types of rip-offs which occur with regard to urban land. The present proposal before us does not solve that problem. All it will do is help subsidize that type of development rip-off on the Canadian people.

Let me give another example. In Calgary, houses being built by Genstar, a major land developer in this country, sold for $54,000 in 1976. These were very smallish, three-bedroom bungalows with no garages on 40-foot lots. The estimated construction cost of those homes based on local CMHC figures was $33,000, leaving a "modest" $21,000 price for the lot. The carrying and developing costs for Genstar worked out to $7,775. This left a mere $12,600 profit per house for Genstar! That is totally unacceptable.

These companies have indeed been doing relatively well. Let me read into the record how the corporate assets of three major land developers in this country have increased over the last five years. The total assets of Nu-West in 1977 amounted to $482,798,000. In 1973 the figure was only $89,661,000, showing a five-fold increase in four years. In 1978 the total assets of Cadillac Fairview amounted to $1.8 billion. In 1973 the figure was $900 million. The figure doubled in five years.

Another major developer, Bramalea, had assets of $347 million in 1978 but only $147 million in 1973. The figure has doubled. Given that that kind of growth can only be explained by excessive profits made by monopoly pricing practices, perhaps the government should be investigating the business practices of these companies under the Combines Investigation Act. Perhaps that step would help reduce the cost of housing and make housing more accessible to the average Canadian. No, the government is not going to do it, and the proposals from the former government will not either. They are not going to tackle their corporate friends. This type of growth of these land developing companies occurred under the rule of the former government. The former government allowed it to occur. A few large corporations in this country were allowed to double and at times triple their assets.

We are not against free enterprise.

An hon. Member: Tell us.

Mr. de Jong: Hon. gentlemen opposite suggested yesterday that we were against profits. I wonder what kind of free enterprise we have here when a few large corporations have squeezed out all local contractors. I have many friends in Regina who are local contractors and build a few houses. These people have carpentry and plumbing skills, but they are totally unemployed. They have been totally squeezed out of the market.

Mr. Froese: In Saskatchewan?

Mr. de Jong: Hon. members opposite and the former government have encouraged excessive growth and excessive manipulation in the price of urban land. Let us make housing more accessible to people. Let us have a market system existing in housing. Let us break the stranglehold large developing companies have on urban lands and allow small contractors back into the field. Let us investigate large developing companies for their monopoly practices. Hon. gentlemen opposite say we are opposed to profits, that surely profit is an incentive and that it is the energy that keeps the country going.

These companies have made profits, but what have they done with their profits? Most of the profits are invested in condominiums in Florida, office buildings in Dallas and shopping centres in California. That is where the profits have gone. In addition, of course, profits have gone into acquiring new assets. It is much easier to acquire new assets because one can escape paying any taxes. Imagine, Nu-West increased its assets from some eighty-nine thousand million to four hundred and eighty-two thousand million! Imagine, that occurred in four years! What a growth industry! But at whose expense? It was at the expense of the Canadian people. That is why the cost of a house in Regina has increased by $10,000. It is because of speculation on land. That is why the cost of a house

in Toronto or Vancouver has increased by $25,000. It is because of speculation on land. The government's proposal is like peeing in the wind when compared with the type of corporate rip-offs and excess profits that the average Canadian home owner must pay for.

An hon. Member: Order.

An hon. Member: Withdraw.

Mr. Kempling: Watch your language.

The Acting Speaker (Mr. McCain): Order. I suggest that the hon. member withdraw that remark and restrict himself to parliamentary language.

Mr. de Jong: Mr. Speaker, I apologize for that remark.

Some hon. Members: Hear, hear!

Mr. de Jong: I was carried away by the injustice of the situation. Still, the major point is that as the cost of an average house increased by $10,000 to $25,000, the $1,000 which home owners might ultimately be able to get back is just insignificant. Let us make housing accessible to the Canadian people.

Mr. Kilgour: Mr. Speaker, I rise on a point of order. I believe the hon. member for Regina East (Mr. de Jong) apologized for his remark. I wonder if it is implied by that that he has also withdrawn the offending term or whether that must be requested explicitly of the hon. member.

Mr. de Jong: Mr. Speaker, if it is required that I withdraw the remark, I certainly will, and instead of saying what I said previously let me substitute "whistling in the wind". Is that acceptable? However, it should be understood that I am still making the same point.

I believe there is another point of order.

Mr. Thacker: Mr. Speaker, I rise on a point of order. I wonder if the hon. member opposite would accept a question for clarification.

Mr. de Jong: Certainly, Mr. Speaker, but I wonder if I might answer the question at the end of my remarks. Would that be acceptable?

Mr. Thacker: Certainly.

Mr. de Jong: Mr. Speaker, the basic point I was trying to make is that the scheme before us will not really help the new home owner and that the benefits derived from this program will eventually be capitalized into the cost of housing and increase the cost of housing. Economists have predicted that as much as 95 per cent of the benefit of this program will end up in the hands of land developers and lending institutions.

My second point is that if we are going to make housing more accessible to Canadian people, we should really examine and tackle the reasons why it is not accessible today.

• (1550)

Those are the two major points I wanted to make with regard to accessibility of housing. During the last campaign the New Democratic Party recognized that the average Canadian is having difficulty acquiring his own private home. Yesterday, hon. members opposite suggested that the NDP is against individuals owning their own homes, to which I said that that was total nonsense. In fact, I pointed out that the Saskatchewan government has also acted in that area to make housing more accessible to the people of Saskatchewan. But, as I pointed out, that was done on the basis of the ability of people to pay, whereas the present program does not recognize that and therefore does not recognize a basic principle in the progressive taxation scheme.

During the campaign the NDP suggested the program of reducing the mortgage interest rate to 8 per cent for a family earning $25,000 or less a year or to 9 per cent for a family earning $30,000 a year. We still feel that this is the sanest way of tackling the problem of high interest rates and of accessibility of housing to the Canadian people. We should reduce the interest rate especially for those families which find it extremely difficult to purchase their own homes. In this way we can stabilize the market much more, because when we stabilize the interest rates people will know from one year to the next how much they will be expected to pay and thus can plan ahead. I know planning ahead is a foreign notion to hon. members opposite. They do not like planning ahead. In fact, they are anarchists in a way; they enjoy living from day to day and they do not like to plan, because that is supposed to be socialism and they have an ideological hang-up about it.

We also suggested a cost of living tax credit to help tenants. We suggested also increased expenditures on co-ops and non-profit housing, to implement more rehabilitation programs, to help fix up older homes in downtown areas, to expand land banks and to stop profiteering. Our criticism of the present proposal is that in the end all it does is subsidize the existing system where windfall profits are being made by a few, and those profits are hardly being used in the country but are being shipped out of the country, thus exacerbating our balance of payments problem.

There is a need for a real housing program, a need to make housing more accessible to many Canadians, especially those in the average and lower income group brackets. The market at present has failed miserably to provide housing for these people. We have been in need of a government agency like CMHC to intervene so as to make certain that these people also have adequate housing. Many other good programs that CMHC was carrying out have already been cut by the former government. I have no illusions that the present government will reverse that trend. In fact, if anything, I am afraid that trend will be continued.

I hope that the government opposite will look at the reason why the cost of housing in this country is higher than it is in the United States; that it will realize that the cost of land is the major reason, and that it will be able to tackle that problem. Because there is no reason why urban land should be

more costly in Canada than it is in the United States. I hope that the government will have the guts to say, despite all the various ideologies and differences, "Look, you fellows, housing is essential to the Canadian people. We are going to take housing and urban land out of a system where a few monopolies control the resources, for the maximum benefit. I am sorry, fellows, but this is essential to the welfare of this country."

I hope the government will have the courage to say, "We are going to require that CMHC ensure that land and housing are available to the Canadian people at the cheapest possible price. We are in a deficit situation and we cannot afford to pour billions of dollars"—it is going to be $6 billion in four years under the present government—"into the hands eventually of the banks and the developing companies. I am sorry, fellows, but nowadays we cannot afford that any longer."

I hope this government will have the gumption to be able, to use their phrase, to bite the bullet and make those hard decisions, not based on their ideology, in fact not even based on the advice of their political and financial contributors, but based on the interests of the Canadian people. I hope this government will say, "Look, fellows, this type of exploitation of urban land has to stop because we have to make housing accessible to the Canadian people; this has gone a little too far so we will bring in measures to stop the exorbitant price increase on urban land." If the government were to take such a heroic step, it would win the applause and support of every reasonable Canadian across this country. That is why it is very hard for us, members of the opposition, to support this government in many of its measures.

I do not want an election and I know the people back home do not want one either; but, on the other hand, we cannot afford to vote for programs that are going to make the situation worse because we would then be derelict in our duties to the Canadian people. If the government were to bring forward a program that would effectively reduce the cost of housing and make it accessible to the Canadian people, if they would give us something we could support, then we would vote for their motions. But as it stands now, all we see this to be is not a $6 billion program to help the average Canadian home owner but a $6 billion program to help half a dozen land developing companies and the banks of this country. Therefore, in no way can I support this bill as it stands.

Mr. Thacker: Mr. Speaker, I rise on a point of order to put a question to the hon. member opposite who just finished speaking. When he was stating his figures he inadvertently used the figure of ninety-eight thousand million dollars, meaning $98 billion, when referring to the companies' assets. I wonder if he could get back to his figures and correct them because it is quite important to those companies. I am sure they wish they had $98 billion worth of assets, but I think the hon. member meant, in fact, $98 million.

Mr. de Jong: Mr. Speaker, the hon. member is quite correct. In 1973 it was $89 million and in 1977 it was $482 million.

Some hon. Members: Oh, oh!

Mortgage Tax Credit

Mr. Dan McKenzie (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I welcome the opportunity to participate in the debate this afternoon on this important piece of legislation to amend the Income Tax Act to provide credit in respect of mortgage interest on home owners' property.

Let me touch on the background of this bill. The Progressive Conservative Party was elected on the promise to provide a major tax relief to home owners. This legislation will keep that promise. Actually, we first proposed it back in 1965. Over the years the Liberals have had the opportunity to implement such a plan and they could have got the credit for it. They also had the opportunity to implement a mortgage deductibility plan even before they called the election on May 22. But now that they are in the opposition they are coming up with all kinds of ideas having to do with housing. They have had 17 years in which to come up with these ideas but, as usual, they have other priorities, and helping people with housing is certainly not a priority with the Liberal party. I will talk about that in more detail in a few minutes.

● (1600)

Also effective in the 1979 taxation year, home owners will qualify for two tax credits. The mortgage interest credit will reduce federal taxes payable through a tax credit of 25 per cent of interest payments on a mortgage used to purchase a home or to make major alterations in excess of $5,000. There is a limit of $5,000 on such interest payments for a maximum tax savings of $1,250. The home owner property tax credit will reduce federal taxes payable by a flat $250. That is a commendable start. The program will be phased in over four years. There will be 25 per cent of the benefits available this year and 100 per cent in 1982. The maximum benefit this year will be $375, rising to $1,500 in 1982. The legislation will permit the transfer of credits between spouses.

Over the years the Liberal party has spent large sums of money on housing studies. One of the most comprehensive housing studies ever done was completed in January of 1969. It was the report of the Federal Task Force on Housing and Urban Development. This task force was chaired by the Hon. Paul Hellyer. If the Liberal party had implemented all the recommendations of this task force, we would not be presenting any bill like this today; it would not be necessary. Unfortunately the Liberal party only implemented some minor recommendations of this task force.

The major recommendation dealing with land costs and utilization was not dealt with at all by them. Because this section was not implemented, the Hon. Paul Hellyer left the Liberal party, as he happens to be a man of principle. This recommendation dealt with land speculators, but the Liberal party, being the party of big business, would not want to attack their friends, the land speculators. If they had brought in this second recommendation, land costs would be half what they are today. That would have been a major step toward helping people get into their homes. It was not a priority of the

Liberal party because it wanted to look after its friends, the land speculators.

The second recommendation of the task force was ignored completely by the Liberals. In part it read:

> The right to own and dispose of property and to take a reasonable gain from one's labours are an integral part of the Canadian tradition. But the task force seriously questions whether such rights can be stretched to encompass situations where the owners of land reap gigantic financial benefit not from improving or working it, but merely by allowing it to lie fallow or in admitted under-use while the efforts of the community around it make such land an ever-increasingly valuable asset.

They pointed out that there is a growing trend to treat these gains as taxable income and so forth. As members of the New Democratic Party mentioned, there was concern over land speculators. If the second recommendation had been implemented the cost of a lot today, and over the last ten years, would have been cut by half.

When I was on the city of Winnipeg council in 1971, I attempted to have a similar motion passed which dealt with agricultural land being held for speculation. Unfortunately I could not convince my colleagues on that point. I guess there were too many Liberals and NDP on the council. Over the years the Liberal party has made it perfectly clear that assisting people to get into houses is not its priority. That is why they are filibustering this bill. Certainly they are making their point. It is very, very clear. They are opposed to assistance to home owners. But I must give them credit. When they want to make a point, they really get it across.

I understand there are approximately 47 more speakers from the Liberal party who want to get up and say that they are against this assistance to home owners. On energy costs they said that we must push Canadian oil prices toward international levels. In their speeches in the past, in page after page they told us that oil must rise to world prices. Certainly they made their point there. They want oil to go to world prices.

I should like to answer some of the concerns of renters about the government's mortgage interest and property tax credit program. For many Canadians, renting is viewed as a temporary condition until they can afford to purchase. A recent survey found that 90 per cent of young Canadians want to own their own homes. This Progressive Conservative initiative will make that dream easier to achieve. Because mortgage interest and property taxes are deductible as business expenses for landlords, already renters are receiving similar benefits. While rents in some provinces have been kept down by rent controls, very little has been done to make home ownership more affordable. The plan has some spin-off benefits for renters. As more Canadians encouraged by the Conservative tax credits move into their own homes, more rental accommodations will become available, thus taking pressure off those people who choose to continue to rent.

It is impossible to meet the needs of all Canadians with one government program. For example, the old age pension does nothing for the young; the child tax credit does nothing for people who do not have children. There is no such thing as a piece of legislation which deals with the entire nation at once.

If it becomes necessary to provide subsidies to renters, it will be done through other means, such as a shelter allowance. The federal government already is involved with provincial governments in the delivery of subsidized housing for low income families, senior citizens and others through the non-profit housing assistance program, the co-operative housing program, the graduated payment mortgages for landlords, and other CMHC programs. The charge that we are discriminating against others is completely false, because there are programs which help people with low incomes and senior citizens.

This program is being financed by passing the benefits of the government's restraint program on to Canadians. Renters are not being asked to pay higher taxes to assist home owners. I listened very carefully to the previous NDP member who spoke on this bill. He mentioned all the good things the NDP wanted to do and have done in the past. But I want to point out to him that the Conservative government was elected in October of 1977 in Manitoba. They had to scramble to put a housing program together with the federal funds that were available, so the NDP were not using federal funds to assist home owners. The Conservative government had to scramble to get a program together toward the end of 1977 to use the funds which the NDP would not use to assist home owners in Manitoba.

An hon. Member: Don't bother talking about the NDP. They have left.

Mr. McKenzie: There are no NDP members in the House at all. There are a couple of Liberal members. Perhaps some of them are watching these proceedings on television in the lobby. I hope they get my message. In 1978 there were funds available in Manitoba. The Conservative government of Manitoba used all the funds in 1978 to assist its home owners. I have a sheaf of various programs of the Conservative government in Manitoba to assist senior citizens, home owners and people with low incomes. They have programs to help rebuild the run-down downtown areas. There is lots of assistance in other areas. We are not discriminating against anyone with this particular piece of legislation, Bill C-20. To say otherwise is nothing but a lot of silly nonsense.

There are programs to assist other people. That is further evidence of the fact that we do not discriminate against other people. There are rural and native housing programs, public housing assistance, private non-profit housing corporation assistance and the National Housing Act which offers various forms of assistance to privately owned, non-profit, low income rental housing. People on low incomes and senior citizens are not being neglected, as members of the New Democratic and Liberal parties are trying to make out. They indicate that it is a discriminatory piece of legislation. It is not discriminatory at all. It is just another lever to give further assistance to home owners and potential home buyers. In the past the Liberals have agreed with these programs to assist home owners but now they want to filibuster this bill.

• (1610)

There are also rehabilitation programs, and assistance for non-profit corporations which are eligible under the Residential Rehabilitation Assistance Program. There is assistance for non-profit co-operatives, and there is the Community Services Program with which we are dealing. The federal-provincial governments will sign an agreement covering the operation of the Neighbourhood Improvement Program, the Municipal Infrastructure Program and the Municipal Incentive Grant Program, now consolidated into the Community Services Program for 1979-1980. The program will start in 1979 with a funding level of $150 million. As of January 1, 1980, it will increase to $250 million.

The hon. member for Winnipeg-Fort Garry (Mr. Axworthy), who is the official spokesman for housing in the opposition party, has stated that the bill discriminates against others in terms of assistance. That is completely false. I have read into the record programs where other groups are getting assistance, and Bill C-20 will merely assist another group of people. His negative attack on this bill is ridiculous. There has also been a new program announced for Manitoba. Under this program 350 family units will be built and 600 units for senior citizens. They have allotted $14 million for the work to be done this year. This is another step forward to assist home owners, and it is rather ridiculous for anybody to speak against it. It is merely another program, along with many others, to assist home owners.

Coming back to the renters again, recognizing that rising rents coupled with fixed incomes put terror into the hearts of Manitoba's senior citizens, the Conservative government in Manitoba has wisely designed a new rent subsidy program which will help 9,000 elderly for the relatively low price of $3.5 million. That is another indication that renters as well as home owners are receiving assistance.

It has also been mentioned recently that mortgage rates are being reduced. This will certainly assist the firms which have recently announced that they will drop their mortgage rates one or two points. We are making progress. There have been a lot of other ridiculous charges made by the Liberals and the NDP, one of which is that the program benefits only the rich. Last weekend I met with a constituent of mine whose income is about $20,000 a year. Both he and his wife work, and they are managing to keep the bungalow going and to pay the mortgage. He said that he had to laugh at the Liberals for calling him rich because he made $20,000 a year. He said that the government is trying to give people like him a little tax relief, but the Liberal party is calling people like him rich.

The tax proposals are not intended to act as an income redistribution of welfare programs. Their primary purpose is to provide tax refief to existing home owners and to provide incentives that will make home ownership more attractive to potential home buyers. The program is not geared to the rich but, rather, at the average working Canadian.

I have covered how the senior citizens and low income people are getting assistance. This program is for the average working Canadian. The largest single category of home owners, almost 35 per cent, are skilled or unskilled labourers. The top income category, owners and managers, account for little more than 6 per cent of all Canadian home owners. Clearly, this indicates that it is not a program for the rich.

Another question which has been raised is the question about regional differences in that the program does little for Quebec, which has fewer home owners, and little for Atlantic Canada where most homes are already paid for. The answer is that the tax proposals are not intended as a federal-provincial transfer program. High levels of home ownership in Atlantic Canada mean that larger numbers of people will qualify for the property tax credit. One of the hon. members from eastern Canada stated yesterday that eastern Canada would not benefit, but it will benefit. Quebec home owners face the highest property taxes in Canada and taxes of $1,500 for an average home are often the case. Thus, there is a great need for property tax relief. There are more potential home owners in Quebec, where the construction unemployment rate was 22 per cent in 1978. A significant portion of the Canadian furniture industry is located in Quebec, which is an industry that will benefit significantly from increased home ownership.

There have also been charges that this bill will have an impact on provincial revenues. It has been stated that the expected cost of $2.3 billion by the fourth year does not take into account the additional cost to the provinces, which base their revenues on the percentage of the federal tax, and that this is intruding into provincial jurisdiction. The answer is no. The credit is against the federal share of income taxes payable. This program does not affect provincial revenues. Some provinces, such as Saskatchewan, may wish to offer similar relief. This is entirely at the option of the province concerned, but most of the provinces have excellent programs now. This program is merely an additional one which will give more assistance to home owners. I find it strange that the parties opposite would oppose this program, but we are used to this, particularly from the Liberals.

There have also been comments to the effect that this program will have an impact on inflation by increasing the demand on both housing and mortgage funds, thereby increasing the cost of inflation and causing further inflation. The answer once again is no. With regard to increasing the demand for housing and raising prices, it should be noted that at present there is a very substantial inventory of unsold housing units in Canada. Furthermore, it is expected that because of unused capacity in the housing industry, it would be able quickly to respond to increased demand by increasing the supply. The construction industry can build 275,000 units annually, yet housing starts are only expected to average 196,000 units this year and 205,000 in 1980. Those figures are based on forecasts by the Conference Board in Canada.

In terms of excess demand for mortgage funds, the recent low level of housing starts has created a situation where lenders are faced with a surplus of funds. That surplus would have to be exhausted before market factors cause interest rates to rise. I mentioned earlier that in some instances mortgage

rates are being reduced. I think that we can look forward to further reductions in the near future.

Another question which has been raised with regard to interest rates is that by raising the prime lending rate, we have wiped out any potential benefits. That is not correct. Higher interest rates are necessary in the short term to stop investment from leaving Canada for the United States, where interest rates are continuing to rise. If large sums of capital leave the country, then the dollar will fall resulting in increased inflation. As to the statements by members of the official opposition that the policy of the government is to raise interest rates for no apparent reason, those statements are totally false. It is because of the Liberal policies of uncontrolled spending and government growth that we have the largest debt of any country in the western world, and this has caused interest rates to rise.

The debt has to be paid off, and there is no escape. It would be very nice if, when a new government is formed, all past debts were wiped out, but that is not the way it works. The Canadian people have been trapped by the Liberals into paying off this ridiculous debt which is costing the taxpayer in carrying charges alone $23 million a day. As mortgages are usually issued on a longer-term basis, such as five years, mortgage rates are only affected by fluctuations in the bank rate.

There has also been a question raised with regard to refinancing. It is said that for people who already own their own homes, what is to stop them from taking out a $50,000 mortgage and enjoying the tax deduction while reinvesting the funds? There have been safeguards built into the plan to prevent it from being abused. Taxpayers will not be able to obtain increased benefits by taking out larger loans on their existing homes. The only exception to this will be loans of $5,000 or more acquired for the purpose of major alterations or renovations to a home.

● (1620)

A number of surveys have been conducted by members of the House regarding this plan. The results show that between 80 per cent and 90 per cent of the people are in favour of the plan. Mr. Speaker, we are elected to work for and assist the people of Canada, so if 90 per cent want a particular program or some help and we can give it to them, I do not know why we should argue with them. The Liberals want to argue with them, but they have strange ways.

The latest Gallup poll shows that on the average across Canada, 76 per cent approved of our programs. I appreciate being on the side of 76 per cent of the Canadian people. Apparently the Liberals want to be on the side of the 13 per cent that disapprove, so they are speaking for that 13 per cent. The Liberals, as the official opposition, speak for the 13 per cent which is opposed to some tax relief. That is very interesting.

I want to give credit to the Minister of Finance (Mr. Crosbie), Mr. Speaker, for the excellent speech he made on November 19 when he introduced the bill and explained it in complete detail. I was interested in a lot of the false charges made by members of the opposition, particularly that made by the hon. member for Ottawa Centre (Mr. Evans) who said that in the United States they want to get out of a similar plan. I have discussed this with politicians and friends in the United States and have discerned no movement to get out of their plan. Indeed, as the Minister of Finance indicated, the program in the United States has recently been expanded.

The American politicians that I have come in contact with and other people I have met on my travels have been absolutely amazed that we do not have such a plan here. They could hardly believe it when I told them that we do not. We know that the Liberals are slow, of course, but now that we have introduced this plan Canadians will enjoy the same benefits that Americans have enjoyed for well over 100 years.

As the Minister of Finance pointed out at page 1464 of *Hansard:*

> The main purpose of this plan is to ease the burden of purchasing and meeting the costs of a home, to stimulate the Canadian construction industry which badly needs stimulus after the shape it was left in by hon. members opposite—persons opposite. It will create jobs for those who work in construction and related industries. That is the purpose of the plan.

During the last election campaign the Liberals charged that this plan would drive the price of housing up. That is absolutely ridiculous, Mr. Speaker. Builders are having problems disposing of homes now. If they start playing tricks by adding another $5,000 or $10,000 on to the price of a home, they will be stuck with that home and eventually go bankrupt. I have met with them and told them that the Liberals said they were going to increase the price of homes. They said, "That is absolutely ridiculous. We are looking forward to your plan. We are not raising the price of our homes as it would just defeat the purpose of the whole plan." They would be the big losers, Mr. Speaker. Some of them are going bankrupt now because they cannot sell their homes. Many young Canadians have reached the point where they have the money, they can arrange the mortgage, but then something happens and they cannot afford to go into their homes. This plan will now assist many of them. They will not always be plagued by some other change in the economy.

During the debate on November 19, the hon. member for Winnipeg-Fort Garry said, as reported at page 1470 of *Hansard:*

> When you cut through Bill C-20 and look at what it actually has to say to the Canadian public, you find it says that we are going to discriminate against close to three-fifths of the Canadian public and that we are going to use money badly, unwisely, and inefficiently in dealing with our economic problems.

We are not going to use money badly, Mr. Speaker. This program means that home owners will pay less money to us. I do not think they are going to use that money badly, Mr. Speaker. Obviously, the hon. member does not understand the bill or the intent of the bill. To say that it discriminates against three-fifths of the people is totally false. We are working for the other two-fifths now. If one wants to use his figures, then this program is going to assist the two-fifths who are not receiving assistance now. Three-fifths and two-fifths make 100 per cent. By the time the program is fully implemented, we will have covered 100 per cent of home owners with some form

of assistance, according to the official spokesman for the Liberal party on housing.

I do not want to take my full time on this bill, Mr. Speaker, but I should like to make one small observation. Referring to the government, the hon. member for Winnipeg-Fort Garry wound up his remarks by saying, as reported at page 1477 of *Hansard:*

It is obviously still in need of a great deal of assistance and, Mr. Speaker, we are pleased to provide it.

We will welcome any assistance, especially if it is constructive, but I think it should be offered in committee. The sooner we pass this bill and give some tax relief to the two-fifths of Canadians that the Liberals are concerned about, the sooner we will be doing a great service to the Canadian public.

[*Translation*]

Mrs. Céline Hervieux-Payette (Mercier): Mr. Speaker, allow me to make a few comments on Bill C-20 which, in my opinion, is of utmost importance in view of our present economic hardships. During the election campaign our colleagues were decrying the amount of our deficit, yet today they are ready to add to that deficit another $2 or $3 billion. In view of this reversal, I think we must seriously examine the objectives of this piece of legislation rather than passing it expeditiously, as our colleagues would certainly wish.

First of all I would like to make a few comments on the type of people who live in the riding of Mercier. These people, who like the rest of Canadians will have to foot the bill, are for the most part tenants and will therefore not be enjoying the benefits provided by this piece of legislation. Given that fact, Mr. Speaker, it is my duty to consider carefully this legislation and see what we can do to help those who will have to bear the costs of Bill C-20, which will indeed require large investments.

I really must refer briefly to the housing situation in Canada at the time when the new government came to power on May 22, since this bill is designed to remedy the housing situation very efficiently. I am not saying that housing must not lend itself to some measure of government assistance, but I do believe the House should realize that, according to figures supplied by the widely recognized organization, the OECD, Canada then ranked first in terms of number of persons per room; that according to recognized international standards. Austria, Belgium, Denmark, Finland, Germany, Luxembourg and other countries were included in that study. We must also note that Canada ranked first among those nations, again according to the OECD, in terms of the number of housing units available to its citizens. It ranked second in number of bathroom pieces and fourth in number of owners. I believe those figures prove beyond doubt that the former Liberal government had a coherent housing policy and had taken into account the evolution of the situation in that field.

Allow me, Mr. Speaker, to remind the House that it was a Liberal government which passed, in 1946, the first housing act in Canada. That act provided $25 million and about 300 jobs for the implementation of our first national housing policy. Later on, in 1954, the government implemented other measures providing social housing, mortgage insurance and other benefits to help Canadians in all parts of the country and not just one sector of the population. In 1964, this act also provided for increased aid to municipalities and provinces and enabled Canada to reach the position it now holds in the field of housing.

● (1630)

Despite Canada's privileged housing situation compared to other countries, the Liberal party does not deny the fact that there are problems in that field. At this stage I think we must look for the figures which are indicative of where the government should intervene to help people with regard to housing.

First, suffice it to know that right now and especially since 1978 the number of families living in single family units has been increasing at a rate of 4.5 per cent while apartment type housing, the one which makes up most of my constituency, has declined by 25 per cent. My colleague said earlier that with $155 million the government intends to improve the situation in the field of housing. Recently the minister himself recognized there were serious problems in housing and that he would have to intervene. In a speech dated October 22 the minister in charge of housing, the Minister of Regional Economic Expansion (Mr. MacKay), stated before the Canadian Real Estate Association, I quote:

[*English*]

The shifting balance between the rehabilitation and conversion of the existing housing stock and the production of new housing could mean an improvement rather than a reduction in the contribution of the industry to our over-all economic performance if we remain alert to these opportunities.

[*Translation*]

The minister recognizes therefore that the funds which the government must spend now in housing must be directed as a priority to the rehabilitation and renewal of existing houses which are aging and need these improvements, and to apartment construction. I need only remind hon. members that because of a demographic phenomenon we have witnessed a significant increase in the number of single-family dwellings, where an average of some 235,000 units were built every year over the past ten years. But because of a decrease in this area resulting from the same demographic phenomenon, we can expect a reduction in the demand for new starts in forthcoming years. Bill C-20 has therefore not been introduced to meet new requirements in the future, but to meet needs which may have existed only in surveys conducted by the Progressive Conservative Party during the last election.

I should like also to remind the government which introduced this legislation that this bill should benefit the objectives and interests of all Canadians, and not only those Canadians who, according to our colleague, fall into higher income brackets. But I do not think that it is directed exclusively to the people in higher income brackets. There are other Canadians

who are paying taxes but who will be excluded from this housing assistance scheme. We, on this side of the House, suggest therefore that all Canadian taxpayers should be entitled to some sort of financial assistance in housing, and not only such and such a category of Canadians. In this connection I should like to quote a recommendation which appeared on page 38 of a report published by the Toronto Real Estate Board:

[*English*]

Since it has been established that any subsidy to one group is always at the expense of another, government, in the administration of any housing program, should assure the equitable distribution of assistance to all Canadians, not just those who are organized and established to take advantage of any program that comes along.

The Toronto Real Estate Board is probably made up of people known to members across the House. Part II of this document, at page 38, reads as follows:

Canadians are, by and large, well-housed.

I think I have proved that by statistics I have provided to you. This section continues:

There is an over-all reduction in total requirements for new housing.

The recommendation by the Toronto Real Estate Board reads as follows:

Governments should abandon the idea that they must stimulate new residential construction to fuel the economy.

[*Translation*]

Mr. Speaker, those comments are coming not only from the Liberal party but also from a responsible group which entitled its study "How to Build Canada Better". I think they are experts making recommendations to us and, as a citizen and a representative of a riding, I must take into consideration the advice of experts and not rely only on election promises before making a decision that will involve rather substantial amounts of money.

I would like to emphasize the absolutely iniquitous nature of this legislation, in that it will favour only one group to the detriment of a poorly organized minority. This minority is not supposed to voice its opinion and yet its concerns are expressed in the Toronto Real Estate Board report.

I do not have to remind you, Mr. Speaker, that government members were the first ones to scream that we had a huge deficit, and now those same people would want to add to the deficit another $2 billion or $3 billion of spending. I think Canadians are responsible enough and have enough maturity, Mr. Speaker, not to believe that when additional spendings of some $3 billion take place, they will not be footing the bill. However, I would point out that the bill will be paid by everyone, but only a small group will benefit from it.

An hon. Member: Quite true.

Mrs. Hervieux-Payette: The right hon. Prime Minister (Mr. Clark), in answer to a question I put to him in the House earlier this week, said:

[Mrs. Hervieux-Payette.]

Mr. Speaker, as I just stated, we are prepared to consider serious amendments to our bill. However, we hope there will be a determination on the part of opposition parties to support speedy passage of this bill so that Canadians can benefit from our tax credit program next year.

Mr. Speaker, statistics show that a property costing $50,000 in May now has an additional $1,800 in carrying costs. The occupant will now receive a $375 benefit from the program, while he or she will have to pay some $1,500 extra rent, and in this I rely on the Minister of Finance (Mr. Crosbie) to compute the precise extra cost from the higher interest rate. I therefore submit there is no emergency to pass such legislation without seriously considering, as the Prime Minister suggested, all its implications, to ensure that all Canadians get housing benefits.

Let me refer to some statistics concerning the benefits and the people who would get them. I would remind the House that 46 per cent of Canadian home owners have no mortgage and will therefore receive a modest $65 or so. Of the 4,800,000 other Canadian owners, 2.2 million have no mortgage. If to those 2.2 million we add the 3.2 million Canadians who pay rent, we get a total 5.4 million Canadian families, of the total 7.9 million, who will receive no reduction and no housing benefit at all. If the Prime Minister seriously asks us to be serious, certainly he will consider the forthcoming Liberal amendments destined to help all Canadian citizens and families in housing, because those citizens will not be content with the $150 million or $155 million referred to earlier by my colleague, when $3 billion are involved.

• (1640)

Besides, the Minister of Finance did say that 3.8 million households would benefit from this legislation whereas the figures gathered by Statistics Canada show that only 2.6 million will. I think the minister would be well advised to review his calculations because there is a difference of 1.2 million households in that study. If those studies are made on the basis of 3.8 million, I think that for now the benefits everybody is expecting will go to an even smaller number of households than the one predicted by the minister.

And again I would like to remind the minister that tenants represent 40 per cent of the population. Therefore those are 40 per cent of people who will not have access to the program while paying income tax to Ottawa without getting any benefit. Of course some measures were taken in the past to help construction of rental housing. However, it should be realized that there has been a decline in construction since 1977 and that the private sector, which is supposed to settle all problems in Canada, according to our colleagues opposite, has not taken the necessary steps to take care of those problems. So if the government wants to tackle the problem, I think it should seriously consider this matter before giving some advantages to only some of the people.

Secondly, that program will not be effective for individuals in the low income brackets. You will be told, of course, that

those people do not contribute much to the Canadian economy, but I think that even if they do not pay income tax, they are consumers who contribute to the operation of an economy such as ours. We must be aware of the fact that the amount they must earmark for their rent is excessive in comparison with the average person. They will not derive any benefit from the $3 billion because we find few owners among the lower income brackets. As my colleague said a while ago, those who have access to property are those who are fairly well off. Then, as a result of the new interest rates, they will of course be unable to acquire property in the months or years to come, if conditions remain unchanged. In any case, I would like to note, Mr. Speaker, that 200,000 families will not benefit from the plan proposed by the government.

Senior citizens are another group against whom the bill discriminates. Only 38 per cent of senior citizens or older households are tenants. Therefore, most of them are home owners. What are they offered in return for their contribution to the development of Canada? This program offers only a few crumbs to people who have built our country. Because most of them have low incomes, these people will not be eligible for this program since they will have been wise enough to finish paying for their homes and will no longer have a mortgage. I believe that there is an enormous inequity in this respect and that the government will have to provide subsidies for these people in its budget if it wants us to pass Bill C-20. I believe that these people have contributed enough to the economy of Canada for them not to be forgotten. By increasing energy costs and forgetting to cover this aspect of the housing problem, the government will only worsen the difficulties faced by older people if they want to keep their homes. They will have to sell their house because of the increasing heating costs and the persistently high cost of owning their own home.

Mr. Speaker, women home owners, even though they form a very small minority, are another category which will not benefit from this plan. In 1977, 8.5 per cent of them had a mortgage with the Canada Mortgage and Housing Corporation or another institution. It should be noted that in view of the income levels of these people and in view of the fact that few women are home owners and that most are tenants, they will, through their work, contribute to finance this program and suffer discrimination. They will not be able to benefit from the housing credit even though they have more financial problems than any other group in our society.

Mr. Speaker, I wish to draw your attention to one of the most serious inequities of this legislation, the distribution of funds allotted to that program. While the province of Quebec accounts for 27.2 per cent of the Canadian people, it should be noted that it will benefit from only 18.7 per cent of this program. Speaking of co-operation with the provinces and openness on the constitutional issue, the Prime Minister should ask his Minister of Finance to review this legislation in order to correct this obvious inequity in the allocation of funds. Of course, I note that Ontario, for electoral purposes, will get 45.4 per cent while it contributes only 36 per cent. That province is then the big winner of this program. The purpose of my remarks is not to emphasize the fact that this program favours one group or another or a province in particular but to correct the inequities of legislation that should try to help people who most need it. I think that the province of Quebec needs help in the housing field, and even if Quebeckers have chosen to be tenants rather than home owners as a way of life and on a cultural level, and if this is not the first and most essential value for Quebec families, they should not be forgotten in a program as important as this one.

Farmers make up another group of people who will be terribly disadvantaged by this program. I refer you to a report of Statistics Canada entitled "Home Ownership and Mortgage Debt in Canada in 1977" published in July, 1979, which mentions that in rural areas only 15 per cent of home owners have a mortgage. Then, those people who contribute to the public treasury through their work, their taxes, to help our economy will get only a 15 per cent share from that program. Yet we note that this legislation benefits urban centres mostly and particularly a certain province that will get nearly half of the program. I think that such a distribution prevents us from approving this legislation under its present form.

Indians represent another group which is a small minority but which is also entitled to its share of taxes in Canada. They have a special home ownership program that was established by the previous government. This measure cannot be of much benefit to them since they were just starting to buy houses. They will have to pay the high interest rates now in force and in the end it will be even more difficult for them to become home owners.

Mr. Speaker, I come back to the cost of this measure. We are told that it will cost $575 million for the first year. I cannot help thinking about the cost of the Canada Works program. The two programs bear a strange resemblance. Their figures are almost the same. Mr. Speaker, I am against programs that the party in power wants to implement at the expense of others which are essential for job creation. I want to point out that in order to buy a house and pay a mortgage, one must have a job. Referring to last year's statistics, we can see that due to the job-creation strategy implemented by the Liberal government, the rate of unemployment declined steadily during 12 consecutive months. As we are about to pass this bill but have not done so yet we notice according to the latest statistics that the unemployment rate has begun to increase again. As the Toronto Real Estate Board indicated, this measure is very unlikely to reduce the unemployment rate since needs do not exist in this area at the present time.

If any money is to be spent on this housing program—an approach which the official opposition would favour—it should be aimed at improving this program and to that end we should introduce important changes to this bill. According to the

Prime Minister's wishes, I would like to suggest what changes should be made. But I shall come back to that when we study the bill clause by clause. I would like to give the government the opportunity to think over this measure and to analyse it in order to endorse these changes at the appropriate time.

I wish we could redistribute the funds of that budget fairly so that the funds under that program would be paid to those who need them most. May I point out that I do not exclude from this measure those who own bungalows or single family homes, or that I have nothing against those who make up the so-called privileged class of our society. I think they are entitled to benefits. The government knows that the Liberal party has always been in favour of universal schemes and that the concept of selectivity is a rather Conservative one.

From that reasoning and in light of a Liberal philosophy which dictates that such programs ought to be directed toward society as a whole, I think that this one could be rectified so that senior citizens who pay over 25 per cent of their income for rental would be eligible and would get a rental allowance. I also believe that 51 per cent of single parent families, which already pay 30 per cent of their income, should get some assistance under that program. Furthermore, individuals—and I do not want this government to think this measure is only for the benefit of families and senior citizens—who own houses or pay for rental accommodation should be eligible for that program.

I believe the government should try seriously in the next few weeks to find ways of distributing the amounts already foreseen—or perhaps lower amounts if it wants to be realistic, given the present circumstances—in such a way that people who live in rental accommodation would receive allowances covering 50 per cent of their rental for those whose rental payments are equivalent to more than 25 per cent of their income with, of course, a maximum of $1,200 a year. In this way, Mr. Speaker, funds required for this program could be redistributed more fairly on an individual, family and regional basis. As I mentioned a moment ago, Quebec is totally discriminated against in this measure, and I suppose the government does not intend to punish Quebeckers for not having voted for the Progressive Conservatives, since they went on paying their taxes after the election.

Mr. Speaker, I would like to remind the Prime Minister that when such a measure was announced by his party, our party did not oppose it. However, I would like to say to him that the deduction formula was not fair and caused still more distortion and unfairness. At the beginning of its mandate, a government must establish its priorities while taking into account its electoral promises. When I see, Mr. Speaker, that family allowances are at stake, that those who receive unemployment insurance benefits are also threatened with having their allowances reduced, that old age security pensions are scrupulously examined, that job-creation programs are given up, I seriously question the priorities of this government. I wonder whether this program might simply reflect the necessity to keep an electoral promise, since for the time being this government has not yet kept any.

This week at the Standing Committee on Health, Welfare and Social Affairs, I drew the minister's attention to the fact that a housing program should be part and parcel of a national policy, and that we should not be dealing with piecemeal and unco-ordinated legislation. I would have much preferred to study a white paper on housing, or a housing proposal dealing with all Canadians rather than this one piece of legislation which is aimed at a very small segment of our society although it will be paid for by all Canadians.

I want to remind the government that it has been elected to serve each and every Canadian. If it wants to go to the electorate and show the people that it is indeed the good government it claims to be, and I think we have shown clearly in the last few weeks our desire to help this government to serve Canadians better, then it must amend this bill in order to include all Canadians who are in need of better housing. Mr. Speaker, I do not think that the constituents of Mercier could support me in another election if they knew that their member of Parliament had supported such a discriminatory measure. They know that at present they cannot benefit from special allowances, despite the high costs of housing they must pay. I think that ownership of a good home is a fundamental right of all Canadians, and I think that Quebeckers have a right to expect a piece of legislation, a bill, which will satisfy their needs as well as those of others.

● (1650)

[*English*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I rise to speak on Bill C-20 with some interest. I believe it is a far-reaching bill and points the way to a new era in our thinking. Essentially it is a bill that will cut the enormous power of the central government here in Ottawa and return it to the local level it never should have left.

If we survey what has happened to our country in the last 25 years, one of the things that stands out is the obvious expansion of power of the federal government. In defiance of the BNA Act, they took over the essential direction of this country in a financial way from the provincial and municipal authorities, using the tax system, though specifically exempted under the BNA Act, and assigned to the provinces responsibility for health, welfare and, in large measure, education.

This accrual to the federal government of vast amounts of money through the tax system, namely the income tax, the gathering into Ottawa of these vast sums of money, their redirection through the provincial authority and their expenditure is, in part, responsible for the fiscal disaster that we are now facing in this country. Indeed, anyone who cares to listen would describe this rich country, which has not experienced severe internal or external turmoil, as broke.

Twenty-five years ago the financing of health, welfare and general education was very much under the control of local authorities. The money was raised and spent at their discretion. What is ahead of us in the budget? It must cope with the so-called nine envelopes: fiscal transfers to the provinces, $3.6 billion; public debt charges, $9.8 billion; economic development and support programs, $8.4 billion; social affairs, general welfare development—

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order. I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-10, to provide supplementary borrowing authority for the fiscal year 1978-80, without amendment.

● (1700)

THE ROYAL ASSENT

[*English*]

The Acting Speaker (Mr. Scott, Victoria-Haliburton): I have the honour to inform the House that a communication has been received which is as follows:

Government House
Ottawa

November 22, 1979

Sir,

I have the honour to inform you that the Honourable Julien Chouinard, Q.C., C.D., Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber to-day, the 22nd day of November, at 5.45 p.m., for the purpose of giving royal assent to a bill.

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

Foreign Investment Review Agency

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Scott, Victoria-Haliburton): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Blainville-Deux-Montagnes (Mr. Fox)—The Canadian economy—Request for restoration of Tellier task force to prepare answer to white paper on sovereignty-association; the hon. member for Hamilton-Wentworth (Mr. Scott)—Airports—Expansion of Mount Hope—Hamilton Airport—Government position; the hon. member for Saint-Henri-Westmount (Mr. Johnston)—Finance—High interest rates—Steps to assist small business.

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

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

CORRESPONDENCE RELATING TO FIRA REQUIREMENT THAT TATE AND LYLE LIMITED REDUCE ITS SHAREHOLDINGS IN REDPATH SUGARS LIMITED

Mr. Hal Herbert (Vaudreuil) moved:

That an order of the House do issue for copies of all agreements, correspondence, notes and other communications relating to the requirement by the Foreign Investment Review Agency that Tate and Lyle Limited reduce its shareholdings in Redpath Sugars Limited.

He said: Mr. Speaker, I have only a few remarks to make this afternoon, and I will start off by advising any hon. members who might be interested that if they want to have the story on this particular issue, they can refer to my remarks in this House on December 15, 1977, at pages 1916, 1917 and 1918 of *Hansard*.

Why is this subject being debated this afternoon? First, I asked for the production of the papers because I am concerned that a commitment of the Redpath company made as a result of a FIRA order has apparently not been complied with. Before I go any further, the last time I spoke on this subject, two years ago, I immediately had some difficulty with the Redpath company which felt that I was being somewhat unfair to it.

I point out here for the record that I fully understand the motivation of companies. I do not take issue with that. Their job is to make profits and so forth. Nevertheless, my job is to ensure that the regulations and laws which are passed through this House are maintained.

In this particular case I have had quite a few pieces of correspondence with the ministers concerned. I will refer first of all to a letter of December 4 of last year sent to me by the then minister of industry, trade and commerce. He wrote as follows:

—some two years ago, in conjunction with the takeover by Redpath Sugars Limited, of two small packaging companies, there was a commitment given that Tate & Lyle Limited, the major shareholder in Redpath Sugars, would over time marginally reduce its equity to less than 50 per cent.

He also said in another letter, and this one is dated May 14 of this year, and again I quote:

—the commitment by Tate and Lyle Investments Limited to increase participation by Canadians in the capital stock of Redpath Industries Limited from 45 per cent to 52 per cent.

I assume the holdings would be reduced to 45 per cent. He said:

It will be implemented . . . as soon as the financial position of Tate and Lyle recovers sufficiently to enable it to do so without jeopardizing future growth and earnings potential.

By that I assume that the share values will have increased so that Tate and Lyle will be getting a few more bucks for its shares, which also means, of course, that the Canadians buying those shares will have to be paying a few more bucks to acquire that Canadian interest.

I also point out at this stage, as it will not escape anybody, that reducing an interest to 45 per cent does not necessarily relinquish control. In the same letter the minister goes on to say:

—it would not be of benefit to Canada if implementation of an undertaking, given by a foreign investor in particular circumstances and based to a degree on conjecture about the future, would result, in different circumstances, in hardship to the companies involved.

That I will accept. A previous minister of industry, trade and commerce said when speaking to the Standing Committee on Finance, Trade and Economic Affairs on June 5, 1973, and I quote:

In principle, all undertakings—

We are talking about the undertakings to the Foreign Investment Review Agency, of course.

—are binding. In those cases where a person fails to comply with undertakings, the minister may apply to the courts for an order directing that the undertakings be fulfilled. This, however, is likely to be a procedure of last resort.

In normal circumstances the inability to fulfil undertakings will lead to discussions with the minister and perhaps to the negotiation of new undertakings. Like any contract, an undertaking can be modified with the consent of both parties.

That is all very well, but why am I getting a little upset about what is going on? "July 13, 1978, allowed, No. 1284", on the listing of takeovers, "Redpath Sugars Limited, ultimately controlled by Tate and Lyle Investments Limited of England." I will read extracts from this document.

The right to acquire . . . a business (which) . . . would operate a cornstarch sweetener plant to produce, through new technology, high fructose syrup from domestically-grown corn.

Why am I somewhat upset? We see what is developing with these takeovers. There is a group which has been making its presence felt not just in Canada but also in other countries of the world; and I will read from "A Newsletter on Issues of Concern to Sugar Workers", as follows:

On Sept. 27 Redpath Sugars (subsidiary of U.K.-based Tate & Lyle) announced plans to close its Montreal refinery by January 1980. It will mean the loss of 360 jobs. The announcement came on the same day as Canada Starch Co. Ltd. opened 65,000 ton-per-year. HFCS (high fructose corn sweetener) facilities at Cardinal, Ont. Redpath, itself a partner in a HFCS plant due to open next year at London, Ont., blamed competition from the corn sweetener for the closure.

I am obviously concerned, but not about the action of Redpath. I reiterate that I am not criticizing the Redpath company either for the closing of its plant or for its desire to acquire other businesses. That is its job. That is its right. But I am concerned about the legislation which we have on the books which seems not to be having the desired effect. Certainly at the moment we can see that we have encouraged plants in part of this country where there is not as great a need for their development, and as a result we have seen the closing of plants in other areas where there is a greater need to provide employment.

Concerning the foreign Investment Review Act I will quote from an article which was written in the Montreal *Gazette* in the earlier part of this year as follows:

The legally binding undertakings made by a firm in the course of winning approval from the agency are in most cases . . . not published.

There is no public accounting of how well companies have fared in meeting the undertakings to provide "significant benefit." . . . The agency estimates 20 per cent of cases fail to meet the original undertakings . . .

For the public . . . there is no clear definition of "substantial" compliance.

"We need more data to maintain public confidence in the integrity of the process,"—

● (1710)

This was taken from an article written by Jennifer Lewington. I thank her for her lucid comments which have enabled me to make these remarks this afternoon.

I have one or two more comments to make on this issue. I have always been concerned that we in Canada have not taken a lead as a government in trying to help the development in Third World countries. I am particularly concerned that we have made no direct effort, because of our lack of desire to involve ourselves in this industry, in the development of the sugar industry in the two countries of Jamaica and Barbados.

Before concluding I want to quote from a letter which I received from the chairman of the board and president of the Export Development Corporation, because I believe it is relevant. It has to do with the EDC involvement in a cane sugar complex in the Ivory Coast. It reads in part as follows:

In the case of the Redpath complex, we disclosed all relevant facts—amounts, terms, participating lenders, buyers, etc—but did not disclose such items as the interest rate, which is a highly competitive factor in international business. Thus you and other interested Canadians are aware of the basic details surrounding the transaction in question, but cannot become party to information which, if released, might put Canadian firms at a competitive disadvantage . . .

Thus suggestions that EDC's involvement in this project represents a federal subsidy to Redpath, or anybody else, are simply without foundation.

I respect the opinion of Mr. MacDonald but I also suggest that any intervention by a government agency which assists any Canadian company in promoting its wares in another

country in the export market is surely of direct benefit to that organization. So I take issue with the statement that we are not helping Redpath by the aid available through the Export Development Corporation.

My point is that we have two illustrations here where our regulations are such that information is not available to the public, and that includes members of Parliament, for us to be able to judge whether the decisions that are being made by officials are in fact in the best interests of Canadians as a whole. We have heard a lot from this government about disclosure and the freedom of information act, about their desire to present all. I suggest that they might start in this case by explaining to us—

An hon. Member: It is against the law.

Mr. Herbert: It may be against the law, but the government has the power to change the law if it so desires, and to change the regulations of FIRA if necessary, in order that we may be able to judge whether these actions that I have enumerated this afternoon of closing off a plant in Montreal and the takeovers in other parts of the country are really in the best interests of Canadians.

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, the hon. member has moved:

That an order of the House do issue for copies of all agreements, correspondence, notes and other communications relating to the requirement by the Foreign Investment Review Agency that Tate and Lyle Limited reduce its shareholdings in Redpath Sugars Limited.

When that motion was put to the House on November 7, 1979, the Parliamentary Secretary to the President of the Privy Council (Mr. Kilgour) informed the House on my behalf that FIRA had been advised by its senior legal counsel that the papers in question were privileged under section 14 of the Foreign Investment Review Act. The hon. member was therefore invited to withdraw his motion but did not do so.

I am surprised that the hon. member would ask that the government ignore the specific requirements of an act passed by this Parliament. Section 14 of the act is quite explicit. It reads:

Except as provided in this section, all information with respect to a person, business or proposed business obtained by the minister or an officer or employee of Her Majesty in the course of the administration of this act is privileged and no person shall knowingly, except as provided in this act, communicate or allow to be communicated to any person not legally entitled thereto any such information or allow any person not legally entitled thereto to inspect or have access to any such information.

That provision was purposely incorporated in the Foreign Investment Review Act to safeguard the commercial interests of investors who are obliged to submit their investment proposals for review under the act. When an investor files notice of his intentions, and in any discussions that may occur later, he usually, if not invariably, imparts to the government through the agency a good deal of highly confidential information regarding his plans and intentions relating to the investment he is proposing. Therefore, he has the right to expect that information of that sort will not become known, prematurely at least, to others, notably potential competitors.

It is clearly necessary, in the administration of the Foreign Investment Review Act, for the government to seek and obtain a considerable amount of information about an investor and his investment plans, his parent company, if any, and other affiliates, in order to be able to carry out an assessment of significant benefit to Canada as the law requires. It would be unreasonable to expect investors to provide much of this information without the protection afforded by section 14 of the act, and without such information the act could not be administered effectively.

Section 14 of the act goes on to provide:

Any information with respect to a person, business or proposed business obtained by the minister or an officer or employee of Her Majesty in the course of the administration of this act may,

(a) on request in writing to the agency or by or on behalf of the person to which the information relates or by or on behalf of the person or group of persons carrying on or proposing to carry on the business or new business to which the information relates, be communicated to any person or authority named in the request, or

(b) for any purpose relating to the administration of this act, be communicated to a minister of the Crown in right of any province or to an officer or employee of Her Majesty in right thereof on such terms and conditions and under such circumstances as are approved by the minister.

In other words, the minister may only release privileged information concerning an investor, other than for purposes of the administration of the act, with the express written consent of the person who provided the information.

We have sought the consent of the company concerned but they have declined to give it and I can well understand why. The papers referred to in this motion contain, among other things, highly confidential information about the financial affairs of Redpath Sugars Limited and its parent, Tate and Lyle. This information was provided to the government in confidence. It has not been made public by the companies and I can understand why they would not want it made public at this point.

The issue of confidentiality versus disclosure of information is a particularly vexing one and has bedevilled those charged with responsibility for the administration of the Foreign Investment Review Act almost from its inception. I can assure the House that it has caused me and my colleagues who have been involved in the whole process a considerable amount of concern, and that is why we are proceeding in the way we are in these reviews. It is one of the issues we asked officials to address when we set up an administrative review of the Foreign Investment Review Act, which should be completed shortly and the results of which will be announced shortly.

● (1720)

Also the issue is one which we have singled out for consideration by a special committee of this House. It was included in the proposed terms of reference for that committee published in the order paper for November 5. But unless and until the statute is changed in this respect, I am obliged to respect and abide by the law as it now stands.

Section 14 provides an exception to the general prohibition concerning the communication of privileged information with respect to the following:

—information contained in any written undertaking given to Her Majesty in right of Canada relating to an investment that has been allowed by order of the governor in council.

The section continues as follows:

But no minister of the Crown and no officer or employee of Her Majesty may be required, in connection with any legal proceedings or otherwise, to give evidence relating to or otherwise to disclose any information contained in written undertakings where, in the opinion of the minister, the disclosure of such information is not necessary for any purpose relating to the administration or enforcement of this act, and would prejudicially affect the person who gave the undertaking in the matter or conduct of his business affairs.

That construction clearly obliges the minister to use discretion, even in releasing information contained in undertakings. Even if I felt able to release the undertakings themselves in this case, it would not satisfy the terms of the motion moved by the hon. member, which call for the production of all documents and communications relating to the matter.

The motion refers to an undertaking given to the Crown in 1976 by Redpath Industries Limited of Montreal and its parent, Tate and Lyle Limited of England. This undertaking was given in consideration of allowance by the governor in council of the acquisition by Redpath of two Canadian companies: Merry Packaging Limited of Don Mills, Ontario, a custom supplier of flexible packaging material, and Holway Paper Box Manufacturing Limited of Agincourt, Ontario, a manufacturer of folding paper boxes.

When these decisions by the governor in council were announced on October 7, 1976, the government of the day also announced the undertaking given by Redpath and its parent, Tate and Lyle, "to increase the participation by Canadians in the capital stock of Redpath from 45 per cent to 52 per cent." That is still their commitment. The undertaking given in 1976 was framed in the light of circumstances at that time. Some time later, as a result of changed circumstances, it became apparent to Redpath and Tate and Lyle that they would not be able to fulfil their commitment as quickly as they originally had expected without considerable handicap. Therefore, they approached the agency with a view to renegotiating the terms of their undertaking.

The government of the day was satisfied with the representations made by the companies. Following negotiations between the agency and Redpath, the government agreed to revised terms under which participation by Canadians in the capital stock of Redpath would be increased in stages. The new agreement contains specific measurable benchmarks relating to the financial affairs of the companies which would reflect their ability to increase Canadian participation, and thus would serve as an unambiguous trigger for fulfilment of the commitment. I want to emphasize that the commitment itself is unchanged—that is, to increase Canadian participation in Redpath from 45 per cent to 52 per cent.

I have been speaking about agreements entered into by the previous administration, but I do not want to leave the impression that administration necessarily would deal with the matter any differently. In the matter of enforcement of undertakings given under the Foreign Investment Review Act, I believe common sense and understanding are very important parts of the administration of the act. These must prevail. This issue was addressed when the foreign investment review bill was being considered by Parliament in 1973 prior to its enactment. When the bill was before the Standing Committee on Finance, Trade and Economic Affairs, the minister speaking on behalf of the government of the day said the following:

In principle, all undertakings are binding. In those cases where a person fails to comply with undertakings, the minister may apply to the courts for an order directing that the undertakings be fulfilled. This, however, is likely to be a procedure of last resort.

You will recall that I suggested some undertakings at least would be based on the medium-term plans of the acquiring company. These plans would, to some extent, be based on the conjecture about the future and therefore would simply reflect the company's anticipation concerning its future development. They would not be guaranteed in their entirety. Thus, flexibility and good sense must be exercised by the minister.

In normal circumstances the inability to fulfil undertakings will lead to discussions with the minister and perhaps to the negotiation of new undertakings. Like any contract, an undertaking can be modified with the consent of both parties. If, however, the failure to comply with an undertaking is clearly the result of changed market conditions—for example, the undertaking to export frisbees is followed by the collapse of the frisbee market—

That was said in 1974, I should point out. It continues:

—the person would not be held accountable. It should be remembered, however, that some undertakings may be tailored to a range of market expectations.

The purpose of the Foreign Investment Review Act is to ensure that certain forms of foreign investment will be of significant benefit to Canada. I do not believe it would be of benefit to Canada for the government to administer the act in a Draconian or unreasonable manner by insisting that in all circumstances commitments given in good faith by investors on the basis of their expectations for the future must be fulfilled to the letter even when circumstances have changed and implementation of those undertakings would impose an unexpected hardship on the investor concerned. In this regard we intend to continue the practice of the previous administration, tempering our enforcement of undertakings with good sense.

In response to the comments of the hon. member in relation to the desire for a greater degree of openness in the administration of the various acts and agencies of this government, I should point out that we are proposing to have a full discussion of this matter in the parliamentary review which should commence shortly. It has been addressed in the administrative review. We are proposing to do some things which we will announce shortly to create a greater degree of openness in the Foreign Investment Review Act. I suggest that the hon. member should make his representations when the parliamentary committee is sitting. If there are other interested parties in Canada, people who have been affected by the review process, as well as those who have been constant practitioners in connection with the review process, I suggest they should make their views known. We want a better understanding of how the publication of certain of these aspects relating to the review process will affect people in the country, having had the experience of five years of the administration of the act. I

believe the outcome will be a more positive degree of administration of the act itself.

Some hon. Members: Hear, hear!

● (1730)

Mr. Bill Kempling (Burlington): Mr. Speaker, I know that the hon. member has put his motion on the order paper because he has some concerns about this particular issue. The hon. member through his motion seeks to release information provided in confidence to the government. While the hon. member's motion relates to information provided in one specific case, its import is much broader. It implies that privileged information supplied in confidence to the Foreign Investment Review Agency by a corporate citizen could be arbitrarily made public through a motion of this House. I suggest that that is a very dangerous thing.

Though the Minister of State for International Trade (Mr. Wilson), who answers to the House for all questions concerning FIRA, has already dealt with this issue, I think it bears repeating, that the act which was debated and passed in this House under the government led by the hon. member's party specifically prohibits any such communication. Why the hon. member persists ignoring this fact, is beyond me.

To divulge information provided in confidence by a corporate citizen for the purpose of complying with the act would be counterproductive to the objectives and the effective application of this act. Beyond the legal and purely administrative imperatives for not disclosing this information is the fact that it is wrong in principle. I ask the hon. member to consider the implications of such a move. Does he not realize that it would constitute a breach of confidence? Does he not recognize that in a very real sense it would be a violation of the privacy of a corporate citizen?

The hon. member surely understands that making such private and confidential information public would be as abhorrent as arbitrarily revealing income tax information or other types of private information which citizens give to this government for very specific and limited use, on the understanding that it will be kept secret. Is the hon. member implying in his motion that there should be two laws in this country, one for the private citizen and one for the corporate citizen? I would he shocked if he were implying such a principle because I do not believe that that is what he really means to do.

The freedom of information bill, which we on this side have proposed, includes exceptions for private and commercial confidences because its authors were realistic enough to recognize the importance of respecting the citizens' right to confidentiality, and by citizens I mean corporate citizens as well as individual private citizens. Even the most ardent supporters of freedom of information would not suggest that the government should be able to arbitrarily disclose information that, if published, would prejudice the well-being of private or corporate citizens and which was provided in the strictest confidence. Indeed, Mr. Speaker, this issue is at the very heart of the whole question of having effective dialogue and uninhibited co-operation between citizens and their government. This is not an argument against freedom of information; it is an argument for the intelligent and judicious application of that principle.

If confidence and the citizen's right to privacy are at the heart of effective relations between the government and people of this country, it can be said that Canadian participation is at the heart of the Foreign Investment Review Act, if not the whole issue of foreign investment in Canada. The way in which FIRA seeks to increase Canadian participation was described in a supplement to the agency's annual report for 1978-79 which was released recently by the minister. Generally speaking, FIRA seeks to ensure Canadian participation on three fronts: ownership, direction, and management.

These three forms of Canadian participation are very basic to Canadian control of the economy because at the level of individual firms they ensure an effective Canadian presence in decision-making. They ensure that a Canadian point of view is taken into account in decisions made by firms which will affect not only employees, but also related industries and the community in which the firms operate. Through experience it has been found, however, that the potential value of Canadian participation in all its forms can vary with each case which FIRA reviews, depending on the nature and circumstances of the proposed investment.

But take the case of a non-Canadian who acquires a firm which is already foreign-owned and controlled. Obviously, there would be no loss of Canadian ownership, because the firm was not Canadian-owned in the first place. In such cases, investors have often made some provision for increasing Canadian participation in ownership, direction, and management. So, one sometimes finds the curious phenomenon of Canadian participation increasing as a result of a non-Canadian acquiring a firm in Canada. In the supplement to FIRA's annual report it is stated that slightly over half of all allowed acquisition proposals and over 60 per cent of allowed new business proposals have offered benefits to Canada in terms of one or more of the three forms of Canadian participation mentioned above.

I would like to take a brief individual look at the three forms of Canadian participation. On the question of the participation of Canadians as shareholders, it is recognized that, while Canadians should have the opportunity to participate in the ownership of Canadian businesses, it would be impractical to require all foreign investors to sell shares to Canadians. Mandatory Canadian share ownership was one of the options considered in the Gray report, but rejected in favour of the investment review process, principally because such a share-ownership rule would be a powerful deterrent to some foreign investment that is highly beneficial to Canada. It was decided that the desirability and feasibility of Canadian equity participation should be considered on a case-by-case basis during the review process in light of the investor's current and forecast positions. This policy provides the flexibility necessary for an investor to frame plans and undertakings according to both the

nature of his investment and the circumstances in which it is made.

A wide variety of undertakings related to ownership have been made by investors in their applications to FIRA, from a relatively small degree of Canadian equity participation to majority Canadian ownership. The time frames involved have also varied from immediate implementation of the target level to implementation over a specified period. Depending on the circumstances of the investor, the sale of shares to Canadians has been either public or private. Other ways of ensuring Canadian equity participation are the sale of stock or stock options to managers or other employees, the issuance of quasi-equity securities such as convertible debentures or debt with warrants attached. Some investors have secured Canadian equity participation by arranging joint ventures with Canadian partners, whereas others have undertaken to maintain Canadian ownership at or near the existing level. The few comments I have made on this question of Canadian ownership serve to underline the complexity of the issue, even when it involves a principle with which all honourable members would agree.

Another important form of Canadian participation is as directors on the boards of the companies which apply to FIRA. The Canada Business Corporations Act and the companies acts of various provinces require that a majority of the directors of a company be residents of Canada. FIRA's experience with investors is interesting. In the supplement to its most recent annual report the agency states the following:

> Investors have provided undertakings to maintain the number of Canadians on their board of directors above the level required legally by the jurisdiction within which the company is incorporated. In cases where the Canadian company is incorporated in a province which does not require that corporate directors be Canadians, applicants have nevertheless seen fit to appoint a proportion of Canadians. Also, numerous applicants have undertaken to secure the appointment of a majority of Canadians to their board immediately, rather than within the period of grace provided in the legislation.

● (1740)

Everyone recognizes the importance of having an effective Canadian point of view in the policy and decision-making of enterprises in Canada. Such a presence within a corporation ensures that Canadian interests will rank very high in the corporation's priorities.

As to the participation of Canadians as managers, it must be contingent on the availability of Canadians qualified to hold those positions. I know all of us have run into the situation at some time or other where businesses coming into the country have to bring in some of the management personnel so that Canadians can be trained to take over. In some cases employment of foreign personnel may be essential, at least at the outset. This is especially the case for products not previously made in Canada, and for the use of production techniques never before used in Canada. To succeed, companies need managers who have the requisite specialized knowledge and skills. Even well-established businesses may find it necessary to have recourse to foreign experts in cases where they are introducing a new product or where they face a particularly difficult problem which is beyond the ability of their managers to solve. We have run into the situation many times in business where a licensing agreement is made with the company and then it turns out there has to be an ongoing arrangement with the management of the new firm in order to ensure that the project is successful.

Various investors have undertaken to ensure that the management of their company be carried out by Canadians, to hire Canadians for senior management positions on the condition that qualified people are available to fill specific positions in management with Canadians, and to train Canadians for management positions. Mr. Speaker, the bottom line is that Canadian participation ranks as high as anything else as a criterion for judging whether or not given investment proposals will be beneficial to Canada.

The hon. member's motion refers to one particular case in which an investor has agreed to provide for greater equity participation by Canadians. The information recently released by the minister on the agency's operations indicates the variety of ways in which Canadian participation can be and is being enhanced through a flexible and effective application of the relevant parts of the Foreign Investment Review Act. I am sure the hon. member supports that effort. I would suggest to him that if this House were to adopt the motion he has put forward, not only would it be a breach of the provisions of the act itself, it would also undermine the agency's opportunities to negotiate benefits to Canada. Without the safeguards the act provides, the government would simply not be able to obtain the information necessary for the effective administration of the act.

Many of us have some sympathy for the view that the hon. member expressed regarding aid to Third World countries and the development of industry that has come into this country as a result of the Foreign Investment Review Act. The minister has already stated, however, that a committee of this House will do a thorough review of the Foreign Investment Review Agency. I hope the hon. member will come before that committee and present his views, not only on the publication of information on one company. I know he has attended meetings of the finance committee regularly in the years that I have been in this House and he has made a valuable contribution there. Perhaps we could arrange for him to be called as a witness when this matter is reviewed, because I know he has been concerned about it for a number of years and could make a useful and worth-while contribution. We will look forward to that, and I hope the hon. member will co-operate with us to that extent.

Some hon. Members: Hear, hear!

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I just wanted to say that I fully appreciate and understand the problems the hon. member faces in presenting this motion. I do not feel, however, that he would want Parliament to break the law and, as it stands, the law is contrary to his motion. In fact the law prohibits the release of this information. His party introduced the law, and I think we have to leave it in place until Parliament decides otherwise.

It was suggested that since this party is now in government it could introduce an amendment to change the law. I would point out to the hon. member for Vaudreuil (Mr. Herbert), however, that his party has been holding up legislation in this House for weeks now with their obstructionist tactics—at least until the events of yesterday. It was only on Monday of this week the estimates were finally passed after the hon. member's party had talked on them for longer than we did in 1974 when we were in opposition. The opposition took up a lot of time in the House and in committee so that legislation proposed by this government could not be brought forward and debated. It is only this week that we have progressed to relatively new legislation. Until then the legislation dealt with was of a housekeeping nature, to clean up the mess left behind by the previous government.

Mr. Herbert: On a point of order, Mr. Speaker, I would draw your attention to the remarks of the hon. member and ask if he could be brought back to the subject in question.

Mr. Dick: I would be glad to deal with the subject in question, Mr. Speaker. The hon. member suggested that we could have amended this legislation. It should be noted, however, that we cannot bring forward our own legislation because of the obstructionist tactics of his party.

I feel that a lot of the money spent and actions taken by the government are conducted in secrecy. If the opposition would co-operate, we could bring in legislation and debate it in two or three days to provide a freedom of information act. The House leader on the other side, however, will not even attend meetings which would give some indication of how long it would be before the legislation could be passed.

Regarding the motion before us, Mr. Speaker, I think we have to realize that we cannot change the rules in mid-course. If these people have been promised that the material will be kept confidential, we cannot turn around and change the rules of the game. That is neither fair nor just. There would have to be a change in the legislation to the effect that from this day forward all undertakings would become public at the time a company entered into an arrangement with the Foreign Investment Review Agency, if that is what is decided.

I am equally concerned about secrecy under DREE where companies in some cases receive millions of dollars from the public trough and do not have to account for it. I would sooner demand accountability for that money and any relevant agreements than in the case before us where the government has not necessarily advanced any money but has just made an arrangement to allow the people to come into this country. I tend to agree that there should be disclosure of such undertakings, but the legislation would have to be changed to make it clear that all the agreements would have to be disclosed at the time they were made. That would be the time to do it, not change the rules half way through the game. Those companies that already have undertakings would be allowed to keep them secret. If there was an amendment to the legislation, however, undertakings would be disclosed at the time of the agreement being made. That is, of course, only after an amendment.

I think this amendment is the type of thing the select committee examining the Foreign Investment Review Act might examine. Hopefully, it will be set down on the order paper and get under way shortly. I would think that suggestions of this nature are ones which this committee should be examining. I would encourage more openness with the Canadian public on what FIRA is doing. For example, at the same time I would hope that FIRA might, before entering into a commitment, advertise for potential Canadian investors so that Canadian entrepreneurs would have an opportunity of having first crack at that. If that did not happen, then it would be opened up to the foreign-owned company to take over ownership.

● (1750)

I feel that the entire legislation dealing with FIRA needs to be fully examined and that we cannot go at it in a piecemeal manner, nor can we go against the present legislation as it now stands. I feel that the agreement about how soon a motion will be debated depends on the party of which the hon. member for Vaudreuil (Mr. Herbert) is a member, namely, the official opposition, being the Liberal party. I understand there has been agreement by the NDP to debate the four motions to set up the four select committees in one day so that we can go ahead and get the job done and let the committees undertake the work. But it has been the Liberal party that will not send members to the meetings of the House leaders. They have not indicated they would be willing or satisfied with one day, and have indicated that maybe more than one day would be required, again eating up the time of the House. This is why these motions have not been debated and why these committees have not been set up. It is precisely because of the obstructionist tactics of the member's own party, the Liberal party, that we have not been able to get on with the job.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

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

● (1800)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bill:

Bill C-10, an act to provide supplementary borrowing authority for the fiscal year 1979-80—Chap. 3.

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

At 6.04 p.m. the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-6, to amend the Old Age Security Act, as reported (without amendments) from the Standing Committee on Health, Welfare and Social Affairs.

Mr. Deputy Speaker: Pursuant to the order made earlier this day the House will now proceed to the consideration of the report stage of Bill C-6. May I remind hon. members that at 9.45 p.m., under the provisions of the same order, all questions necessary to dispose of the bill will be put from the chair?

Hon. members have received notice of a number of motions to amend the bill, all of which, in my view, appear to be in order from a procedural standpoint. May I suggest, pursuant to Standing Order 75(10), that motions Nos. 1 and 3 could be debated together, with a vote on motion number one disposing of number three? Also, motions Nos. 2 and 5, in the opinion of the Chair should be grouped for debate.

As motion No. 2 is consequential on motion No. 5, the question will be put on motion No. 5 and a vote on that motion would dispose also of motion No. 2. Motions Nos. 4 and 6 might also be grouped for debate, and an affirmative vote on motion No. 6 would also dispose of motion No. 4. However, a negative vote would necessitate the question being put on motion No. 4. Is that agreeable to the House?

• (2010)

Mr. Knowles: Mr. Speaker, I rise on a point of order. I said nothing when you asked if the arrangements you made were acceptable, mainly because they are, but I rise now to suggest that although the arrangements you have proposed would make possible three separate debates at the report stage, frankly I do not think three separate debates are necessary, and I am suggesting that you might allow the House in the first debate, which is on motions Nos. 1 and 3, to cover the whole package of amendments. We who were on the committee understand that it took several amendments to do the job, technically speaking, but for my part I would be quite satisfied to say what I have to say at the report stage in one debate, if the rest of the members will agree.

[Mr. Speaker.]

[*Translation*]

Mr. LeBlanc: Mr. Speaker, we feel that this proposal of the NDP leader is perfectly acceptable. We feel there is no use going into technical details. We want to discuss and adopt this bill, with the changes agreed upon in committee.

[*English*]

Mr. Crombie: Mr. Speaker, I am happy for the intervention of both hon. members opposite. I thought perhaps it might be even more useful if all six motions were read, if we had one debate and if we dealt with the matter that way. I do not have any lengthy comments to make. In fact they ought to last about 70 seconds, but my comments would deal with all six motions, and motions Nos. 5 and 6 are the crucial ones.

Mr. Knowles: Mr. Speaker, that in spirit is in line with what I have suggested. If, for technical reasons, it would be a good idea to have all six amendments read and put on the record at one place, I would go along with the suggestion the minister has made, and so would my friend, the hon. member for Westmorland-Kent (Mr. LeBlanc).

Mr. Deputy Speaker: The Chair would be ready to agree to that as long as any amendments could be taken—if there were any—in the order in wich I have communicated to the House. Is it agreed that I put the six motions to the House at one time and allow hon. members to speak on all of them, not only permitting members to cover the whole spectrum of each of the amendments, but also making sure there is not too much repetition, which is also one of the responsibilities of the Chair?

Some hon. Members: Agreed.

Hon. David Crombie (Minister of National Health and Welfare) moved:

Motion No. 1.

That Bill C-6, to amend the Old Age Security Act, be amended in clause 1 by striking out lines 4 to 9 at page 1 and substituting the following therefor:

"1. (1) Subsection 7(2) of the Old Age Security Act is repealed.

(2) Subsection (1) does not confer any right to a pension in respect of any month preceding November 1979."

Motion No. 2.

That Bill C-6, to amend the Old Age Security Act, be amended in clause 2 by striking out line 20 at page 1 and substituting the following therefor:

"17.31(5), no spouse's allowance may be".

Motion No. 3.

That Bill C-6, to amend the Old Age Security Act, be amended in clause 3 by striking out lines 27 to 29 at page 1 and lines 1 to 3 at page 2 and substituting the following therefor:

"3. (1) Subsection 17.3(1) of the said act is repealed.

(2) Subsection (1) does not confer any right to a spouse's allowance in respect of any month preceding November 1979."

Motion No. 4.

That Bill C-6, to amend the Old Age Security Act, be amended by deleting clause 4 and by renumbering the subsequent clauses accordingly.

Motion No. 5.

That Bill C-6, to amend the Old Age Security Act, be amended in clause 5 by

(*a*) striking out lines 15 to 31 at page 2 and substituting the following therefor:

"(*a*) a pensioner died or dies at any time after September 30, 1975, and

(*b*) a spouse's allowance was (or is) payable to the spouse of the pensioner for the month in which the pensioner died (or dies),

a spouse's allowance may be paid to the surviving spouse of the pensioner

(*c*) commencing with the month of November 1979, where the pensioner died between the beginning of October 1975 and the end of October 1979, or

(*d*) commencing with the month following the month in which the pensioner dies, where the pensioner dies after October 31, 1979.

(2) No spouse's allowance is payable under subsection (1) where, prior to the end of October 1979, the surviving spouse attained sixty-five years of age or remarried."

(*b*) renumbering subsections 17.31(2) to (4) accordingly.

Motion No. 6.

That Bill C-6, to amend the Old Age Security Act, be amended by adding immediately after line 15 at page 6 the following new clause:

"8. This act shall be deemed to have come into force on October 31, 1979."

Mr. Deputy Speaker: I wish to bring to the attention of hon. members that to motions Nos. 1, 3, 5 and 6 there are recommendations from His Excellency the Governor General.

The question is on motions Nos. 1, 2, 3, 4, 5 and 6.

Shall motion No. 1 carry?

Mr. Crombie: Mr. Speaker, during the standing committee hearings on this bill and, indeed, during second reading debate, hon. members on both sides of this House voiced their support for an amendment to be made to enhance further the effectiveness of the amendments in Bill C-6. Specifically, it was proposed that the bill be amended to reinstate all of those spouse's allowance recipients who had been cut off the program since October, 1975, because of the death of the older pensioner spouse and who still meet the other eligibility requirements. That is, anyone who has not already turned 65 or remarried, and who is still otherwise eligible, may be reinstated on the allowance with effect from November, 1979. Cabinet has seen the wisdom of this proposal and has approved this change so that there will not be two classes of allowance recipients, pre- and post-amendment.

As a consequential amendment and to maintain the spirit of the change, pensioners currently serving prison terms of more than 90 days will also have their benefits reinstated.

This change is not without some cost. An additional amount of approximately $6 million in 1980-81 will be spent to benefit the some 3,000 more people who will now benefit from the program. The gains, I am sure all hon. members of the House will agree, however, are far offset by the equity which is involved in the proposed changes.

Since this is my first attempt at report stage and third reading, I might say that it was a good experience from my point of view in that hon. members from all sides participated in the change. It was agreed to, and I therefore conclude with the thought that it has shown me, and perhaps others, that indeed the parliamentary process is a good forum for an effective exchange of opinions.

Some hon. Members: Hear, hear!

Hon. Roméo LeBlanc (Westmorland-Kent): Mr. Speaker, I will make only brief comments on the motions which have been presented. The fact is that the minister used a rather happy phrase when he said that the cabinet had seen the wisdom of the recommendation he made to it. I am gratified to see that the minister is such a fast learner. I also think the minister saw the wisdom of some of the points of view expressed by members opposite.

● (2020)

An hon. Member: And on this side too.

Mr. LeBlanc: Yes, on that side too, I must say that the speech of the hon. member for Grey-Simcoe (Mr. Mitges) during the second reading contained the point that there should have been an element of retroactivity. There is no doubt that the minister has learned a great deal from this experience. I think it is a very humane thing for him to have done to requalify those who certainly must have felt that the previous legislation—and I say this without any *mea culpa*—had some serious limitations to it, and we all recognize that. By going back and reinstating those who had been disqualified by the time periods contained in the original clauses, the minister has shown lucidity in relation to the opposition and some obvious clout with his colleagues in the cabinet. So we congratulate him for it.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I join with the hon. member for Westmorland-Kent (Mr. LeBlanc) in congratulating the Minister of National Health and Welfare (Mr. Crombie) on persuading his colleagues in the cabinet to agree to this proposal which was made by members of all parties in the House, and again by members of all parties in the committee. I had the notion in the committee, the day that we moved to adjourn the debate, that to say to the minister that we would not give him his bill made him somewhat uncomfortable, but then it appears he discovered that it was a useful weapon to be able to go back to the cabinet and say that the committee was unanimous in not being willing to proceed with the bill until this change had been made. So we are glad that the change was made, and that is the reason, of course, that we are prepared to deal with all six amendments in one debate, to pass them, and to pass the bill tonight.

However, despite the extreme brevity of both of those who have spoken before me, I am afraid I cannot follow suit because, for all my satisfaction that this improvement has been made, this piece of legislation, in the 1970s, is still a disgrace. It is a piece of pension legislation which applies a marital test to a pensioner between the ages of 60 and 65. We are accustomed to tests based on age, on work, on means or on needs, but to say to a person, particularly to a woman because that is how this act works in most cases, "You do not get this pension unless you have a man" is, I think, terribly wrong and inhumane.

My friend, the hon. member for Westmorland-Kent, admitted, without stressing it too much, that the government of which he was a member had brought in the original bill that had in it that test, and my friend, the hon. member for Saint-Léonard-Anjou (Miss Bégin) has also admitted that there was that flaw in the original act. What has happened since then is a matter of record.

Originally the spouse's allowance legislation provided that where a younger spouse between the ages of 60 and 65 was married to and living with an older spouse of 65 or over who was getting the pension, the younger spouse got the spouse's allowance, in effect got the pension at that younger age. But it only applied to married spouses, not to persons of single status. But the crowning indignity of all in the original act was that even that spouse in the 60 to 65 age bracket, if the older spouse died, had the allowance cut off immediately. Originally it was at the end of the month in which the death took place that the allowance was cut off, and there might not have been 30 days, it might have been only 30 minutes. That really hit hard. Those of us who have considerable correspondence on this subject became aware of it immediately, although I predicted that would happen, and we discovered that for a year or so it was happening to about 200 persons a month, most of them women.

I know this legislation works both ways, it can apply to the younger man and the older wife, but in most cases, and certainly in most cases where the allowance is obtained, it is the woman who is the younger person. So we had 200 widows a month in Canada losing their spouse's allowance because the older spouse had died.

Our stressing of the fact in the House during the last Parliament resulted in the former government amending that slightly and providing for that allowance in the case of the death of the older spouse to be continued for six months. That meant that if the younger spouse was 64 years and 6 months old, she—I say "she" deliberately—would carry the spouse's allowance until she reached the age of 65 and she qualified for old age pension. But if the younger spouse was 61 years old, she got the allowance for six months and then she had three and half years to wait. What this legislation does is to correct it and to provide that, whatever the age of the younger spouse, the allowance will be continued until the age of 65.

The amendment which the minister promised in committee he would bring in, and with which we are dealing now, provides that any of those who have already been cut off right back to the year 1975 when this legislation started, can have the spouse's allowance reinstated as of the effective date of this legislation, which is the month of November. That is a great improvement, and it is good, and that is why we are all prepared to support it.

However, the fundamental unfairness of the spouse's allowance legislation still stands. Even after this bill becomes law, we will have a country in which, if you are a woman between 60 and 65—I know it applies to men but there are so few of them that I need not talk about them—and you are in need, you get the spouse's allowance if you are married to an older pensioner. You also get it if you are a widow, provided you became one after the age of 60. But if you became a widow before you turned 60, or if you are single, there is no payment under this legislation. So I say that although we complain about the means test and the needs test, we know how they work and there is some rationale to them. We have had out-of-work tests and other kinds of tests, such as tests connected with age and residence, but there is no room for this test and I earnestly plead with the minister that he spend as little time as possible boasting over what we in Parliament have done about this and that he consecrate his energies to getting this situation corrected as soon as he can.

I do not often read things that are lengthy into the record because it is dull to listen to a person reading something, but there is a letter about this which I regard as so important that I think it should be on the pages of *Hansard* in full. It is the letter which the chairman of the Canadian Human Rights Commission, Mr. R. G. L. Fairweather, wrote to the Minister of National Health and Welfare on October 31, 1979, concerning the spouse's allowance legislation. As the minister knows, references were made to this letter in the standing committee, and Mr. Fairweather also made it clear that he was sending copies of it to the Leader of the Opposition (Mr. Trudeau) and to the Leader of the New Democratic Party (Mr. Broadbent). That is why I have a copy of it. It did not come in a plain brown envelope, it came in a white one directly from Mr. Fairweather. The letter is so important that I believe it should be on the record. It is dated October 31, 1979, and it reads as follows:

● (2030)

Dear Mr. Crombie:

The progress of Bill C-6, an act to amend the Old Age Security Act, through Parliament has prompted some members of the general public to express their concern to the Canadian Human Rights Commission that this act, in its original form as well as in its proposed amended form, bestows benefits on certain individuals, and not others, on the basis of their marital status. That is, no provision is made to augment the incomes of needy single persons between the ages of 60 and 65; married people, however, receive benefits.

You may recall that this commission has drawn attention in the past to legislation which is laudably aimed at sustaining families but which denies equivalent benefits to certain individuals or living groups purely on the basis of marital status. This is admittedly a difficult area of social policy. On the one hand, much of our legislation reflects society's traditional ranking of the family as a social unit requiring special consideration. On the other hand, the Canadian Human Rights Act, in explicitly proscribing differential treatment based on marital status or situation de famille, reflects society's more recent perception that marital status is not always the best criterion on which to base social policy.

The Canadian Human Rights Commission is fully aware of the dilemma thus presented to the government. May we urge you to seek an early resolution to this dilemma through an extensive examination of the alternatives to marital status as a criterion in social programs. Copies of this letter are being sent to the Leader of the Opposition and the Leader of the New Democratic Party.

Yours sincerely,

R. G. L. Fairweather

I will not take the time to demonstrate how much that letter is in line with what some of us started saying in 1975. But it is good to have it from such an official body as the Canadian Human Rights Commission. I hope the minister, who I am sure is impressed with this letter, will use it in cabinet in much

the same way he used the stand which the committee took on the detail we are dealing with tonight. There is no defence at all of legislation which denies an allowance to certain people in an age bracket where we recognize there is need, just because those people cannot demonstate they have got a man. As I say, it works the other way. A man in that age bracket cannot get it if he does not have a woman over 65. But there are very few of them. As I say, this is most unfair. I have been getting letters, even since it has been announced that these amendments are going through, from single women in that bracket who say that this adds insult to injury. Parliament is increasing the number of women of single status who will get an allowance, single status by virtue of being widows.

The amendment of a year ago created a small group of women of single status—widows—-who would be getting the allowance for six months. Now we have extended the time for them. We have added to that group, but although we have added to it, this bill still leaves out all of those who were widows before age 60 and all of those who were never married. I defy anybody in this chamber to stand up and defend that. The minister will say, "Well, we have got to move slowly". I know my Liberal friends said in committee their excuse for the legislation being in that form was that they regarded it just as an initial step toward a guaranteed annual income for all. My friend, the present minister, said that that is all the money he can get to fix this up for the time being. But when the distinguished chairman of the Canadian Human Rights Commission can write that kind of a letter, and say that this is not in keeping with accepted principles today, I say to the Minister of National Health and Welfare that he should work awfully hard on this issue.

If the minister speaks on third reading of this bill, one thing he can come back and tell me is that that will be part of his over-all review of pension matters. I welcome the fact that there is to be that review, a review of pensions in the 1980s. Well, the eighties will soon start, but they will be with us for ten years. My fear is that it will take a long time for over-all changes to be made. Since Mr. Fairweather has pointed out the unfairness at this point, we should not ask single women—those never married and those widowed before age 60—in the 60 to 65 age bracket to suffer this discrimination. As I have said, the letters I receive are from people who find themselves aghast. They did not know it existed. They do not usually learn about these things until they get to the age where they are affected. They can hardly believe that Parliament passed such a piece of legislation.

I call on the minister not to leave this to be part of a package three years, four years, or five years from now in a general review of pensions. But I call on the minister, just as he picked out this little detail, for needed action, to get this situation corrected. My own recommendation is well known. It ought to be, I have spelled it out many times.

The answer is to establish a pension available at age 60 to all of those who are out of the labour market. In my view that would be the fairest and the most justified way to do it. If the government is prepared to go that far, and if it insists that in the 60 to 65 age bracket there should be a needs test of some sort, I will accept it, provided the marital test is not kept as well.

So, that is my contribution to this debate. I do not detract by one iota from the pleasure I expressed at the beginning in the victory that the committee won on this, with members from all sides making it unanimous. I am glad we are getting this through. I am glad the first bill this minister put through is a bill which moves in the right direction. Pleased though I may be, and willing though I may be to extend to the minister my congratulations, the main thing I hope he has heard me say tonight is that Gordon Fairweather is right; a marital test is wrong. I hope Gordon Fairweather will be joined, if Mr. Speaker will pardon me for using his name, by David Crombie in agreeing that it is wrong and correcting it just as soon as possible.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I have a few comments, some of which I must admit are prompted by the remarks of the last speaker who is always looking for a little more, and quite correctly so. I should like to put on the record that although it might have been in committee that this very worth-while amendment was put through, the credit should go to the hon. member for Saint-Léonard-Anjou (Miss Bégin) who had the guts to propose it and get it passed, even though it meant more than doubling the expense in the bill. I congratulate her for that. At least one can justify by some line of argument that the status of a single person—

The Acting Speaker (Mr. Scott, Victoria-Haliburton): The hon. member for Saint-Léonard-Anjou (Miss Bégin) on a point of order.

Miss Bégin: Mr. Speaker, I rise on a point of order. I would not want to contradict my colleague who is speaking right now, the hon. member for Vaudreuil (Mr. Herbert), but I think he would agree with me that it is the opposition which pushed the government side into getting more money through the spouse's allowance. I think the government members were willing to do it, but they did not know how.

Mr. Herbert: Mr. Speaker, I will accept that explanation, but nevertheless it took initiative. That initiative was still taken by the hon. member for Saint-Léonard-Anjou, and I congratulate her for that.

• (2040)

What I was saying was that there is no change in status for the single person. Being single, that person has presumably had to contend with the need to provide for herself, or in a few cases himself, throughout his or her life. Until we are able to bring down old age pensions to a lower age for everyone, hopefully age 60, then there is at least some logic for not including these single persons. Despite the letter from the commissioner for Human Rights, I see the reason for going slow in this particular area.

What does bother me considerably is that at this stage the minister is not treating people who are in the same circum-

stances alike. I give as an example three widows who are exactly the same age and who are in exactly the same financial circumstances, living side by side in identical apartments. Only one of those three widows gets the pension because she was between the ages of 60 and 65 when her husband, who was over 65, died. The other widow had not quite reached age 60, so she does not qualify, even though her husband died when he was 65 or more. And the third widow does not qualify because her husband died the day before he reached his sixty-fifth birthday. So we have three widows who are in identical financial circumstances and who are the same age, but only one of the three can qualify. That, to me, is an injustice.

If I were going to move, as we are moving in this bill, to the welfare area, which can be looked upon as a provincial jurisdiction, then we should at least make sure that individuals who are in identical circumstances are treated alike. I also have one word of warning. We know from past experience that not every provincial government looks upon these pensions, given by the federal government, in the same fashion. We know that in at least one case that pension will be taken into account when assessing the eligibility of that widow or widower for welfare payments. We must face the fact that until we get agreement with the provincial governments, any attempt made at the federal level to increase help for these persons will be nullified if every dollar given by the federal government is taken away by the provincial government.

The government has talked at length about co-operating with the provinces, about discussing all matters with the provinces and having their accord in advance. Since this bill is definitely an intrusion into a provincial area of responsibility—and I am not opposed to it on that ground; I think it is very good and I would like to see more such intrusions—and since certain provincial governments will look upon this bill as an intrusion and will not, therefore, be prepared to see these extra moneys remain untouched in the pockets of the recipients, I suggest that discussion should be held with all the provincial governments to ensure that what the federal government give, the provincial government doth not take away.

[*Translation*]

Mr. Richard Janelle (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, first of all, I would like to congratulate the Minister of National Health and Welfare (Mr. Crombie) for his excellent initiative in introducing this bill which aims at correcting a serious injustice concerning senior citizens. People in my constituency regularly come to my office to complain about the restrictions in this legislation because under current provisions a person whose spouse has died loses his or her only income. These persons come to us and ask, "What shall I do now, what will become of me? I no longer have any income. In addition to having lost my husband, I am losing my spouse's allowance." Until now the only solution for those people was to apply for welfare. They had no other alternative.

[Mr. Herbert.]

I remember when the former minister of national health and welfare introduced the amendment to allow someone who lost his or her spouse to benefit from the spouse's allowance for six months only. At that time, I told myself that we had not yet found a solution to the problem. In 1975, when the legislation was passed, the amendments introduced today by the minister should have been included. For this, we had to have a government really determined to ensure more social justice for the Canadian population. This action gives evidence of the direction taken by the Progressive Conserative Party in Canada.

Moreover, these amendments include a provision which is quite normal, a review of the spouse's allowance following the death of the recipient. This means that the government will re-evaluate the needs of the surviving spouse, taking into account the loss of certain earnings, to allow him or her to have a sufficient income to live decently. Our senior citizens are those who are most in need in our society, and the highest percentage of people living below the poverty line can be found among people aged 65 or more. The cost of achieving this social justice is not prohibitive since it is about $4.3 million.

I wonder why, when the additional six months provision was passed a year ago, hon. members opposite, the former government, did not decide at that time to make the law more equitable and more effective. Since all parties seem to agree tonight to pass this bill as soon as possible, I shall be content with these few words. Once more, I congratulate the minister for this excellent initiative.

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I had no intention of making a long speech, nor shall I make one, I can assure you, but I should like to say a few words on Bill C-6 which, to the hon. members of the Social Credit Party of Canada, is of prime importance. At the report stage, Bill C-6 allows the surviving spouse to receive the allowance until 65 or until he or she remarries.

First of all, I should like to congratulate most sincerely the Minister of National Health and Welfare (Mr. Crombie) for having dared, it can be said tonight, for having dared to take one step closer to greater social justice. At the insistence of all hon. members of the Social Credit Party of Canada, we had forced the then Liberal government to promise and even include in its election platform of 1974 eligibility for the pension at 60 for those who wanted it.

● (2050)

I swear if the Liberals had come out in a minority position, the day after they would have been forced to fulfil their 1974 election promise, but because they had a solid majority in 1974, that allowed them to water down somewhat their election promise without endangering the survival of their party. That is why we have the spouse's pension at 60 with all the disappointments that it brings, of course, to the spouse aged 60 to 65, particularly when the other spouse dies. Then it is a disaster for the surviving spouse. And how many cases we had

like that, Mr. Speaker, when the spouse had been getting his or her pension for one, two or even three years, and all of a sudden, after death, it came down to zero. That person had to go on social welfare, Mr. Speaker. That was the tragedy. Tonight, the Progressive Conservative government has done something which people are going to appreciate. Recently elected, and in a minority position to boot, the Progressive Conservative government had to make that eminently social gesture. This corrects an injustice that has been lasting for five years with the introduction of the latest amendments to give this bill even more equity.

I always say to those who want to hear me that the best government for all workers is a minority government. First, because it has to listen to the voice of the smaller parties elected by people who are in great need and eager for reform. Second, it has to serve first those who voted rather than favour those who paid for the election. The legislation necessarily becomes more social and less financial.

Mr. Speaker, there is an old saying which goes like this: "Tell me who pays you and I will tell you whom you serve". That saying is so true for the small parties which rely only on the devotion and the will of volunteer workers to be elected, whereas the major parties rely only on the millions in their election fund to come and represent those who paid them well. Canadians have already witnessed the good work we have been doing in the House since the beginning of this session and I promise not to disappoint them. Read the papers and watch television—they even went as far as saying that five Social Credit members from Quebec have done more than the army of Quebec Liberal members. I urge the right hon. Prime Minister (Mr. Clark) and his government to continue to introduce legislation like the bill before us tonight and he can be sure our party will form a solid block to support his wonderful work.

I want to repeat, Mr. Speaker, that we of the Social Credit party are here not to play politics but to pass the best legislation for all Canadians. If you read over the speech made on second reading by my colleague, the hon. member for Rimouski (Mr. Allard), you will quickly realize that for us the welfare of our fellow citizens comes way ahead of financial interests. Such was also the case with my other colleague from Abitibi (Mr. Caouette) who was as proud as we are to speak on this bill. It is our earnest hope, to the greatest benefit of every citizen in our constituencies, that the Minister of National Health and Welfare will follow his course, and he can rest assured that we support him, because since 1962 we have been here in this House to support positive policies rather than play politics.

When a government does wrong, we never hesitated at telling them and telling the people. But when it takes actions for the greatest benefit of the people as a whole, we are happy to commend it, and we invite it to go on. We Social Crediters have but one motto: To serve the people before finance. Moreover, we have always maintained and told the people that a minority government better served the interests of citizens, while a majority government was, by force of circumstances, at the service of finance first and foremost. As a matter of fact, the most significant reforms enacted over the 17 years I have been here were passed under minority governments. It seems this is once more the case with the legislation before the House, legislation that the Social Credit Party of Canada will find it is its duty to support.

In conclusion, Mr. Speaker, I would call the minister's attention to a matter concerning the aged, for which we have as much concern as the matters in this bill. It is the condition of married couples. In this day and age, because a couple is legally married—and I call this an injustice of our social legislation—they are condemned to lose $22.75 a month, as compared to another two people living in the same house, at the same table, whether in concubinage or otherwise. To me this is anti-social legislation, and I therefore urge the government to keep this in mind, to consider paying pensions to Canadians as citizens rather than according to their marital status. Living is just as expensive for a couple. When I brought this before the House, I got the answer that this is because life is less expensive for married couples. Life is just as expensive for a couple as it is for two brothers or two sisters living in the same house, Mr. Speaker. Yet they get $25 more a month because they are brothers or sisters or whatever. Mr. Speaker, that will be our second priority. I want to draw the attention of the House to that case so that the minister can as soon as possible introduce another amendment to correct this injustice, because that can go pretty far. We are told that it costs more, and yet if the same couple decide to go and live in a retirement home, they will get as much as a single person because then they both live in a home. Can you see how ridiculous it is, Mr. Speaker? Because they no longer live by themselves but in a retirement home, they will get the whole amount. People are paid as Canadian citizens. I solicit a favour from the minister tonight. I ask him to bring forward an amendment as soon as possible to do justice to all pensioners. I do not want to take any more time, because I know there are others who want to speak, but once again I thank the Chair for having recognized me. The minister can be assured that we are watching him and will be quick to congratulate him, or censure him if ever he goes astray.

[*English*]

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I would certainly like to add a few words to the debate on Bill C-6. This is a bill in which I have a great deal of interest. I want to commend the Minister of National Health and Welfare (Mr. Crombie) for piloting it through the House and also for being able to sell the cabinet on the idea of making it retroactive to include those widows between the ages of 60 and 65.

• (2100)

I have heard comments from members on the other side of the House who said they had a great deal of input in this. I am not discounting that a bit, but I would like to point out, and I am well aware, that both in caucus and in speaking with the minister, that members on this side of the House had a considerable amount of input also.

Some hon. Members: Hear, hear!

Mr. Darling: I am delighted to see that the bill is going through. I say to my colleagues on all sides of the House that I thought it was a bad bill when it was brought in, and members should have known very well that it should have been retroactive and not discriminatory as it was. I think the minister of health is aware of that. I remember speaking very strongly in support of the original bill when a former minister, the hon. member for Outremont (Mr. Lalonde), brought the bill in on a 30-day deal. We pleaded with them and pointed out that it would mean a lot of people would have to go on welfare after the 30 days, and that was it. Later on when it did come through—and I thank the previous minister the hon. member for Saint-Léonard-Anjou (Miss Bégin) for her efforts on that, but again I must say we pleaded with her time and again during the period when it was 30 days that it should be increased to include those up to 65. We did not get very far until about a year ago when the former minister, in her wisdom, decided to pay the spouse's allowance for a six-month period rather than a one-month period. Now she and some of her colleagues have been castigating the Minister of National Health and Welfare for being so stingy and niggardly on the way it came through originally.

It is a great idea and I appreciate it. But after being in this House seven years I know that your view depends on the side of the House on which you are sitting. I want to commend the minister. Also I commend the hon. member for Winnipeg North Centre (Mr. Knowles) on his comments regarding those unfortunate women between the ages of 60 and 65 who are in a tight bind with respect to money, as my colleagues all know. However, I am hoping that something can be done.

Hon. members can rest assured with respect to those women between 60 and 65 who are single, that some time down the pike, and not too far, the government can find money for them. This will certainly get the support of members on this side of the House, but we are just trying to conserve as far as we can the assets and the money that we have. I admit that it is not as far as many of us want to go. I hope the bill will receive third reading and royal assent this month. It will be a welcome Christmas present for a great number of widows who are not eligible at present. It will also be a great sense of relief for those who may have husbands who are very ill and who may be in the 60 to 65 age bracket.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I only want to take a moment or two, but I could not help thinking that the now Minister of Health and Welfare (Mr. Crombie) is the new minister, and the old one is sitting in the opposition benches—

An hon. Member: The former one, not the old one.

Mr. Peters: The former minister of health and welfare is sitting on the opposition benches.

I suppose the former minister of health must feel some regret tonight in that her bill did not go that far. This has been a very funny piece of legislation. When we first passed legislation, if the widow was between 60 and 65 she did not get any money. Then we put in an amendment. Then the widow got it for 30 days.

Miss Bégin: That is not true. It was six months.

An hon. Member: Not originally.

Mr. Peters: It worked out to the end of the month. It was not necessarily 30 days. It could be one day or 29 days.

Miss Bégin: Mr. Speaker, on a point of clarification for the hon. member, since I have some seniority now, at least as a former minister of health, I obtained for widows in Canada six more months in order to give them time to settle estates and so on.

An hon. Member: After pressure.

Miss Bégin: I also obtained $300 million more for those who are 65 and over.

Some hon. Members: Hear, hear!

Mr. Peters: I thank the hon. member but I think she is rushing my speech. I was pointing out that we had originally passed this piece of legislation for the recipient who was a widow between the ages of 60 and 65. Then this bill came before the former minister of national health and welfare and she put in the six months' provision. Certainly that was a great advantage. We are talking about 200 recipients coming on stream per month, so it is not a large number. But it meant that after the six months, after being used to getting approximately $600 when her husband died under the legislation of the previous government, she was cut off and she did not get anything more until she was 65 years of age and eligible again. This was not good. Originally she had to move out of her place within the month, depending on what time of the month her husband died, because she would not have enough money to keep the place going. Then the allowance was given for a six-month period. This minister, in passing this legislation, is providing her with an income which will be half of that provided to both of them until she reaches the prescribed age.

I asked the expert on pensions in this House about the matter. He indicated to me that there were not too many husbands in this category. In fact, the number was insignificant. Normally the women were the ones being discriminated against.

The Minister of National Health and Welfare has had considerable experience in matters of health and welfare in a

previous job where I am sure he came into contact with many needy cases, mostly in the municipal field. As a result of his efforts in his previous occupation to provide people with a reasonable income, I am sure he would be quite prepared to support the hon. member for Roberval (Mr. Gauthier) in his contention that we should be doing something for these people on the basis of need rather than on the basis of these restrictions that involve such things as whether or not you are married, or shacked up. I do not suppose that is a nice phrase to use when talking about people between the ages of 60 and 65 who are living together for certain reasons. Differences are made, and the advantage comes in many cases if you have neglected to involve yourself in matrimony.

● (2110)

The example was given by the hon. member for Roberval of brothers and sisters, two brothers or two sisters, living in the same house and receiving more money than two people who were married. That highlights a need. The former minister of national health and welfare was interested in looking at, and was in that office long enough to look at a guaranteed annual income plan. All the problems of passing legislation that affects a specific number of people in specific circumstances could be overcome by providing a guaranteed annual income. This would eliminate many of the provincial inspectors who now have to decide on the financial position of the person requesting assistance.

That would not make redundant the work of the hon. member for Winnipeg North Centre (Mr. Knowles). When he first came here he inherited the mantle of his predecessor who was interested in providing, where possible, pensions to aid those not able to assist themselves. I know the amount of mail he receives from people all over the country asking for assistance in correcting many of the inequalities created by our system.

I hope the Minister of National Health and Welfare will look at the studies done by previous governments to see if there is some way of eliminating some of the bureaucrats at the municipal, provincial and federal levels, who administer our hodge-podge forms of social assistance to those in need. Whether this government is in power or not, he would be more comfortable when moving on to other jobs in the other places knowing that he had accomplished something other health ministers could not accomplish, or have been unwilling to accomplish.

I am sure in the days to come the hon. member for Winnipeg North Centre will find loopholes in this legislation. There will be others who should and could be assisted. I hope the minister continues to turn to the hon. member for Winnipeg North Centre for advice and encouragement. I am sure he has found it has been readily available on many occasions. In this way we can plug some of the loopholes that have made parts of our social legislation rather ridiculous.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Is it the pleasure of the House to adopt motion No. 1?

Some hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Is it the pleasure of the House to adopt motions Nos. 2 to 6?

Some hon. Members: Agreed.

Motions Nos. 2 to 6 inclusive agreed to.

Mr. Crombie moved that the bill be concurred in.

Motion agreed to.

Mr. Crombie moved that the bill be read the third time and do pass.

Hon. Roméo LeBlanc (Westmorland-Kent): Mr. Speaker, I know that my colleague, the previous minister of health, wants to speak briefly. For that reason I will not take very much time. I am obviously very happy we have reached the third reading stage of Bill C-6. I am happy that the report stage which we have just gone through consecrates the amendments the minister agreed to present to his cabinet colleagues.

I might say to the hon. member for Parry Sound-Muskoka (Mr. Darling) that if the minister had not been successful in his efforts, he would have discovered the great truth of the saying that "Victory has many fathers and defeat is an orphan." However, we are all happy to have been fathers and stepfathers in this one. We congratulate the minister.

I will not get deeply involved in the issue of marital status which was spoken about so eloquently by the hon. member for Winnipeg North Centre (Mr. Knowles). I feel that many of the points he made were very accurate and valid.

This bill is obviously agreed to by members on all sides of the House. However, it has to be seen in its proper perspective. This lack of perception, *cette absence de la mesure,* was nowhere more evident than in the second reading speech by the Secretary of State for External Affairs (Miss MacDonald). She left the heady heights of world diplomacy. She left on her desk the super secret coded telegrams. She even left the rarified atmosphere of Kingston to come among us and give to the bill its real parameters. I wish to quote from page 475 of *Hansard* of Monday, October 22, some of the more juicy quotes from the hon. lady. I quote:

> Mr. Speaker, as one who has spoken often in this chamber and, indeed, across this country on the plight of elderly women and the poverty in which too many of them live, I am pleased that my first remarks in this chamber as a member of the government are in support of a bill which will go a long way toward removing the discriminatory aspects of the spouse's allowance legislation.

Further down the page she decides that certain old wars have to be fought again. I again quote:

> This bill is not a minor piece of housekeeping legislation that we should easily gloss over. To me this bill symbolizes the compassion, the common sense, and the instinct for justice and individual dignity that we, as members, must have. I am

proud to be associated with this bill, but even more so with a government that so early in its mandate has moved to eliminate one of the lingering injustices in our pension system.

Then the hon. lady referred to us as "mean and callous" and talked about the "reactionary approach" of the former government. We were lectured. We were given "the treatment" by the Secretary of State for External Affairs as she wrapped herself in this legislation as one would do with a shawl. The problem in this case is that the shawl is rather short.

If this bill is a measure of the concern, care, and compassion that this government has for the needy, I hope that some members, especially the Secretary of State for External Affairs, will review her rhetoric. She made a big fuss about the bill and suggested that somehow it represented the great movement forward she expected of this government. However, she did not tell us that the inner cabinet, of which she is a member, has been fobbing off the Minister of National Health and Welfare (Mr. Crombie) by imposing on him a wholesale review of social programs, especially of family allowances, while announcing studies, reviews and seminars.

● (2120)

Meanwhile, the real power of the government, which lies with the Minister of Finance (Mr. Crosbie), puts forward a new program for tax credit on housing to fulfil at least one campaign promise. This is the government which told us it wants to reduce the deficit. It is obvious that somebody will have to pay $1.5 billion or $2 billion which, eventually, the tax credit scheme will cost. Hon. gentlemen on the treasury benches opposite will have to tell us where they intend to get the money, whether this ill-conceived plan is to be paid for at the expense of social programs.

I do not doubt for one moment the sincerity of the hon. member for Parry Sound-Muskoka, having sat on many committees with him. He spoke about the need to do something for those aged between 60 and 65 who find themselves in a precarious economic position. I recognize this need. We have made it clear that this has a high priority. The reality is that this group, according to the figures I remember, would need some $630 million if their problem is to be alleviated. An amount of money of that kind could have been allocated if that had been a priority of the government, instead of devoting funds to a tax credit program which will help those who are not in very great need of help.

Who will pay for this tax credit program? Will it be the mothers of this country who are today receiving family allowances? Those, too, are women about whom the Secretary of State for External Affairs expressed so much concern. Or will the victims of this unwise expenditure be old age pensioners? Will the unemployed, whose benefits have been consistently attacked in the politial rhetoric of the government, be made to pay for this new program? Or is the new Santa Claus of the Minister of Finance to be the Canadian consumer, the user of heating oil and gasoline, who will be hit by a stiff increase in price? These consumers, including the poor, the elderly, and all those who have been co-opted by the Secretary of State for External Affairs, are being called upon to pay high heating bills and their dollars are already stretched in comparison to their needs.

[Mr. LeBlanc.]

We have more faith in the Minister of National Health and Welfare than we have in a number of his colleagues. In the coming months we will follow carefully the orientation of the government of which he is a member. If he wants to fight to protect the integrity of his budgets we will support him. But if he gives in to those who want to pit against each other people who need the protection of his programs, if he allows the mothers of Canada to be robbed even to improve the lot of those who live under the poverty line, then he will find in this party those who will fight to protect *ce qui est acquis*—what is already acquired.

The history of social progress testifies to slow movement upward. Bill C-6 is a small step for a small group of Canadians. We approve of it, but it must not serve as a decoy, as a distraction, while under the guise of review and study the erosion of major legislative measures leaves them fragile and crumbling shells. If the minister needs assistance from members on this side to defend his program, he may be sure that that assistance will be forthcoming.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I understand there are three or four members who would like to make a contribution to this debate, and in view of the fact that we are under a House order to end it at a certain time I shall make my remarks at this point very brief. I am getting a nod from the government House leader which I think I can interpret correctly. Perhaps when we reach 9.45 we can agree that, since it is not likely any recorded vote on this legislation will be asked for, we might carry on the debate until ten o'clock. Even with that extra time I may have won for other members I am prepared to make my own contribution brief so that others can take part.

As I said in my earlier remarks on the report stage, we welcome the improvement in the bill which was made in the standing committee. That improvement means that not only will those who are now on the spouse's allowance have the assurance that it will continue until age 65 if they become widows, but it has also become a fact that those whose spouse's allowances have been cut off because of widowhood at any time in the past four years will have it reinstated commencing in November. Any gain is good, so we welcome it, and I am happy to say so once more on third reading.

I must also say, as I said at the report stage, that I still feel very strongly opposed to having a piece of legislation on our books which contains a marital test, a piece of legislation which says to a woman, in particular, " you get this pension only if you have a man." I hope this will soon be corrected. I invite hon. members, and others who may note what I am now saying in *Hansard*, to turn back a few pages and read the letter which Mr. Gordon Fairweather wrote to the Minister of National Health and Welfare (Mr. Crombie). I urge the minister to take that letter seriously and correct this problem without waiting for a review of the whole pension situation.

Having said that, I want simply to reiterate my conviction, after all the years I have spent in public life and all the years I have spent here, that the best thing we have done for the people of this country has been the provision of social security on a universal basis.

● (2130)

Universal old age pensions have changed the character of old age for the Canadian people. Universal family allowance and universal medicare have played a part from which we must not turn back. By the same token, I think that in the period between 60 and 65 we should have pensions universally available to those who are out of the labour market. I plead for that as a goal to be achieved, pensions at 60, regardless of marital status—I would say even regardless of need—provided the applicant is out of the labour market, but if that is too much for a Conservative or Liberal government to do in one step, at least let us get over this marital test and go no further than a needs test and make it equal as between men and women, equal among married persons, widowed persons and single persons. This present inequality and discrimination are a disgrace to the Parliament of Canada. Instead of our boasting tonight about the progress we have made, we should be ashamed of ourselves that the basic wrong is still in this piece of legislation.

I am obviously—and hon. members know it—thoroughly convinced of the rightness of social legislation which is based on the rights of our people and based on the principle of universality, and I hope that we will proceed in that direction, aiming toward both old age security and the Canada Pension Plan being available to all people between 60 and 65 provided only that they are out of the labour market. That, to me, is a goal toward which this Thirty-first Parliament ought to strive.

[*Translation*]

Mrs. Céline Hervieux-Payette (Mercier): Mr. Speaker, during consideration of the bill in committee, I put a few questions to the minister, yet, today, 15 days later, I still have not had any replies. I trust, therefore, that this evening he will be in a position to give the figures requested. He said:

[*English*]

Mr. Chairman, the actual numbers I do not know, but I will see if I can get them for the hon. member.

[*Translation*]

And he continued, and I quote:

[*English*]

We will do that as fast as we can.

I hope he can find the figures, because I was asking some questions regarding the welfare savings which would be made under that program. I think it would be interesting to know how many persons on welfare will receive benefit from that measure.

On the other hand, I think I would like to follow on the idea of the hon. member for Winnipeg North Centre (Mr. Knowles) regarding the discrimination in the bill. Even though I agree with the bill, I think I owe it to the hon. member to say that this bill is discriminatory for men because those who are 60 will not benefit. Again, of course, I do not want to see any measure treating the sexes differently. Even though this measure favours women, I say that men and women should be equal. With regard to this legislation they are not.

[*Translation*]

I continue to point out all the measures we bring in piecemeal to help people. A while ago, my colleague, the hon. member for Lotbinière (Mr. Janelle), also spoke of the people who were on social welfare before benefiting from that legislation. So we see the negative connotation surrounding social welfare which should not even exist here in the House. I remind hon. members that a bill like this one proves that a responsible government should pass measures under a guaranteed minimum income program, because no matter what the legislation is, even if it is useful and a success, for the widows in my riding—even if they do need the money they receive—to qualify for it they have had to live through a bereavement, as the hon. member for Winnipeg North Centre (Mr. Knowles) mentioned a while ago, I believe discrimination is clearly involved here, that of widowhood, and to my mind that is absolutely unfair.

Just the same I would like to commend the minister for the amendments he has made to the legislation. I believe one does not repair an injustice by handing out more money but at least this time we bring in an amendment. The minister did manage to redress a wrong that was caused to persons who were not covered under the act. I would still like to point out that I obviously deplore the fact that this measure was not introduced earlier and that it is not part of a global guaranteed minimum income package; however, I can only voice my approval for an income support measure which bears the hallmark of a Liberal rather than a Progressive Conservative initiative. In any case, I think the people in the Mercier constituency will benefit from it, but as I said earlier I deplore that a woman has to be widowed to be eligible because I believe it is sad enough to lose her husband to be able to qualify and to change her status as a welfare recipient or as a state pensioner because of such a qualification. I can only express to the government the hope that this measure is only the first step toward a guaranteed minimum income.

[*English*]

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I was not going to speak in this debate, but the intervention of the hon. member for Westmorland-Kent (Mr. LeBlanc) has provoked me into getting up to speak briefly about this matter.

The absolute hypocrisy of hon. members opposite who get up and pretend to wrap themselves in concern for the senior citizens of this country causes me considerable concern. I respectfully point out that the thing which has caused the older people in this country to suffer most during the last ten years—during which hon. members opposite have, of course,

been in office—is inflation, and I think a case can be made, which is un-get-aroundable, about hon. men and women opposite. They have intentionally debauched the currency of this country.

I think a case can be made, which again is irrefutable, that successive ministers of finance, some of whom have the audacity to seek the leadership of their party, have intentionally caused the purchasing power of the dollar in Canada to be approximately halved during the last ten years.

Some hon. members may say, "How is that?" I think the clear answer is that the economy of Canada has grown approximately 50 per cent in the last ten years, and M-1—or the money supply as it is defined—has increased by approximately 150 per cent and now 160 per cent. That is the reason we have a purchasing power of approximately half of what it was ten years ago. Mr. Speaker, if you or I went down into our basements and printed up approximately $10 billion or $15 billion extra, came up and spent it in the economy, prices would have to rise, and that is exactly what has been done.

In the city of Edmonton where I am from, I am told, and I believe, that on a Monday morning after a weekend grocery sale, pensioners literally push each other to get access to vegetables and other materials which are on sale. I think the figure is that fully 70 per cent to 75 per cent of people over 65 in this country are close to or below the poverty line. The thing which is hurting pensioners in this country has to be inflation, and I say inflation was created intentionally by the previous government. We are doing our level best to try to do something about that.

It is not known by many people that a deficit is not necessarily inflationary. A deficit is only inflationary if it is not financed by borrowing, that is, if it is financed, bluntly, by the printing presses of the Bank of Canada. That is the root of the problem of pensioners of this country, and that is the most serious charge which can be made against hon. members in the official opposition.

As the Minister of National Health and Welfare (Mr. Crombie) is the first to accept, this bill is a small step. It is a necessary step but, unfortunately, it does not do much in the face of the inflation older people are experiencing and have experienced for ten years in this country. I believe that had the party of the member for Winnipeg North Centre (Mr. Knowles) been in office during the past ten years, we would have had less inflation and less deficits than under the previous administration. In short, I believe that the Liberal party has been more irresponsible, financially, physically, and monetarily, than members of the NDP would have been had they been in office. The example I give is that of the government of Saskatchewan which, as perhaps members on the far left from this side of the House would know, runs a more fiscally reponsible government by far than has the former government of Canada.

[Mr. Kilgour.]

• (2140)

In conclusion, may I urge every member of the House to vote for this bill.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Marcel Ostiguy (Saint-Hyacinthe): Mr. Speaker, I have decided this evening to speak very briefly on Bill C-6 introduced on October 19, because when the amendment of the hon. member for Winnipeg North Centre (Mr. Knowles) was moved on October 26, I rose to tell this government that the bill tabled on October 17 includes only part of the promises and commitments that it made during the election campaign in May. As the people of the constituency that I have the honour to represent will remember, the government had stated and promised that it would bring down the age of eligibility for pensions to 60 for all citizens.

Obviously, Bill C-6 does something to improve pensions, especially for women who have the misfortune to lose their husband before reaching the age of 65 and who receive the spouse's allowance. It is obvious that this government tried everything to get the vote of retired people, but Quebeckers realized that it was a trap and did not rise to the bait.

Quite recently, in committee, without the vigilance of the Liberal members and the great experience of the hon. member for Saint-Léonard-Anjou (Miss Bégin) we are convinced that the amendment moved tonight by the minister, which will certainly improve this bill, would not have been passed. I therefore congratulate the hon. member for Saint-Léonard-Anjou and all the Liberal members of the committee. Because of this amendment, all women who have the misfortune to lose their husband before reaching the age of 65 will be eligible in the future.

Of course, once again, a certain group in our society has been neglected. As the hon. member for Mercier (Mrs. Hervieux-Payette) said earlier, there are all the widows, all the single people, all the women between 60 and 65 who cannot join the labour market and who must apply for social welfare in certain provinces, at least in Quebec. I would refer, Mr. Speaker, to my intervention of October 26 when I spoke about a couple with an income of $3,528 in 1979-80. In view of the increase in the cost of petroleum and heating oil and in the cost of living, I still wonder how those people can make both ends meet even if they have the opportunity to live in low rental housing, because these units still cost between $200 and $250 a month. Mr. Speaker, I said that I would not take too much time, and I believe that Bill C-6 has some good points, but it completely ignores a whole category of people who will have to apply for social welfare to make both ends meet.

[*English*]

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, if the House

would agree, may I propose that the very appropriate suggestion made by the hon. member for Winnipeg North Centre (Mr. Knowles) be adopted to allow us not to see the clock at 9.45 p.m. as contained in the order of the House, and to continue until ten o'clock, at which time, I believe, all hon. members are prepared to support the legislation of the Minister of National Health and Welfare (Mr. Crombie).

Mr. Deputy Speaker: Hon. members have heard the suggestion of the President of the Privy Council (Mr. Baker) that the Chair not see the clock. Is that agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. J.-Roland Comtois (Terrebonne): Mr. Speaker, I will be very brief. I would like to join with those who spoke before me by saying that I support this bill. Even though it is a step in the right direction, however, I consider this a very timid step. I agree with the hon. member for Winnipeg North Centre (Mr. Knowles) when he talks of a pension for all people 60 years of age or over on a universal basis as long as they retire from the labour market. I know the Minister of National Health and Welfare (Mr. Crombie) has very little room to manoeuvre budgetwise but perhaps I might suggest to him a formula which would be acceptable to the whole House and which could be part of the next budget to be brought down by the Minister of Finance (Mr. Crosbie).

The formula would be similar to the one we had a few years ago and which was used to reduce the age of eligibility for the old age pension from 70 to 65, on a gradual basis, year after year. So, in 1980, we could reduce the age of eligibility to 64, in 1981 to 63, and so on until the age of 60 for everyone, for all those who would retire from the labour market, and this way we could phase in this budget over a period of four or five years. This would be an easy way, I believe, for the government to finance it. That is the proposal I wanted to make to the Minister of National Health and Welfare. I hope he will consider it and submit it to his cabinet colleagues and on the night of the budget, next December 11, we will have good news for all those needy people who for the most part would like to retire but cannot. That would also allow several people between the ages of 50 and 60 to occupy the positions of people now aged between 60 and 65. That would enable young people of 20, 21 or 22 who are on social welfare to work in their place, and I think that by having a universal formula we could reduce the bureaucracy that is costing millions of dollars. I would much rather have a universal program than bureaucracies watching and snooping on everyone. That is what I wanted to say, and I hope the Minister of National Health and Welfare will act in cabinet as the spokesman for citizens between the ages of 60 and 65.

[*English*]

Mr. Bob Kaplan (York Centre): Mr. Speaker, like the hon. member for Edmonton-Strathcona (Mr. Kilgour), I had no intention to speak on this measure when I came to the House tonight, but I cannot resist taking a moment to deal with the charge that he levelled against the former government, members on this side, the charge of hypocrisy. What exactly are the elements of the indictment of hypocrisy?

Certainly we cannot be blamed for having failed, when we were in government, to introduce a very far-reaching and important social welfare program for senior citizens. We do not think he should make that charge because we did bring in one of the most advanced measures in the world, which is fully indexed, although it was not perfect, and in fact hon. members opposite conceded that we were moving to fill the gap, a relatively small gap that was left and that has been the basis of the legislation introduced by this government. Filling that gap hardly puts members opposite in the position of being able to say that they are embarking upon a very major social program.

● (2150)

The indictment, specifically, by the hon. member opposite was that in doing all this and some other worth-while things in the country we had stimulated a lot of inflation. Maybe we did, maybe we did not. Inflation is an international phenomenon. Not all of it came from the social welfare programs introduced by the Liberal government. It would have been less, if there had been higher taxes during the period. I took it from what the hon. member opposite said that this new government will not do that, they will not increase inflation by giving away benefits without increasing taxes.

I have heard about a benefit which is coming to Canadians in the next few weeks in the form of a $2.5 billion tax reduction for the "best-off" sector of the Canadian population, those lucky enough to own homes. A lot of people in that category need the money. I am not saying that there should not be some measure to help people pay their mortgages and property taxes. I say that because of the manner in which interest rates have been driven up by this government, and the way the cost of heating homes will skyrocket after the new deal is negotiated or dictated by Peter Lougheed at the beginning of next year, there will be a good case to be made for helping some people with their mortgage interest problems, but $2.5 billion is a tremendous amount of money. After the promise by the hon. member for Edmonton-Strathcona (Mr. Kilgour), members on this side will be looking forward, with very great interest, to finding what tax increases will take place or what other measures will be cut back to provide this $2.5 billion. As for social conscience, the first small step of this government is to close this very small gap we were proceeding to close, too slowly, I think. At least we were proceeding toward closing it.

What is step No. 2? Compared to the couple of hundred million dollars which will be given to needy senior citizens, this $2.5 billion program will benefit every prosperous family in Canada. It is some indication of the priority of this government: a few hundred million, important for some senior citizens, and a $2.5 billion giveaway based on an election promise! I am looking forward to the budget, because if there is a $2.5

billion tax increase in it which is progressive, I and all of us will be most surprised.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, I would also like to comment on the very short but highly partisan speech made by the new member for Edmonton-Strathcona (Mr. Kilgour). I think he is a young and brilliant lawyer who arrived with the election of 1979, on May 22, but I do not know whether he is used to mingling with very wealthy people. One thing for sure, one is tempted to tell him that he is not acquainted with the facts of life and that he should be reminded of a few of them. He is a parliamentary secretary, and that is already quite good for a newcomer. He could surely exert his influence on his colleagues in his caucus. He strongly attacked the deficit, for which he blamed the previous Liberal government. He forgot to mention that the Economic Council of Canada, which is not necessarily a dangerous organization of social reform, has recently clearly established that as a result of our procedure of paying to the provinces huge sums for equalization purposes, the real provincial deficits appear nowhere while the federal deficit seems to increase and to become an inflationary factor for the country.

[*English*]

I should like to remind the new hon. member for Edmonton-Strathcona that the philosophy of his party is not very strong in the social field. The only electoral promise made by his leader, the new Prime Minister (Mr. Clark), was to give widows and widowers who lost the spouse's allowance the possibility of remaining on the program until they had reached age 65, at which time they would become eligible in their own right for old age pension.

We never heard the new Prime Minister speak of medicare. We did not even know where he stood on that. Finally we learned, because we asked questions in the House, that he had rejected the strange speech of his then minister responsible for pensions, the hon. member for Missisquoi (Mr. Grafftey), the new Minister of State for Science and Technology. The minister questioned the universality of pensions. We had to ask for a correction. Hon. members opposite did not see fit to issue a statement in order to calm the worries of the senior citizens of the country who wondered what was going on. Their lives were at stake; they have just enough to survive.

More than half the senior citizens in Canada need the GIS. That means they live in poverty. I do not think it is fair to start fooling around with words such as deficits, the supposed printing of $15 billion, or whatever the government spokesman said. That is the usual language of very wealthy lawyers who forget what life is all about. That hon. member reminded me of the new hon. member for York-Scarborough (Mr. McCrossan).

It is always interesting to find in the hallways the householder mailings members can send four times a year to their ridings. The stories in them are extraordinary. By the way, usually such members do not have the guts to say such things loudly in the House of Commons before the television cameras, because they know they are not true. Also it is interesting to listen to conversations in the elevators, around the Parliament buildings but outside the chamber. That new member said that I helped the Tories a lot when I spoke of "only" $200 million more needed for senior citizens who are over age 65, in receipt of the GIS, but unattached: widows, widowers, single people, separated men and women. That young man suggested that when he was back at home in wealthy Toronto, he could go around saying that the crazy Grits say that $200 million is just nothing, peanuts! That is not what I said when I spoke in the House of "only" $200 million more needed to bring all senior citizens now over the age of 65—not pre-65 but in official retirement—just above the poverty line. I am talking about a very conservative poverty line, the Statistics Canada one.

I will always repeat that $200 million more are needed right away, not in ten years' time. Less than a year ago we found $300 million. I do not call that "fueling the deficit". The hon. member just forgot to say what the Minister of National Health and Welfare (Mr. Crombie) did, which was a mistake. Of course he brought forth a bill which gives $10 million more to some people below age 65 who are in need, but it will cover only 5,000 people, not more. It is good, but there is nothing in it to think that this is very generous and extraordinary. It seems to me that it is to buy peace. It is nothing to me, until I see proof that the Tory government, the new government in Canada, is ready to make choices which will show its real colour.

• (2200)

The Minister of National Health and Welfare made a mistake; he accepted the envelope system at Jasper. That envelope system has a very bad disadvantage. It freezes the status quo of official direct expenditures, but it does not take into account the indirect expenditures through the tax system. That is the mistake which the minister and his colleagues have made. What is worse—

Mr. Deputy Speaker: Order. I regret that I must interrupt the hon. member, but it being close to 9.45 p.m., pursuant to order made earlier this day, it is my duty to interrupt the proceedings and put forthwith the question necessary to dispose of the bill now before the House. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

THE CANADIAN CONSTITUTION—REQUEST FOR RESTORATION OF TELLIER TASK FORCE TO PREPARE ANSWER TO WHITE PAPER ON SOVEREIGNTY-ASSOCIATION

Hon. Francis Fox (Blainville-Deux-Montagnes): Mr. Speaker, on November 5 in response to a question I put to the right hon. Prime Minister (Mr. Clark), he indicated that it was not his intention or that of his government to respond to the separatist government's white paper on sovereignty-association, of which the sole interpretation can be described as a call for independence. Since the right hon. gentleman took office we have heard a great deal on his side of the House about the new attitudes he wishes to bring to federal-provincial relations. We have been told that concrete steps, rather than so-called confrontation politics, would be the hallmark of his government.

I would like to put a few questions to the right hon. Prime Minister and to his representative here this evening. I would like to ask him whether responding to the white paper, which he of course refuses to do, and to the inaccuracies and distortions within it, is indeed a question of confrontation? I would also like to ask him whether responding to the charge that federation has been a dismal failure is considered by him to be a confrontation? It seems to me that it is simply not enough for the Prime Minister of this country to say that he will not participate in the referendum debate in Quebec on the grounds that he is neither a citizen nor a resident of the province of Quebec. Indeed, this is an astounding stance for the man who holds the most senior position in government in this country.

I would like to tell the Prime Minister that it is not sufficient for him to state that sovereignty-association is not acceptable to his government. To date, the Prime Minister, who talks about taking concrete steps, has taken two negative steps. He has dismantled a group within the federal-provincial relations secretariat known as the Tellier group, which was in a position to respond to some of these distortions and inaccuracies and to set the record straight. Secondly, the Prime Minister has withdrawn the federal bill on the referendum.

While all this is happening on the federal side, we face a Quebec government which was elected on a platform of good government, not a platform to take Quebec out of confederation. We see that government unhesitatingly using public funds to spread its message of independence. On the other hand, on the other side of this House we have a government, which not only has a right but a sacred duty to promote Canadian unity, refusing to use public funds to set the record straight and to fight the referendum.

I would like to remind the Prime Minister that the course of action which he has chosen to date is not to take any action at all, and yet on the response to this challenge rests the future of this country as we know it today. It is not a Quebec question or a French question, as the Prime Minister seems to think it is. It is truly a Canadian question, and the real issue is not the separation of Quebec. The real issue is the future of Canada, Quebec being an important part of it.

● (2205)

The government has been remiss in its most sacred, most important duty. It has called its failures principles—the principle of not wishing to set the record straight, the principle of refusing to respond to the detractors of federalism, and the principle of not standing up for the country in this, the most trying year of its history.

Some hon. Members: Hear, hear!

Mr. John Bosley (Parliamentary Secretary to Prime Minister): Mr. Speaker, I am pleased to be given this opportunity to respond to the question of the hon. member for Blainville-Deux-Montagnes (Mr. Fox) on behalf of the Prime Minister (Mr. Clark) and the Minister of State for Federal-Provincial Relations (Mr. Jarvis). The part of the speech made by the hon. member that is true, is that it is not the intention of the government to publish a comprehensive document rebutting the Quebec government's white paper on sovereignty-association.

It seems to us that the opposition has not yet understood that our basic attitude toward the Quebec referendum has not, and will not, be determined primarily by the position of the government party in that province; it is based on our conception of what the federal authority of the federation should do in such circumstances, given its nature and its functions.

The Prime Minister again expressed our first role in the House on November 5, as reported at page 932 of *Hansard:*

> In the months to come the federal government will take steps and make proposals which will continue to show Quebeckers that there is now in Ottawa a government ready to consider changes.

These changes will make federalism work better for the people of Quebec, as they will for those of other provinces.

The second role of the federal government, in our view, is to reduce conflicts and tensions between the federal authority and the Quebec government, and our deeds over the past six months have shown that this is not mere rhetoric. Our over-all efforts to improve the climate of federal-provincial relations are an integral part of what one might call our "strategy", vis-à-vis the Quebec referendum.

The government's third role is to remind all Canadians, first and foremost, of course, those of Quebec, that we must not allow the referendum being held in that province to become a national obsession. Whatever its outcome, that event will not have as its immediate consequence either the dismemberment of the country or the ultimate consolidation of Canadian unity. There again, the views of the government have been made quite clear, for quite some time, and many times. In short, the government trusts the people in Quebec, and believes that Quebeckers will ensure that their true preferences about their

political future will be made clear—preferences which survey after survey has shown to be a continuance of the province's membership in the federation.

The people of Quebec know that the proposals of the government of Quebec are unacceptable to the federal government and to the other provinces of Canada. There has been no lack of examination of this document by politicians, interested groups and journalists. Their conclusions tend to stress that the document seriously misrepresents the history of our country and Quebec's participation in the development of Canada.

In our view it would be highly presumptuous for the federal government to prepare and distribute publications presuming, for example, to remind Quebeckers that some of the affairs in early Quebec history are expressed wrongly. I refer, for example, to the governmental reforms which led to the formation of Upper and Lower Canada. In short, the federal government believes it does not have to remind Quebeckers of the true events of their history.

Our essential job, the one for which only the federal government can provide the required leadership, is to show that Canadian federalism can be renewed quickly and for the better. That is our essential responsibility and we will not shirk it.

AIRPORTS—EXPANSION OF MOUNT HOPE—HAMILTON AIRPORT—GOVERNMENT POSITION

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, over the years the late, great parliamentarian, the Right Hon. John Diefenbaker used to say to me "Never ask a question to which you don't know the answer in advance".

Well, sir, on October 31, during question period I asked the Minister of Transport (Mr. Mazankowski) a question on the long-awaited expansion of Mount Hope airport. Due to Mr. Diefenbaker's advice, I knew the answer I would receive in advance—that there would be no specific answer from the minister to the specific question I put to him, as reported at page 805 of *Hansard* for October 31, 1979:

> In view of concern expressed by several mayors of Hamilton and the surrounding communities on behalf of many thousands of my constituents who have been faced for years with uncertainty about whether the airport would expand and, if so, in which direction, could the minister give the Hamilton-Wentworth area a clear indication of the kind, and direction, of expansion that his ministry is looking at—and how soon will it happen?

● (2210)

You will note, Mr. Speaker, that some anonymous interjection came from the other side, "What a set-up"! Well, the Minister of Transport did not know it was coming, hence a very brief, albeit encouraging reply, but that is why I am elaborating on my question this evening, in the hope of securing a more complete answer to a concern of the entire greater Hamilton area.

Let me very briefly set the stage for the answer that this House, I hope, will receive in a minute or two. Hamilton Civic Airport in my riding at Mount Hope is not what you would call one of Canada's more sophisticated or palatial terminals,

[Mr. Bosley.]

nor is our one main runway receiving rave reviews from any pilot who has, within the past few years, tried to land or take off in anything more modern than a DC-3.

To put it more bluntly, the people of Hamilton and any visitors to the industrial capital of Canada, find our ticky-tacky tin-shack terminal either a disgrace or laughable. And any pilot with more than 100 hours' flying experience—let alone the fellows who operate Nordair's 727 and 737 regularly-scheduled aircraft several times a day in and out of Hamilton—will testify that they are operating under primitive landing conditions, especially for a metropolitan area like Hamilton, and a vast and important region such as south and southwestern Ontario.

The problem is real. It has been recognized by several successive governments, for ten or 11 years now. The previous administration did a lot of studying of the expansion of Mount Hope Airport. Boy, did they study! I could never keep count of the kind and importance of studies conducted through the years on expanding Hamilton Airport. These were the latest: Air Quality Study March, 1976; Comparative Environmental Assessment, Study of Alternate Airport Sites at Hamilton, March, 1976; Hamilton Airport Agricultural Study, April, 1976, Hamilton Airport Social-Economic Impact Study, May, 1976; Hamilton Airport Social-Economic Impact Study, January, 1977; and a noise Evaluation Study which I believe is still under way.

In other words, Mr. Speaker, in the not necessarily immortal but nonetheless apt words spoken by Hamilton Mayor John A. MacDonald, "Every bullfrog in every bullrush around Mount Hope has been studied to death." It is true. There have been some 27 to 29 different studies on Mount Hope airport. There now exists the threat of yet another formal hearing of the Environmental Review Board, which could delay things for another few months.

It is this constant delay that is greatly irritating and upsetting my constituents, Mr. Speaker. Many hundreds of people have been in a chronic state of uncertainty in terms of expropriation of their land, and their potential discomfort in terms of aircraft noise levels, traffic patterns and so on, depending on which layout concept the federal Minister of Transport decides upon.

Adding to the frustrations of not only the people in the immediate environs of the proposed expansion, Mr. Speaker, but of the whole Hamilton-Wentworth region, were the empty promises of the previous administration about the great things coming to my area. The former minister of transport, Mr. Lang, created considerable excitement when he touted a $90 million expenditure to expand Hamilton airport.

Well, we have discovered that while the Liberals did an awful lot of talking about it, they were not ready to put their money where their mouths were. Had the former government allocated even half of what they promised in the spending estimates of 1977 or 1978, construction toward some form of expansion of Hamilton airport might have begun long before now.

Mind you, their concept, had the funds been allocated at all, would have ended up as the most expensive proposal. An ad hoc citizens' committee had recommended a concept known as 10-4 as being environmentally more acceptable than the then government's chosen 10-3 concept. You would have to live in the Mount Hope vicinity to appreciate the difference of these concepts to the people I represent. I should point out that Glanbrook and Ancaster are lovely areas.

After all talk and no action on behalf of the Liberals, I was delighted to play host at Mount Hope airport to the government's federal Minister of Transport, the hon. member for Vegreville, a bare six weeks after this new administration took over. The minister slipped quietly into Hamilton airport in late July, toured the facilities, met with the two very concerned mayors of the communities most affected by the proposed expansion, Her Worship Ann Sloat of Ancaster, His Worship Don Weylie of Glanbrook. It was the first time a federal transport minister had ever personally attempted to get a handle on the physical situation affecting Mount Hope and Ancaster and the people I have the honour to represent. I want to say here publicly in this chamber how much I am indebted to the minister for interrupting his incredibly busy schedule to give his personal attention to our problem. However, it remains a problem for Hamilton-Wentworth, a big problem for our area, this unholy delay in letting my constituents know what is going to happen, and when.

● (2215)

As the former right hon. member for Prince Albert used to say—know the answer before you ask the question. I do know one part of the answer. I know that the expansion of Hamilton civic airport is a number one priority on the minister's desk. My question to the Ministry of Transport is: what is going to happen, how soon, or how much later?

Mr. Ron Ritchie (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am pleased to be able to respond on behalf of the Minister of Transport (Mr. Mazankowski) to the comments made and questions asked by the hon. member for Hamilton-Wentworth (Mr. Scott). As the hon. member noted, the expansion of the Hamilton airport at Mount Hope is a high priority, and I can assure him that detailed plans will be announced once the airport master plan is developed and approved, which we expect will be early next year.

In preparation for the expansion, improvements are continuing. The Minister of Transport expects to be able to announce the award of contracts for improvements to the parking lot and access road later this year. Early next year he hopes to announce the award of contracts for runway work. This should be a major step in improving the capabilities of this airport in advance of the initiation of the major development program.

The minister has had representations from several groups and organizations from the Hamilton area, all generally favouring the development but concerned various aspects of it. I know that he has taken these into consideration in reviewing the current state of plans for the expansion, and I believe that we will be able to develop this airport in a manner that will accommodate most of the expressed concerns and still ensure a viable airport operation. This will also be done in the most financially efficient manner possible.

The expansion will not take place overnight. At the present time we expect that it will not be until the spring of 1984 that we will have it completed, but on site construction of expansion projects should begin next fall. The further development of the Hamilton airport at Mount Hope should prove to be of major benefit to the people of the Hamilton-Niagara-Brantford area. It will permit expanded air services commensurate with Hamilton's being an important Canadian urban centre. No longer should it be necessary for residents of this area to have to rely on Toronto international airport because of a lack of airport facilities at Mount Hope.

Studies of requirements for airport facilities for the Hamilton-Niagara-Brantford area have been going on for years now and one result is, as the hon. member noted, that the expansion of the airport is long overdue. I want to assure the hon. member that we intend to proceed with the new facilities at Hamilton as quickly as practicable, with due regard for the realistic requirements for additional facilities.

FINANCE—HIGH INTEREST RATES—STEPS TO ASSIST SMALL BUSINESS

Mr. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, on November 20 I directed a series of questions to the Minister of Finance. The supplementary question I asked was in part as follows: Referring to the Minister of Finance (Mr. Crosbie) I asked:

> I wonder if he would give consideration to the report of the Canadian Tax Foundation to the minister of finance back in, I believe, 1977 to try to modify this rule—

That is the rule of budgetary secrecy.

> —so that we can carry on a more meaningful dialogue in this House during the pre-budget period.

It was a very serious question, one that deserved serious consideration by the minister, the Department of Finance, and members of this House, for a number of reasons which I will outline. Unfortunately, I did not receive a serious or thoughtful response to that question. If you refer to page 1487 of *Hansard* you will see that the Minister of Finance (Mr. Crosbie) said:

● (2220)

> Mr. Speaker, after the last 16 years it is certainly nice to hear that hon. members opposite want to loosen up on budget secrecy and secrecy in general. They were the paragons of secrecy. I am glad to see they have been converted.

And so on and so forth. I am delighted that this evening we have with us the Parliamentary Secretary to the Minister of Finance (Mr. Ritchie). I might say that in the past I have been very satisfied by his replies on other matters.

One might say I have an axe to grind here because the report to which I have just made reference was a report of a committee struck by the Canadian Tax Foundation at the suggestion of the then minister of finance, the Hon. Donald

Macdonald. I was a member of that committee—it was a small committee of six people and we worked at some length to develop a program for the minister and the department to consider so as to determine whether this rule of budgetary secrecy could not somehow be modified to the advantage of the parliamentary system.

The rule today is an anachronism. There are many complex provisions in finance bills coming before this House which could easily be divulged to the public in advance so as to permit thorough and complete discussion of changes designed to modify in a structural or a major way the income tax system or, for that matter, any part of the tax system—I was particularly interested in the income tax system. But the rule has become entrenched in our procedure, Mr. Speaker.

One has only to think back to the celebrated case of Hugh Dalton in 1947. On his way to the House to deliver his budget address Mr. Dalton, who was then Chancellor of the Exchequer, made a comment to a journalist about the budget changes he intended to introduce. The news immediately went out to the papers—in fact they were on the street at the time he was delivering his budget—and he resigned the next day notwithstanding the fact that no one had suffered or been advantaged by the disclosure. This gives us an indication of how far the rule of secrecy has been carried, to the detriment, I submit, of the parliamentary process.

There are several problems to be overcome. The first is the conception of major tax plans. These plans are now made by a small group of individuals, for the most part in the Department of Finance, and as we pointed out in our report it would indeed be unusual for a minister of finance to have the expertise and background which would enable him to assess the full implications of many of the proposals in question.

Another problem is that submissions to the Department of Finance made by individuals and groups across the country are not necessarily public. So a submission made by one group which might be to the detriment of the interest of another group would probably never come to the attention of the other group. Hence, the adversary process, which is such an important part of our system in terms of developing adequate legislation, is subverted. In fact it is ignored.

We made a number of specific recommendations. One of them dealt with the problem we have here in the House of Commons. Finance bills go to the Committee of the Whole and, as we know from the exercise we went through in connection with Bill C-17 several weeks ago, nothing is more complex today than income tax legislation. Yet the bill is taken in Committee of the Whole where no experts can be summoned to testify, no outside counselling can be obtained. It is thrust upon the members of the House and, as a number of speakers pointed out at the time, they can hardly be expected to understand and appreciate the complexity of legislation of this kind along with its implications. So one of the recommendations fundamental to our report is that technical legislation should either be separated from policy considerations, if you like, and referred to a standing committee, preferably the Standing Committee on Finance, Trade and Economic Affairs or to a subcommittee of that group which would have the opportunity to examine witnesses from the private sector, to examine it fully and avoid the prospect of innumerable amendments.

● (2225)

I do not have the exact number here with me, but I counted them some years ago, and the number of amendments arising out of the 1971 tax reform bill exceeded something like 2,000 amendments at that time. Much of this could be avoided by opening up this process and making these bills available for scrutiny in committee. That is fundamental, I think, to a proper understanding and analysis of fiscal legislation.

I therefore will repeat my question and hope that I might obtain a more sensible answer from the parliamentary secretary. Would the minister and the department consider looking at the report and bringing to the House and to the attention of the public in some manner, their response to that report? That report represented many months of intensive work and investigation by members of the committee, and particularly by the people responsible for the final draft, and I think it would be a shame if that valuable exercise under the auspices of the Canadian Tax Foundation were to be ignored. I ask the parliamentary secretary to respond to that request.

Mr. Ron Ritchie (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the hon. member for Saint Henri-Westmount (Mr. Johnston) was kind enough earlier today to give me some advance warning of the particular direction of his comments tonight, and I appreciate that very much.

As we all know, under the tradition under which we have been living, it is the unique responsibility of the Minister of Finance to provide details of any tax measures planned for the government's budget, and it is up to him under that tradition to make the decision as to whether any early disclosure of a particular measure will be in the best interest of the nation as a whole. As I am sure the hon. member knows, there are good reasons for this.

The hon. member during his very serious question referred to the report of the Canadian Tax Foundation on the budget process and budget secrecy. I am sure he will be glad to know that this report has been receiving very serious consideration from the department, and that the minister is giving it very serious consideration. At this point I am sure the hon. member would not expect me to give a detailed assessment of how far that consideration has gone because it is such a complex subject, but I can say that the minister is very strongly disposed toward as open a budgetary process as possible, having regard to the possible dangers of premature disclosure of particular measures.

That being said, as far as I can go tonight is to say that at this point the original question the hon. member asked about the treatment of small business under the forthcoming budget will have to await what the Minister of Finance (Mr. Crosbie) says on budget night.

Mr. Deputy Speaker: Order. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Friday, November 23, 1979

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*Translation*]

EMPLOYMENT

CANADA WORKS PROGRAM—REQUEST FOR EXPLANATION OF ANNOUNCEMENT ON CERTAIN PROJECTS—MOTION UNDER S.O. 43

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker pursuant to Standing Order 43, I ask the unanimous consent of the House to move a motion dealing with an important matter of pressing and urgent necessity.

In view of the fact that Canada Works projects have been submitted to the consideration of all members for criticisms, comments and recommendations as in past years by the Minister of Employment and Immigration (Mr. Atkey), in view of the fact that hundreds of projects have remained on the desk of the minister for weeks with the result that the application of the program has been seriously delayed, and in view of the fact that the staff of Canada Works in Ottawa have been systematically instructed to tell hon. members that the projects are awaiting the approval of the minister, whereas at the same time defeated Progressive Conservative candidates, local pork-barrel cronies and other wrecks of the party announced the approval of the projects to the sponsors, I move, seconded by the hon. member for Westmorland-Kent (Mr. LeBlanc):

That the Prime Minister of Canada (Mr. Clark) immediately ask the Minister of Employment and Immigration to offer explanations or even apologies for allowing systematic double-dealing as regards information to hon. members.

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

Some hon. Members: Agreed.

Some hon. Members: No.

HOUSE OF COMMONS

TELEVISION BROADCASTING OF DEBATES—REQUEST LIGHTING BE SELECTIVE IN CERTAIN CASES—MOTION UNDER S.O. 43

Mr. Yvon Pinard (Drummond): Mr. Speaker, under the terms of Standing Order 43, I request the unanimous consent of the House to present a motion dealing with an important and urgent matter which, I believe, will be of interest to hon. members on both sides of the House.

In view of the very high intensity of the lighting in the House of Commons and its resulting great inconvenience for hon. members, and the increasing justified complaints about it, in view also of the importance of conserving energy and the opportunity we are given here to set the example in that regard, I move, seconded by the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre):

That the possibility be looked into without delay of improving the situation as follows: that, on each sitting day of the House of Commons, once the oral question period is over, the general lighting required for television purposes be selective and limited to the sole area immediately surrounding the hon. member who has the floor.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

An hon. Member: Turn off the lights.

Mr. Speaker: Order. I may borrow a moment to say that the difficulty about the heating was easily solved. We found out that special fans installed in the roof to cool the building were doing the job perfectly, but in order to function the switch had to be turned on.

Some hon. Members: Oh, oh!

* * *

NATIONAL HARBOURS BOARD

TREATMENT OF STAFF AT GRAIN ELEVATORS IN PRESCOTT—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Mr. Speaker, I rise on a matter of urgent necessity to my constituency concerning steps taken by the National Harbours Board at the grain

elevators in Prescott, Ontario, namely, the laying off of certain staff, demotion of others and an estimated 25 per cent reduction in service to customers, contrary to the clearly defined policy of the government to reduce the public service by attrition rather than the method followed by the National Harbours Board. I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That whereas Pierre Franche, chairman of the National Harbours Board knowingly carried out at the direction of the former government such an operation after the government's defeat, and after the present Minister of Transport had specifically announced he was investigating the matter, the House requests the immediate resignation of Pierre Franche, chairman of the National Harbours Board for insubordination and defiance of the elected government of the people.

Mr. Speaker: Such a motion can be introduced for debate, pursuant to Standing Order 43, only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

PENSIONS

CALL FOR GOVERNMENT REVIEW OF EMPLOYEE PENSION PLANS—SURVIVING SPOUSES—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, because I believe it is urgent that we move into the twentieth century—

Some hon. Members: Oh, oh!

Mr. Lalonde: Where are you?

Mr. Knowles: Because I believe it is urgent that we move into the twentieth century in terms of equality between men and women, I move, seconded by the hon. member for Timiskaming (Mr. Peters):

That this House urges the government to review all the employee pension plans that come under its jurisdiction, and to take the necessary steps to provide that in all cases the pensions of surviving widows, or of surviving widowers, as the case may be, will be not less than 75 per cent of the contributor's pension, and that the eventual goal be a full 100 per cent pension for either survivor, in accordance with the principle of equality between men and women.

Mr. Speaker: In accordance with Standing Order 43, such a motion can be presented for debate only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Cossitt.]

METRICATION

CONVERSION OF RETAIL STORES TO METRIC SYSTEM—MOTION UNDER S.O. 43

Mr. Ray Chenier (Timmins-Chapleau): Mr. Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43. The Minister of State for Small Businesses and Industry (Mr. Huntington) announced yesterday that he intends to recommend to cabinet a year's delay in conversion to the metric system of grocery stores and other retail areas. He plans to do so despite the fact that the Canadian Federation of Retail Grocers, the Retail Council of Canada and the Consumers Association of Canada have protested vigorously any delay in the metrication of this industry.

In light of this blatant disregard for those vitally concerned with metrication, I move, seconded by the hon. member for St. Boniface (Mr. Bockstael):

That the minister reverse this ill-advised decision and maintain the well planned conversion process devised by Canadians for Canadians.

Mr. Speaker: Is there unanimous consent for presentation of the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

CRITICISM FOR NOT PRESENTING SPECIAL PROGRAM ON LIFE OF LEADER OF THE OPPOSITION—MOTION UNDER S.O. 43

Hon. Jeanne Sauvé (Laval-des-Rapides): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion on a matter of urgent and pressing necessity. The day the Leader of the Liberal Party of Canada resigned, all television networks, CBC, CTV and others, scheduled a special program on Mr. Trudeau's political career while Radio-Canada, which could have had access to the basic research done by the English network, did not manage to offer to its French audience an overview of the career of this distinguished Quebecker. I move, seconded by the hon. member for Lachine (Mr. Blaker):

That Radio-Canada be urged to rectify this omission for which no legitimate reason could be found, given that it was the most burning question of the hour.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

HUMAN RIGHTS

REVIEW OF SECURITY CLEARANCE PROCEDURE—MOTION UNDER S.O. 43

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43. Many members will know of the recent case of Ronda Lee who applied for and was successful in a competition for a position with the RCMP. She subsequently did not receive her security clearance and therefore was not hired.

While I do not want to comment on this case because it is presently before the courts, and while I recognize the need for such security clearances, particularly in sensitive areas, these clearances are not subject to any review procedure. I therefore move, seconded by the hon. member for Essex-Kent (Mr. Daudlin):

That this House instruct the Minister of State (Treasury Board) to include in his review of the human rights code the possibility of allowing the privacy commissioner to investigate and make recommendations on such matters.

Mr. Speaker: Such a motion can be presented for debate at this time, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF BRITISH MINISTER OF STATE FOR TRADE

Mr. Speaker: Before beginning the oral question period, may I ask hon. members to join with me in signalling the presence in our gallery of a distinguished visitor in the person of the British Minister of State for Trade, Mr. Cecil Parkinson.

Some hon. Members: Hear, hear!

● (1115)

ORAL QUESTION PERIOD

[*Translation*]

FINANCE

SELF-SUFFICIENCY ENERGY TAX—STATUS OF PETRO-CANADA

Hon. Marc Lalonde (Outremont): Mr. Speaker, since it would appear that the Minister of Energy, Mines and Resources as well as his parliamentary secretary are absent today, which I deeply regret, I would like to direct my question first of all to the Minister of Finance and then to try to find another minister who may be able to answer other questions on behalf of the government.

[*English*]

My first question will therefore be to the Minister of Finance. I should like to pursue some questions I raised yesterday when I was referring to the situation of some multinationals, particularly to their profit situation. There was a lot of nervousness on the opposite benches. I want to remind hon. members over there that I was referring to Shell, not to Imperial Oil, so they should not be that nervous as yet.

On the question of the self-sufficiency tax which the government has been proposing, clearly there is a very strong difference of opinion, the Premier of Alberta taking the view that it is inappropriate for the federal government to impose a tax on the gross revenues of the corporation rather than on profits alone. Can the Minister of Finance give us an assurance that in his next budget his self-sufficiency energy tax is going to be imposed on gross revenues of corporations rather than on profits alone since, quite obviously, a tax on profits could bring in absolutely nothing? Can the hon. gentleman tell us, therefore, whether he agrees or disagrees with the stand taken by the Premier of Alberta in this situation?

Hon. John C. Crosbie (Minister of Finance): I would refer, first of all, to the Winnipeg *Free Press* in response to that question. It refers to "Mr. Lalonde's flip-flop". I will send it over to him in a few minutes. If there is any nervousness, Mr. Speaker, it is not on our benches.

With respect to the question whether there should be an energy self-sufficiency tax on revenues or on profits, the issue is not settled as to whether there should be one or the other. But there are problems with respect to a self-sufficiency tax on profits and some of them are known to the House, particularly the problem with reference to payment out to non-residents who have royalty interests. So whether it would be on revenues or on profits is still a matter to be settled and whether it will be settled by the time of the budget or not, I do not know.

Anyway, I cannot tell the hon. member what is to be in the budget; that would not be proper. We cannot do away with budget secrecy to that extent. The matter is still to be decided, but if it is not on revenue let me assure the hon. gentleman there has to be income from the oil and gas industry for this government so that it can do the things that are necessary in the national interest with reference to alternative sources of energy on behalf of all the people of Canada.

Some hon. Members: Hear, hear!

Mr. Lalonde: My supplementary will be directed to the Deputy Prime Minister since the Minister of Finance has not even deigned to say whether he agrees or disagrees with the Premier of Alberta. It will not be in connection with the flip-flops of this government; the government seems to have invented the term, if we look at what it has done since it was elected.

In this morning's *Globe and Mail* there is a statement attributed to the Deputy Prime Minister to the effect that some changes might be made to Petro-Canada just by resorting to administrative measures, this being in complete contradiction to the commitment made to this House by the Prime Minister that there would be no changes to Petro-Canada without parliamentary approval. Can the Deputy Prime Minister give us an assurance that no change will be made to Petro-Canada without first coming to this House and getting its approval for such changes?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I don't know where the "flip" is, but I certainly know where the "flop" is.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): The Prime Minister made the position of the government quite clear when he answered a question from the hon. member, I believe, with respect to that matter. If there is to be a change with respect to Petro-Canada, then that matter will be brought to the House of Commons. I think that was undertaken; it was made clear. There was nothing said by me yesterday or on any other occasion that in any way detracted from that, despite what my hon. friend may have taken out of what he read on the front page of a newspaper.

● (1120)

Mr. Lalonde: Mr. Speaker, I thank the Deputy Prime Minister for his answer and I am glad to have his assurance that no change will be made to Petro-Canada without coming to the House. However, since we also heard yesterday on this issue that the government had, for all practical purposes, rejected the recommendations of the task force, or at least certainly had not adopted as yet as government policy the recommendations of the task force, will he take the necessary steps to put an end to the contract whereby Mr. McDougall is criss-crossing this country selling the task force proposals which have not yet been endorsed by this government; and, if not, can he tell us how much this particular unemployed person is getting for his services while this government is thinking about cutting back on family allowances and on benefits for the genuinely unemployed in this country?

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Mr. Speaker, there has been an extension, so I am advised, of 15 days beyond which Mr. McDougall will not be going across the country. Let me just say to the hon. gentleman, so that he will understand, that the trips, meetings and speeches of Mr. McDougall are not meant to sell the document Mr. McDougall and his colleagues prepared for the consideration of the government, but to explain its purport and its intent.

The hon. member ought to know that the document Mr. McDougall prepared, among other matters, is presently before the cabinet. The cabinet is not bound to adopt that scenario or any other scenario. The cabinet will be considering all matters with respect to that before making a decision. As the Prime Minister said the other day, as I reiterated again today and repeat again, when that decision is made, the House of Commons will be the first to know about it.

Mr. Lalonde: How much is he getting?

* * *

ENERGY

NATURAL GAS PIPELINE TO ATLANTIC PROVINCES

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is for the President of the Privy Council and it concerns what seems to be the policy of the government that a natural gas pipeline may go to the Atlantic provinces. If, in fact, the government is committed to self-sufficiency by 1990, why can the government not give a commitment to the Atlantic provinces that in fact a natural gas pipeline will go to the Atlantic provinces?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I thank the hon. member for a very important question. I want the hon. member to know that the Government of Canada is discussing quite actively with the governments of the Atlantic provinces that very point, that is, the extension of the pipeline. We, as a government, take it that we cannot talk about self-sufficiency at any period of time unless such a pipeline is built, and we are discussing the question actively now with the governments.

Mr. MacLellan: Mr. Speaker, does the President of the Privy Council understand and take into consideration the fact that a reversible natural gas pipeline to the maritime provinces would be a very important factor in determining whether natural gas will actually be extracted from off the coast of Nova Scotia?

Mr. Baker (Nepean-Carleton): Mr. Speaker, my friend will recall that during the course of the election campaign that very matter was discussed by the Prime Minister when he was seeking that office. That matter is under discussion and is within the contemplation of the government in the discussions which are taking place with the Atlantic provinces.

* * *

INDIAN AFFAIRS

ALLEGED DEPARTMENTAL INTERFERENCE IN AFFAIRS OF CHIEFS AND BAND COUNCILS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. It deals with a matter which may be a case of misunderstanding, but at least it is an irritant with which I hope the minister can deal.

In view of complaints by chiefs and band councils that there is departmental interference down the line, as it were, in the

affairs of the chiefs and the band councils, and in view of the fact that the deputy minister of the department has declared that he will stand by the band councils and their resolutions, is the minister in a position to confirm the position of his deputy and clear up this serious misunderstanding?

• (1125)

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, first, on the general point that the hon. member made of departmental interference, I would appreciate it if he could be more specific and if he could give me, either now or later, specific examples so that I could look into those.

In terms of the general policy, the point is quite clear that the government is committed to transferring responsibility for the day to day affairs to the chief and the council because legally they are the legislated bodies in charge of the Indian people. That is a policy that has been stated quite clearly by myself. It is a policy that the department holds in hand, and the departmental changes are to be based on the fact that the department is to become a facilitator and a co-operator with the Indian leadership, rather than the top down management as has been the case heretofore.

Mr. Knowles: Mr. Speaker, may I say to the minister that I would be glad to give him the particulars that have been furnished to me, and I express the hope that he might today arrange to see some of the Indians who are in the city and are concerned about these matters.

My supplementary question is a very simple and direct one. Will he do his best to get this misunderstanding resolved before Tuesday, when some of the chiefs and other representatives expect to attend a meeting of the standing comittee?

Mr. Epp: I look forward to getting the specifics from the hon. member, and we will see how best we can clear up the matter.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

GRANTS TO ESTABLISH MOVIE COMPLEX AT PORT OF MONTREAL

Hon. Jeanne Sauvé (Laval-des-Rapides): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. First of all, I would like to say that I am happy to ask him a question because he seems more experienced than his colleagues. Indeed, he has served in cabinet for a longer period. Since as early as May 23, the Minister of Supply and Services has been making representations to him on behalf of his riding of Joliette.

My question is as follows: Since it is urgent that we supply facilities to the Montreal movie industry which, following the fiscal policy of the previous government, is attracting producers from all over the world, is the minister prepared to support, through substantial subsidies, the project of a movie complex in the old port of Montreal where unused sheds and warehouses would apparently make excellent studios?

[*English*]

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, in principle that is a very worthwhile suggestion and it interests me. Either through Regional Economic Expansion or through CMHC it is possible that we might be able to divert some funds for that purpose.

I want to tell my colleague that I have had the opportunity to visit the old port of Montreal on several occasions. I have spoken with the mayor of Montreal and I have spoken also with the officials in both DREE and CMHC who are interested, and if we could come to some proper understanding and intergovernmental co-operation in helping to develop that area, I will take that as a representation.

[*Translation*]

INQUIRY WHETHER MEETINGS WILL BE HELD WITH QUEBEC ON DEVELOPMENT OF SOUTH SHORE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. Over the last weekend an economic summit meeting of businessmen was held in the South Shore area which includes over 60 municipalities. Over 400 people attended the meeting. Their aim was to set up a plan to develop that region of the South Shore to allow residents to make a better living and to participate further in the development of the resources which can be found in that area. Could the minister tell the House whether he had, or intends to have, talks with his counterpart in Quebec in order to come to an agreement which would enable both levels of government to support the efforts of those people and the recommendations made following that summit?

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, I regret not to be in a position to give my colleague a positive answer right now.

[*English*]

I will inquire and let him know.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I wish to direct a supplementary question to the minister.

I may have caught the minister unprepared, but this is a problem he will have to look into. I wonder whether he would consider contacting his Quebec counterpart for the purpose of setting up a financial program to help the people who are striving to improve the situation in this region.

• (1130)

[*English*]

Mr. MacKay: I will certainly follow that suggestion, Mr. Speaker, and report to my colleague.

Oral Questions

SHIPPING

ESTABLISHMENT OF CANADIAN DEEP SEA FLEET—CHANGES IN TAX LAW

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I had a question or two for the Minister of State (Transport), but in his absence, the absence of the Minister of Transport, the parliamentary secretary and the Prime Minister, I will direct my question to the Minister of Finance.

An hon. Member: Where are they?

Mr. Dionne (Northumberland-Miramichi): I want to ask about the government's intention of establishing a Canadian deep sea fleet which will require changes in Canadian tax law. Is the government making any progress on this announced policy with regard to a Canadian deep sea fleet? When, specifically, can we expect a government announcement on this policy?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, this is a matter of some complexity, as hon. members opposite will surely know in view of the fact that they were in government for 16 years and did nothing to help the Canadian deep sea fleet. There must be some reason for this past inaction which excuses them. Among the reasons are the complexities of the situation and the costs involved. These are being looked at now.

We are very much interested in expanding the Canadian deep sea fleet and helping the Canadian marine sector generally. So these policies will unfold during the coming months, just as we are interested in assisting in the fishery. When I look opposite and see all the absences opposite, I still do not mind getting up to answer the hon. member's questions even though there are two or three absent over on this side.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I am quite aware of the complexities in the policy with regard to the establishment of a deep sea fleet, but the government now has been in power for six months and it is time that we started getting some answers.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Dionne (Northumberland-Miramichi): My supplementary question is: What type of subsidy is the government prepared to offer the shipping industry to encourage a Canadian flag-carrying fleet, and what is the estimated cost to the federal treasury?

Mr. Crosbie: Mr. Speaker, I could say that we are prepared to offer them the very same subsidies which hon. gentlemen opposite offered them. But obviously it would not be a solution to their problems, because their problems developed over the last 16 years in particular. That is being dealt with now. When the program is ready, it will be announced by the Minister of Transport.

[Mr. MacKay.]

I might also say, in reply, that my colleague, the Minister of Fisheries and Oceans, pointed out the other day that there were four licences for freezer-trawlers given out by the hon. gentleman's administration before May 22, for which they have been blaming the Minister of Fisheries and Oceans for the last six months. They should get their facts straight when they ask questions.

An hon. Member: Answer the question.

Mr. Dionne (Northumberland-Miramichi): That is a red herring.

* * *

TRANSPORT

RAIL CARRIAGE OF HAZARDOUS PRODUCTS—SAFETY MEASURES

Mr. Robert Bockstael (St. Boniface): Mr. Speaker, my question is one dealing with transport, but I should like to address it to the President of the Privy Council and Minister of National Revenue. The recent railway accident in Mississauga spurred the government to promote public safety in the transportation of dangerous goods.

While Bill C-25 is being processed, we are concerned about the trains coming into Winnipeg, right through St. Boniface via CPR lines. These trains appear to be made up of an intermix of dangerous goods or dangerous products. In the interim, what steps is the government taking to ensure that the railways and the United States shippers are adhering to mandatory protective standards?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I assure the hon. member that that concern is shared. I know the concern is shared also by the Minister of Transport. I seem to recollect that in answer to a question last week he indicated that he would be giving—and I am sure he is giving—very serious consideration to matters which could be done in the interim pending the enactment of the transportation of dangerous goods act.

I should inform the hon. member that I believe there is reasonable agreement in the House, among the representatives of all groups and parties in the House of Commons, that the transportation of dangerous goods act will be referred to committee as quickly as possible so that we can expedite the examination of the kinds of problems the hon. member has brought quite properly to the attention of the House.

Mr. Bockstael: Mr. Speaker, similar trains travel through the city of Winnipeg, with the same concern. When will the government table its report on rail relocation versus the Sherbrook-McGregor overpass in the city of Winnipeg?

Mr. Baker (Nepean-Carleton): Mr. Speaker, that is a matter which has been of some concern for some time. I am sorry I cannot answer the hon. gentleman with respect to a

report. If I may take his question as notice, I will bring it to the attention of the Minister of Transport. I know he will deal with it.

[*Translation*]

INQUIRY WHETHER EXCISE TAX WILL BE REPEALED FOR TRANSPORT COMMISSION IN MONTREAL SOUTH SHORE

Mr. Pierre Deniger (Laprairie): In view of the absence of the Minister of Transport, the Minister of Energy, Mines and Resources, and their respective parliamentary secretaries, I shall direct my question to the Minister of Finance, Mr. Speaker. In view of the difficulties which Canada may face during the coming winter to get the necessary supply of energy, and in view of hon. members' support for mass transit systems, could the minister advise the House whether his budget will provide for the repeal of the excise tax for companies involved in mass transit systems, such as the transport commission in Montreal South Shore?

[*English*]

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, in view of the absence of the Leader of the Opposition and many other front bench critics opposite, I am pleased to answer the hon. gentleman by telling him that because of budget secrecy I cannot say what will be abolished or done in the budget. But mass transit is a subject dear to our hearts on this side of the House. Certainly, we will be considering very carefully the needs of urban mass transit users and mass transit systems.

* * *

HOUSE OF COMMONS

COMPOSITION OF PARLIAMENTARY TASK FORCE

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, I should like to direct a question to the President of the Privy Council and Minister of National Revenue with respect to the so-called parliamentary task force which includes only Conservative members of Parliament. While acknowledging the dedicated effort of the individual members concerned, would the President of the Privy Council assure the House that in future parliamentary task forces will include members from both sides of the House, from all parties?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I am very happy the hon. member raised that question. It has been my view—and I know it is the view shared by the Prime Minister—that for too long the talent which exists on the benches on all sides of the House of Commons really has been underutilized. We adopted as an experiment the procedure to which the hon. member refers.

I have no objection whatsoever to considering that kind of task force involving all members of the House of Commons. There are many issues which could be considered respecting the operation of government that really are not partisan and that could engage properly the attention of members on all sides of the House of Commons. I certainly agree with the representation contained in the question.

* * *

CRIMINAL CODE

AMENDMENTS TO ABORTION LAWS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the President of the Privy Council and Minister of National Revenue. It arises out of questions before the House yesterday having to do with amendments to the Criminal Code on the question of the abortion laws. Would the President of the Privy Council consider, together with other House leaders, the advisability of referring the subject matter of the eight or ten bills on this subject, which presently are standing on the order paper in private members' names, to an appropriate standing committee so that the matter might be looked into?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, it is a most unusual request in terms of the subject matter, but since the hon. member couched it on the basis that I would discuss it with other House leaders, certainly I undertake to discuss it with other House leaders.

* * *

STATISTICS CANADA

ADMINISTRATIVE PRACTICES AND POLICIES OF CROWN CORPORATION

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, my question is for the President of the Treasury Board. It has to do with the concern expressed in the House by hon. members on this side based on allegations about Statistics Canada of which he is aware. The inferences are rather serious, most particularly in terms of the confidence or the clouded confidence cast upon the economic information base on which most important decisions in cabinet are to be taken.

The President of the Treasury Board, based on our recommendations and his own views, indicated that he will consider—and, in fact, I think go further—and will have a management consultant firm look at Statistics Canada, more particularly with regard to personnel, administrative practices and policies. Would the President of the Treasury Board confirm now in the House that he will extend that and accept the recommendation that he will address himself to the more fundamental problem and include in some way in that examination, which should be public, experts on methodology of economic analysis, collection, collating and interpretation, so that the real problem of lack of confidence in the information base will be removed, for the sake of Statistics Canada and all those who depend upon that information?

● (1140)

Hon. Sinclair Stevens (President of Treasury Board): Mr. Speaker, as I indicated to the hon. member earlier in the committee today, I will certainly consider expanding the terms of reference we will be giving the management consulting firm that will be looking into Statistics Canada over the next couple of months. I think, undoubtedly, the credibility of Statistics Canada is something all members of this House wish to preserve and ensure will not be questioned in future.

If the terms of reference to which I have referred could include some meaningful review of the actual operations of Statistics Canada from a technical standpoint, I am certainly not opposed to it. It is important to learn from those who may have some professional view on the subject. Whether the practicalities are such that it will be difficult to do that in a public context, or whether it would be better to do it in a more private context in that we are dealing with highly technical information that might easily be better dealt with in a private context.

Mr. Andras: Mr. Speaker, I am encouraged by the response of the minister now and in another forum earlier, but I really would like to push the minister just a little further by asking him to assure this House that, whether the examination is done privately or not—and I respect some of those considerations—the results of that examination will unquestionably be made public. That is my first concern and I would like that assurance.

Second, I would be very interested, as I am sure all members would be, because we agree that the integrity of that organization is fundamental, to know when he intends to have this examination take place and when the terms of reference will be made available. Surely they will be made public. I would like to know when this is going to happen.

Mr. Stevens: Mr. Speaker, first I would like to confirm for the hon. member that the terms of reference will certainly be made public. I intend to take up with the management consultants I will be meeting with next week the question as to whether they feel it would be constraining on their activities if the eventual report they give us is made in the context of it in turn being made public.

I say that in the context that we will be asking the management consultants to give us their views, not only with regard to administrative and organizational matters within Statistics Canada but also in respect of the personnel of Statistics Canada. There may not only be practical but even statutory difficulties in having those observations made public. This is what I want to take up with the management consultants.

[Mr. Andras.]

SPORTS

FUNDING OF B.C. NATIVE INDIAN SPORTS AND RECREATIONAL FEDERATION

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, the affable Minister of State for Fitness and Amateur Sport and Multiculturalism met recently with the B.C. Native Indian Sports and Recreational Federation regarding the funding cuts to that organization. As he promised on November 15, has the minister yet reviewed and clarified the audit position of the organization, and has he instructed his officials to remove the B.C. National Indian Sports and Recreational Federation from the suspended list for funding?

[*Translation*]

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism): Mr. Speaker, this is a very important question.

[*English*]

I had a very positive and productive meeting with the National Indian Brotherhood last week. I would like the hon. member to know that we discussed the complete five-year package or plan, and we are meeting again in December. At that meeting the B.C. Indian Brotherhood did produce a letter to me with regard to some of the problems that they had. My department is looking into it and we hope that by the time we meet in mid-December we will have a solution to their problem.

Mr. Rose: Mr. Speaker, I imagine the minister would prefer a no-cut contract himself. I would like to ask him whether he has now withdrawn the demands for funds from that federation because of a recent audit, in order that in the meantime this organization can carry on and function in providing very important services to native people in the northern part of British Columbia as well as in other parts of B.C.

Mr. Paproski: Again, Mr. Speaker, my department is looking at all aspects in relation to this Indian Band in British Columbia. I would like to give the hon. member an affirmative answer today, but I am sorry that I cannot do that.

* * *

LOTO CANADA

EMPLOYMENT OF MR. DAVE JENKINS

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism): While I am on my feet, Mr. Speaker, perhaps I might answer another question which an hon. member asked yesterday with regard to Dave Jenkins and the committee. The gentleman does not work in the PMO. He is on secondment from the PMO and works with Loto Canada and has been since August of this year in order to wind down Loto Canada.

IMMIGRATION

VANCOUVER AIRPORT—WORKING CONDITIONS OF IMMIGRATION OFFICIALS

Mr. Bob Kaplan (York Centre): Mr. Speaker, in the absence of the Minister of Employment and Immigration and his parliamentary secretary, I will direct the question to the acting minister. In this House last Friday, I asked the Minister of Employment and Immigration about a grievance of the immigration officials working at the Vancouver airport—a serious matter which they raised about their pay and their workload. The minister said he knew absolutely nothing about it and indicated he would look into it.

In the meanwhile, the union has brought to my attention a letter from the Postmaster General's office saying that the Minister of Employment and Immigration did know about the matter, that he had received complaints from many parliamentarians and that the concerns were known to him. I would ask the minister to ask his colleague to get his act together, to look into this matter and to do something about the problem that has been raised.

Hon. Lincoln M. Alexander (Minister of Labour): Mr. Speaker, there is no doubt that the question raised the other day by the hon. member is, of course, important. I note that he is concerned again as a result of having further information which indicates that the Minister of Employment and Immigration did know of the particular circumstances involved. All I can say is that I will take notice of the hon. member's question and bring it to the attention of the minister just as soon as I can, in order that this matter can be looked into.

* * *

[*Translation*]

MINORITIES

INQUIRY WHETHER GOVERNMENT WILL ASSIST FRANCOPHONE MINORITIES OUTSIDE QUEBEC

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question was intended for the Secretary of State, but in his absence I shall direct it to the Acting Prime Minister. Yesterday, the Secretary of State met with the representatives of the Fédération des francophones hors Québec to discuss a proposal relating to the establishment of a tripartite commission. Given the fact that this commission will be instructed to recommend to cabinet the adoption of a general policy regarding the development of French-speaking communities outside Quebec, can the minister tell the House whether he is prepared to establish such a commission, as announced yesterday on the French network, and whether he is ready to commit the federal government to promote the development of French-speaking minorities in Canada?

[*English*]

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism): Mr. Speaker, on behalf of the Secretary of State, I would like to say that the Secretary of State did meet with Paul Comeau of the FFHQ. They have set the groundwork for a commission. The FFHQ has got further in two months in negotiations with the Conservatives than in several years of talks with the previous Liberal government.

* * *

[*Translation*]

NATIONAL UNITY

INQUIRY WHETHER GOVERNMENT RECOGNIZES EQUALITY OF TWO FOUNDING PEOPLES—LINGUISTIC RIGHTS ENTRENCHED IN CONSTITUTION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my supplementary is also for the Acting Prime Minister. One of the criteria demanded by the FFHQ for the selection of the tripartite commission membership is the unconditional acceptance of both founding peoples. Can the minister assure the House that the government recognizes the equality of both founding peoples and is the government prepared to entrench in the Canadian Constitution the linguistic rights of both French-speaking and English-speaking Canadians?

[*English*]

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism): Mr. Speaker, I think there is no question about what the hon. member is saying. We on this side have always realized that this is a bilingual country and a multicultural society.

[*Translation*]

REQUEST THAT RIGHTS OF MINORITIES BE ENTRENCHED IN CONSTITUTION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I should like to direct my question to the Minister of State for Federal-Provincial Relations. In light of the statement by the Minister of State for Fitness and Amateur Sport and Multiculturalism, I should like to ask a serious question of the Minister responsible for Federal-Provincial Relations. Is it true that the right hon. Prime Minister and the Progressive Conservative government are now prepared to recommend that protection of minority rights of Francophones and Anglophones be entrenched in the Canadian constitution, an initiative which was refused in the past by the leader of the Progressive Conservative Party?

● (1150)

[*English*]

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations): Mr. Speaker, this is one of the issues that formed the subject matter of our agenda in Halifax with the continuing committee of ministers on the constitution. It was one of the priority items.

I think it most accurate and most important to emphasize that our discussions continued to recognize the right of the provinces in so far as education is concerned. We then went on to say that, given that right, we would like to explore with our provincial counterparts the entrenchment of the constitution so that the right is protected. In other words, the person to whom the right is directed would have an ability to seek recourse, likely of a legal nature, if that right was deprived him or her. In that context we have had discussions, not just in the narrow sense in which the question was put, but in the broader sense of the entrenchment in the constitution.

[*Translation*]

Mr. Chrétien: Under the circumstances, if I understand correctly, the government is prepared to recommend to the provinces the entrenchment in a new Canadian constitution of the linguistic right of minorities wherever they live in Canada. Did I hear the minister correctly?

[*English*]

Mr. Jarvis (Perth): That was the proposition. I am sure the hon. member knows that we have not initiated the discussion by ourselves. The previous government initiated it, and I commend them for it. It falls into this difficulty—and the hon. member will know the difficulty in terms of entrenchment generally—that there were provincial concerns about it. There were also concerns about whether one would insist on patriation of the constitution without coming to an agreement on the entrenchment of a number of rights, not just minority language rights but a number of legal and other rights.

We are continuing the work as a priority item in our constitutional discussions. Again I commend the previous government for initiating it. I will meet with the steering committee on December 3. This is one of the items the steering committee will consider in the next full meeting of the continuing committee on the constitution.

* * *

NATIONAL SECURITY

NATURE OF FEATHERBED FILE

Mr. Tom Cossitt (Leeds-Grenville): Mr. Speaker, I have a question for the Solicitor General. It arises out of a question I asked the minister a few days ago regarding the "Featherbed File". At that time I think his answer was to the effect that the government was taking an extensive look at the situation. I should like to ask the minister if he is now in a position to make an elaboration on the nature of the file. In particular, does the file show neglect on the part of the previous government in dealing with certain matters contained therein?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, the basic objective of the "Featherbed File" was the identification and neutralization of any influential person who was then working as a high level agent of any foreign power against the Canadian government—any high level employee of the Canadian government. That was the original objective of it. It is pretty well ancient history. It dealt with the activities of several, or of many high-ranking governmental officials of the day who, in their younger days, may have had connections with the Communist Party of Canada or other groups such as that.

I must stress that the file has been dormant for a number of years. As far as I know, no action was taken by the previous administration, or if it was I do not know what it was. Certainly there were files taken out on a number of very high-ranking governmental officials of the day.

* * *

FEDERAL BUSINESS DEVELOPMENT BANK

INTEREST RATE ON LOANS TO SMALL BUSINESS

Mr. John Evans (Ottawa Centre): Mr. Speaker, my question is addressed to the Minister of State for Small Businesses and Industry. I have received information from a number of my small business constituents that the Federal Business Development Bank is currently making loans to them at rates of 16 per cent, with terms of up to eight years and longer, with very restricted prepayment provisions.

This means that small business is going to be locked into these loans for the next eight years or more. Is the minister aware of this, first of all and, if he is, is it part of the government's policies to promote and assist small businesses?

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): Mr. Speaker, it is true that the demand for loans from the Federal Business Development Bank is higher than it has been for a long time. Loans under $50,000 are at 16 per cent, I believe, and loans over $50,000 are at 16½ per cent. The interest rate is not slowing down the applications with the figures we have so far. I do not see what the specific problem is, other than the cash flow problems that high interest rates deliver to all corporations, no matter what their size.

Mr. Evans: The problem is, Mr. Speaker, that these firms are not being granted loans on a basis that would allow them to repay them when interest rates do fall. I should like to ask the minister, since the government has made $132 million in loans in Ontario in the last six months, if he will examine the matter and consider ordering the FBDB to tie the rates on loans to the prime rate, so that rates will go up and down—hopefully down, if the government is correct—or make these loans repayable without very restrictive conditions in the future when rates should fall.

Mr. Huntington: Mr. Speaker, this is a valid question and a valid concern. When you are dealing with term money, however, and terms of eight years such as the hon. member expressed, a great deal of front-end investigation must go into the matter. The cost of money to the Federal Business Development Bank is up considerably. Their burden over cost is

in excess of 4¼ per cent. If you want to reduce the front-end costs with a formula approach, then you are going to increase the risk.

May I remind the hon. member that the accumulated profits of the Federal Business Development Bank are only $47 million; they have $2.1 billion of paper out, and they are only earning something like $600,000 above cost on that. In addition to that, there is an increase in categories 3 and 4, which are the categories of loans that are running into postponement or inability to pay basis. It is a very, very delicately managed operation. I give nothing but full credit to the management and the president of that operation.

* * *

POST OFFICE

INADEQUATE CIRCULATION OF NEWSPAPER OUTSIDE OF QUEBEC

Mr. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, in the absence of the right hon. Prime Minister, my question is for the Deputy Prime Minister. This is a question which I think is of importance to all members on this side of the House. It arises out of a request from a newspaper in my constituency that was having difficulty obtaining adequate circulation outside of the province.

It appears that a copy of a letter to the Postmaster General, sent by the defeated Tory candidate in my riding of Saint-Henri-Westmount, was sent to the newspaper. I made representations, as did the defeated Tory candidate. In a letter which he addressed to the Postmaster General—who I notice is not in his seat today—the defeated Tory candidate, who was also president of the local Progressive Conservative Association—

Mr. Speaker: Order, please. I wonder if the hon. member is really serious about endeavouring to raise a matter of this complexity in the question period, unless he can get it to it very quickly.

Mr. Johnston: I should like to read the statement, Mr. Speaker.

Mr. Speaker: Order, please. I think the hon. member will understand that although he may have a legitimate point, he is testing the limits of the question period in trying to solve the problem at this time and in this way. He may have another method of approaching it, but I do not think I can give him an extension of the question period to solve the problem in that way.

[*Translation*]

VETERANS AFFAIRS

REQUEST THAT NUMBER OF FILES HELD BY PENSION COMMISSION BE REDUCED

Mr. René Cousineau (Gatineau): Mr. Speaker, my question is directed to the President of the Treasury Board. It is a well-known fact that the number of files of the Pension Commission is constantly increasing, and in light of information obtained that it will continue to increase, because our veterans are getting older and, more particularly, due to the reduction in the commission staff, could the minister show a little more sympathy to our veterans and change the estimates or remove budgetary restrictions to decrease instead of increasing the number of files?

[*English*]

Hon. Sinclair Stevens (President of Treasury Board): Mr. Speaker, as the hon. member knows, we act in response to the desires and requests of any particular department, agency or commission. Certainly, if there is a representation made to us asking for an increase in the budget or some other improvement, we will respond to the best of our ability, realizing that we are in a restraint phase. We believe that we do have serious expenditure costs that we must contain. In that light we may not be able to go as far as we would like, but we will certainly give it a fair hearing.

* * *

● (1200)

[*Translation*]

REGIONAL ECONOMIC EXPANSION

REQUEST THAT GOVERNMENT IMPLEMENT AGREEMENT SIGNED WITH NEW BRUNSWICK

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion.

During the election campaign, the province of New Brunswick clamoured for an agreement to be signed for the so-called developing areas. That agreement was signed ten days before the federal election, but since then nothing, or almost nothing, has been done about the demands of the municipalities for a program this year. Can the minister assure me that he will take all necessary steps to ensure that the province honours its commitments to the municipalities and gets that program on the road without further delay?

[*English*]

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, I can give my colleague the assurance that I will see what can be done to expedite matters.

PRIVILEGE

MR. JOHNSTON—LETTER FROM DEFEATED CONSERVATIVE CANDIDATE TO MINISTER

Mr. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question of privilege arises out of the question which I attempted to put in the House a few moments ago. I regard this as a serious matter in that it does affect the privilege of every member in the House.

I apologize if my preamble was inordinately long, but the point I was trying to make is that the defeated Tory candidate in my riding wrote a letter to the Postmaster General (Mr. Fraser) which I say, Mr. Speaker, affects the privilege of the elected representatives of this House. I feel it is appropriate that I read the passage of the letter to which I refer. He said:

> I have no doubts whatsoever that the correct person to speak to in every riding is the Conservative candidate, whether elected or not—

Surely I have a right to ask the Deputy Prime Minister (Mr. Baker) in the absence of the Prime Minister (Mr. Clark) whether this indeed, coming as it does from a senior member of the party, represents either the official or the unofficial view of the government of defeated Tory candidates in ridings across this country.

Mr. Speaker: I would want to be clear as to the ground which the hon. member is raising now. Is he saying to the House that the Postmaster General (Mr. Fraser) has put that statement in writing, or is he saying that someone from outside the House has put that statement in writing?

Mr. Johnston: Mr. Speaker, that statement in writing was made in a letter from the defeated Tory candidate to the Postmaster General.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Surely the hon. member will understand that people outside this House, regardless of their position, may make comments of that sort almost at will. If the House finds it contemptuous, it may be apologetic in some way, it is a different matter for a person outside the House to make that kind of statement. The hon. member might want to examine the precedents and see by way of notice if he seeks to raise it as a question of privilege in a formal way.

If the minister were to have said such a thing, it might be a different matter, and even there I am not suggesting that it would found a question of privilege. But to raise the point that someone other than a member of the House had made that kind of statement, even as offensive as it may be to the hon. member, it cannot on the face of it be raised in the way the hon. member is trying to raise it now.

That is all I say to him. If he wants to examine the precedents—and he is not in any way inhibited at this moment—and if he feels after notice there is some area of privilege and there is an argument on it that he wants to develop, he is free, of course, to give the Chair notice and argue the question in that way. But simply to raise it in the way he has now does not give rise at this moment to privilege in that form.

* * *

POINT OF ORDER

MR. ALEXANDER—APOLOGY FOR REMARKS MADE TO HON. MEMBER FOR ESSEX-KENT

Hon. Lincoln M. Alexander (Minister of Labour): Mr. Speaker, when one is an opposition member as I was for 11 years, one builds up a sort of combative, adversary attitude which sometimes allows one to get carried away. That is all right on that side of the House, but on this side of the House it is not. Yesterday there was an exchange between the hon. member for Essex-Kent (Mr. Daudlin) and myself. I think he had a very legitimate question, but not having forgotten my opposition instinct, and being "ready for the kill", I went overboard and referred to the hon. member in a way that I think is not in keeping with the conduct of a gentleman, particularly that of a minister. I indicated that the hon. member did not have the guts to ask the question.

I have been thinking about that, Mr. Speaker, and this afternoon in order to explain to the hon. member my bombastic rhetoric I went to him to say that I was sorry. I just wanted publicly to say that I now sit as a minister and I will have to watch my tongue, and now it is being bitten!

Some hon. Members: Hear, hear!

Mr. Alexander: I can assure the hon. member that I did not mean it.

This place is a very funny place. We do have this cut and thrust back and forth, but really we do respect one another. We appreciate one another's jobs. I just want to tell the hon. member that I am sorry and that it will not happen again—as far as he is concerned!

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Robert Daudlin (Essex-Kent): Mr. Speaker, you will notice that I was also attempting to obtain the floor. It was on this same point of order or privilege, whichever it is. I concur, and want to concur for all hon. members, with what the minister said. This is not something that comes to me on the spur of the moment; indeed, the minister had come to me indicating his intention to raise this issue.

I want only to reiterate something in the same vein which the leader of this party indicated the other day, that is, that notwithstanding the partisanship and the active cut and thrust of this chamber, there still remains a certain amount of respect for the individuals in this place on both sides of the House. I respect the minister for having stood in his place and apologized for his statement.

Some hon. Members: Hear, hear!

Mr. Speaker: The Chair ought not to let the occasion go by to indicate what a great example it can be for us all in the future when times become a little more tense. The guidelines that affect the Chair in regulating whether or not expressions are unparliamentary are limited. In this instance the House, the minister and the member, while not caught by the letter of the law, have observed the spirit of it; that is, that it is up to us to guide ourselves in respect to decorum and dignity. This kind of action certainly makes a major contribution to that.

* * *

STATISTICS CANADA

STATEMENT ON REPORTED ERROR IN CALCULATION OF EQUALIZATION PAYMENTS

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, on Wednesday, the "Moody" member—

Some hon. Members: Oh, oh!

Mr. Crosbie: —the hon. member for Mission-Port Moody (Mr. Rose) asked a question on Wednesday. In this connection I refer to *Hansard* at page 1544. He alleged in his question that there was a $60 million error in the Statistics Canada estimate of labour income in the province of British Columbia which had affected the calculation of equalization payments to the provinces.

The situation there is that there was a $30 million error by Statistics Canada in their preliminary data for total salaries and wages for the province of British Columbia in 1978. We have rerun the formula for 1978-1979 for tax equalization purposes and the result is an increase in equalization spread out over seven provinces of $60,000. The error was a very small one because total salaries and wages in British Columbia were in excess of $14 billion. For the tax equalization program an amount of $60,000 is a very small correction. It is .002 per cent of the program. The hon. member for Mission-Port Moody does not need to worry about it. It was a very small error in the preliminary data.

* * *

POINTS OF ORDER

MR. FLIS—PROCEEDINGS IN STANDING COMMITTEE ON BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Mr. Jesse Flis (Parkdale-High Park): Mr. Speaker, yesterday I had my rights denied in the line of carrying out my duty as a member of Parliament. I want to bring to your attention the following facts.

Yesterday, I moved a motion according to Standing Order 65(10) in the Standing Committee on Broadcasting, Films and Assistance to the Arts. The committee had a quorum as required by Standing Order 65(6). I am a member of this committee which, by the provisions of Standing Order 65(9), allows me to vote and move motions. The chairman of this committee did not rule the motion out of order, but seeing that Liberals and NDP members outnumbered Progressive Conservative members he refused to put the motion to a vote.

Mr. Speaker: Order, please. The hon. member, I think, will realize if he examines that matter further—and I will give him an opportunity to consider it—that if he is asking the Chair to rule on proceedings that have taken place in committee, I would ask him to reconsider his position. Committees in every case must be the masters of their own procedure.

If the hon. member re-examines his point to indicate that he has a question of privilege which he feel goes beyond that limit, I would be pleased to hear it. But he will have to persuade me that the matter ought not to be within the jurisdiction of the committee, or cannot be handled within the jurisdiction of the committee. This House does not sit in appeal on procedural matters in the committee no matter how severe they may be. If the member has a grievance in the committee, he has to resolve it in the committee. If it needs the attention of this House, then it would have to be part of the committee report, which the hon. member would be able to bring to the attention of this House if and when the committee reports; or he may want to cause the committee to report on that matter in order to have the House deliberate on it. But in the absence of some direct communication from the committee to this House, the Chair has traditionally refrained from involving itself in any way in procedural questions that have been decided in the committee.

• (1210)

MR. JARVIS (WILLOWDALE)—ATTENDANCE IN HOUSE DURING QUESTION PERIOD

Mr. Bob Jarvis (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I rise on a point of order. I would like to advise the hon. member for Laprairie (Mr. Deniger) that I am the Parliamentary Secretary to Minister of Energy, Mines and Resources and I was in the House when he put his question.

* * *

SPORTS

FOOTBALL—ANNUAL GREY CUP COMPETITION

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I rise on a point of order. It deals with a very evident media bias this morning in favour of television and the fact that without this intervention the printed media would not record the fact that the Minister of State for Multiculturalism (Mr. Paproski) was sporting signs of support for both sides in our annual major Canadian competition. I wonder if that is another indication of government support for the inevitable this weekend—the victory of the Montreal Alouettes in the annual Grey Cup competition.

Mr. Speaker: I am sure the Minister of State for Fitness and Amateur Sport will respond to that point when he has more information on Monday.

ROUTINE PROCEEDINGS

[*English*]

THE PARLIAMENT OF CANADA

TABLING OF "POSITION PAPER: THE REFORM OF PARLIAMENT" AND STATEMENT OF HIGHLIGHTS

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I would like to table under the provisions of Standing Order 41(2), a document in both official languages entitled "Position Paper: The Reform of Parliament" in my name, together with a statement in both official languages setting out the highlights of the position paper.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 261, 270, 288, 344, 397 and 610.

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

[*Text*]

ROYAL CANADIAN MOUNTED POLICE—SUPERANNUATION ACCOUNT

Question No. 261—**Mr. Knowles:**

1. What was the total amount at credit in the Royal Canadian Mounted Police Superannuation Account as at March 31 (a) 1976 (b) 1977 (c) 1978?

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

3. What amount of interest was credited to the Royal Canadian Mounted Police Superannuation Account during the fiscal years ending March 31 (a) 1976 (b) 1977 (c) 1978?

4. What was the total amount paid of the Royal Canadian Mounted Police Superannuation Account during the fiscal years ending March 31 (a) 1976 (b) 1977 (c) 1978?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs):

1. (a) $487,626,438.22
   (b) $576,640,530.63
   (c) $685,317,113.70
2. 1975-76—6.7654 per cent
   1976-77—7.0557 per cent
   1977-78—7.3186 per cent
3. (a) $17,316,629.77
   (b) $20,516,370.28
   (c) $24,384,467.49
4. (a) $ 4,833,373.10
   (b) $ 6,418,147.58
   (c) $ 7,874,644.26

NATIONAL UNITY SPENDING—FREEZE

Question No. 270—**Mr. Herbert:**

1. Did the government in June 1979 impose a freeze on national unity spending and, if so, is it still in effect?

2. Which projects are to be cancelled and which projects are to have their originally proposed funding reduced?

Hon. Sinclair Stevens (President of Treasury Board):

1. No.

2. Not applicable.

However, it is worth noting that:

A. "National unity spending" may be principally interpreted as:

(a) funds spent on the activities of the Canadian Unity Information Office (CUIO), or

(b) funds directed to specific national unity projects in the cultural agencies on a one-time basis in 1977-78 and 1978-79, or

(c) both of the above

B. Moneys were not frozen for any of the above activities in June, 1979, nor at any other time. Funding of the CUIO was equal to $10.1M in 1978-79 and reached $10.4M in 1979-80. All support of special national unity projects in the cultural agencies ceased, as originally intended in the Treasury Board approval, as of April 1, 1979 with the following major exceptions:

(a) National Theatre School

(b) NFB Regional production

(c) NAC bilingual theatre company

ROYAL CANADIAN MINT—COINS ISSUED

Question No. 288—**Mr. Herbert:**

1. In each of the past five years, what value, by denomination, of coin was issued by the Mint?

2. What was the cost of production?

3. What was the face value of coins withdrawn?

Hon. Roch La Salle (Minister of Supply and Services):

1. See list "A".

2. See list "B".

3. As at March 31, 1979, the total Olympic coins redeemed by the Minister of Finance at face value and the net cost of any such redemption was $2,996,330. (See report to Parlia-

ment to March 31, 1979—Olympic (1976) Act—Olympic Coins).

List "A"

Canadian coinage issued by the Royal Canadian Mint (Face Value)

Denomination	1974	1975	1976	1977	1978
	$	$	$	$	$
$100. AU (916.6) Olympic	—	—	35,000,000	—	—
$100. AU (583.3) Olympic	—	—	65,000,000	—	—
$100. AU (916.6) Jubilee	—	—	—	14,319,400	—
$100. AU (916.6) Unity	—	—	—	—	18,000,900
$10. AG Olympic	39,498,780	38,050,500	41,652,220	—	—
$5. AG Olympic	19,905,700	19,181,995	21,865,760	—	—
$1. AG	977,644	971,378	616,083	826,504	744,655
$1. Nickel	2,916,748	2,712,648	2,737,019	2,431,559	2,823,838
$0.50	1,735,255	1,570,724	972,406	1,147,623	1,777,068
$0.25	48,458,614	32,194,345	23,436,088	25,412,811	42,317,526
$0.10	20,360,042	18,617,531	10,646,429	13,112,524	17,452,407
$0.05	4,736,925	5,842,665	3,611,915	4,495,362	6,969,103
$0.01	6,940,612	6,294,719	6,437,323	5,261,288	8,438,787
	145,530,320	125,436,505	211,975,243	67,007,071	98,524,284

List "B"

Royal Canadian Mint

(000's)

Production Costs	1974	1975	1976	1977	1978
Canadian Circulation Coinage (Billings to Finance)	$22,588	$36,633	$27,337	$27,139	$37,549
Canadian Olympic Coinage (Billings to Finance)	* 3,702	* 5,147	* 4,816	—	—
Canadian Numismatics	6,398	6,131	4,935	22,050	28,753
	$32,688	$47,911	$37,088	$49,189	$66,302

* Includes minting costs only. Total production costs are as reported by the Minister of Finance in his Report to Parliament, to March 31, 1979, Olympic (1976) Act—Olympic Coins.

CANADIAN PACIFIC RAILWAYS

Question No. 344—**Mr. Benjamin:**

1. Did the Department of Employment of Immigration provide funds in the past two years to Canadian Pacific Railways for on-the-job training of trainmen, apprentice engineers, engineer trainees, road foremen or carmen and, if so, what amount was provided in the (a) Moose Jaw (b) Saskatoon division?

2. Was there any cost of living arrangements made for instructors and, if so, in what amount?

Hon. Ron Atkey (Minister of Employment and Immigration):

1. Yes, in four locations across Canada.

(a) None.

(b) None.

2. No.

Order Paper Questions

RIDEAU CANAL—VESSELS

Question No. 397—**Mr. Cossitt:**

1. (a) How many boats made use of the Rideau Canal during the 1979 season (b) how many were in the Constituency of Leeds-Grenville (c) how many were of (i) Canadian (ii) American registry?

2. What was the total cost of operation of the canal for the year and what was the total amount of funds collected from users?

3. What was the percentage of the increase or of the decrease in the use of the canal in each of the past four years?

4. What was the total percentage of the increase or of the decrease in the use of the canal, by Americans, in the past four years?

5. (a) On what date were tolls introduced on the Rideau Canal (b) did this have a noticeable effect on the number of users and, if so, what would be the estimated percentage for the past four years?

6. What was the total number of employees on the Rideau Canal for each of the past four years and, in each case, how many were (a) permanent (b) seasonal?

Hon. John A. Fraser (Postmaster General and Minister of the Environment):

1. (a) 69,252 vessel movements on the Rideau Canal during the 1979 season. (A vessel movement means one vessel moved through a lock station.)

(b) 38,553

(c) Separate listings of boaters by nationality not kept in 1979.

2. Total operating cost: $2,902,100

Revenue: $37,534

3. 1975—13 per cent decrease

1976—8 per cent decrease

1977—8 per cent increase

1978—5 per cent increase

1979—5 per cent increase

4. Decrease and Increases in foreign traffic:

1975—22 per cent decrease

1976—25 per cent decrease

1977—6 per cent increase

1978—1 per cent increase

1979—Unknown

5. (a) Tolls introduced in 1975.

(b) Yes. Please see No. 3 above.

6. Number of employees:

	Permanent Full Time	Other	Total
78-79	104	137	241
77-78	114	142	256
76-77	127	126	253
75-76	123	137	260

Order Paper Questions

CANADIAN LABOUR RELATIONS BOARD—OFFICIAL LANGUAGES

Question No. 610—**Mr. Cossitt:**

1. Was a memorandum signed by Mr. Jacques Coallier, on behalf of the government, to all personnel of the Canadian Labour Relations Board bearing file number OLO-79-2 and, if so (a) on what date was it issued (b) what are the names of all personnel who authorized the memorandum?

2. Did the memorandum state in part, that the Board was immediately putting into practice, that internal written communications will be "in French if addressed to an Anglophone who had been declared bilingual by the Public Service Commission" and did it further state "in English, if from an Anglophone to a Francophone who has been declared bilingual by the Public Service Commission"?

3. Did the memorandum also suggest that the same situation applies to all "oral internal communications"?

4. Is the order still in effect and, if so, will it be reviewed, specifically to avoid bilingualism by force rather than by co-operation?

Hon. Lincoln M. Alexander (Minister of Labour):

1. Yes.

(a) January 19, 1979.

(b) Members of the subcommittee on Official Languages made up of Messrs. Claude H. Foisy, Norman Bernstein, Georges Champagne, G. A. Plante, L. Lavell and Jacques Coallier as co-ordinator and Mr. Marc Lapointe, ex officio.

2. Yes.

3. Yes.

4. No.

[*English*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Mr. Evans: Mr. Speaker, I rise on a point of order. I asked once before about question No. 384 which refers to the budget of CIDA. I have reason to believe there are some abnormalities in the budget of the minister responsible for CIDA, who is in the other place. I would like to have that question answered. It is not a difficult question. They should be able to answer it very simply. I ask the deputy prime minister if he will see, as he did last time, that I will get an answer to that question, and very soon.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I appreciate the concern of the hon. member with respect to the answering of questions. As a result of representations by him and other members, I made inquiries respecting the frequency of answers. I am in a position to inform the House that in the last session of Parliament, before the hon. member came here, the record on answering questions was 7 per cent. The rate today with this government is 20 per cent.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I am prepared to show the hon. member the figures. I want to indicate to him that we took his representations seriously. We are seeking to obtain the answers he has asked for and that will be done as quickly as possible. I undertake that to him. That is the approach we take with respect to questions.

[Mr. Fraser.]

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE TO ESTABLISH INDUSTRIAL AND INTERNATIONAL TRADE POLICIES

Hon. Jean-Luc Pepin (Ottawa-Carleton) moved:

That this House regrets the inability of the government to conduct and develop effective Canadian industrial and international trade policies.

He said: Mr. Speaker, our motion deplores, I repeat, the inability of the government to conduct and develop effective Canadian industrial and international trade policies. I should have added, and perhaps that is understood, "contrary to the many promises they made and had made at the time they were in the opposition." I could also have added to this motion: "the inability of the government properly to administer and apply existing policies". Of course, that is another aspect of the problem I will be raising.

Mr. Speaker, the Progressive Conservative Party has now been in power for six months. It is appropriate to ask what it has done in terms of industrial and trade policies. Certain things, Mr. Speaker, undoubtedly deserve our encouragement, for example, the appointment of a Minister of State for International Trade is one I applaud. Also—and that might surprise some—the will expressed by the government to review the usefulness of certain commercial Crown corporations is something I applaud. I will come back to that later on.

We have had several statements, several of them highly philosophical, several of them hardly reconcilable. I will come back to that. We have had many announcements of studies, commissions being set up, conferences to come, several of which could have been made a lot earlier. We have also had decisions, rather limited action on the whole, some of which quite condemnable, and I will come back to that, of course. The general impression is that there is a certain competence, but not enough I believe to impress Canada and the whole world. The general effect of government action is a lot of uncertainty, and that is mainly what I want to deal with. Since the role of the opposition is to monitor the behaviour of the government, to criticize, to suggest, that is what we will be doing this afternoon to the best of our knowledge.

Before giving two examples of uncertainty, confusion, I would like to make two preliminary comments along that line. When those gentlemen were in the opposition, they claimed they knew how to govern. They also said they had specific views on everything. Give us six months or so, they said, and we will give you an industrial strategy, a commercial strategy, a well co-ordinated economic strategy, ready to be implemented.

"We know how to govern. We will be firm, we will be competent, we will be bold", they said. Unfortunately, Mr. Speaker, we are still waiting. We are still waiting for their new style of tripartite consultation between government, industry and labour; we are still waiting for their reaction to the GATT agreement; we are still waiting for their in-depth review of the future of our trade relations with the United States; we are still waiting for their new research and development incentive program, their policy on the utilization of human resources, their new tourism strategy, their new transportation policy; their amendments to the metrication program; their contribution to the future of FIRA, of the Export Development Corporation and the Canadian Commercial Corporation; their nuclear reactor marketing program; their ideas for marketing farm products, fisheries and fish products, metals and minerals; their policy on import replacement announced by the Minister of State for Small Businesses and Industry (Mr. Huntington); their policy on the future of our relations with Mexico, Western Europe and Japan, on the utilization of foreign aid for commercial purposes, on the utilization of government purchases for industrial development purposes. I could go on and on. Those are things they were talking about when they were in opposition. They have been talking about them for six months. What we are waiting for are results.

By the way, I note with some amusement that the more familiar these gentlemen are getting with the complexity of things, the less affirmative their demeanour. I am sorry if this hurts somewhat, but they feel compelled to qualify their clichés. I would like to mention a few. For instance, that unbelievable—but now dwindling—confidence they had in the private sector, their determination to drastically reduce government intervention. Listen to what the Prime Minister (Mr. Clark) had to say on September 27:

● (1220)

[*English*]

I am disturbed by the frequency with which people who march under the banner of private enterprise come running to government for help.

"I am surprised" or "I am disturbed"—as if they did not anticipate it.

Why should he be surprised? It is standard practice in every country in the world. The government is there to give support. What is so surprising when people from the private sector turn to the government? It is the normal thing to do, I believe.

[*Translation*]

Listen now to my genial friend the Minister of State for International Trade (Mr. Wilson) as he spoke on October 23, and I quote:

[*English*]

Our government is determined to have an appropriate mix of public and private sector objectives.

That's nice. An "appropriate mix". That is what every government in the world tries to reach. The objective now is an "appropriate proportion". The passion for the transfer of all these things to the private sector is dying down. That it should is also my view, though I might be criticized, obviously.

[*Translation*]

The second example deals with the geographic direction of our external trade. When those gentlemen were the opposition, or when they were in the private sector, they had very clear views on how Canada's external trade should be directed geographically. "The Liberals", they indicated, "are spreading themselves thin. We are going to concentrate our efforts". Now listen once more to what my friend, the Minister of State for International Trade, said on September 12, and I quote:

[*English*]

I should stress here that I do not intend to downgrade the contractual links between Canada and the EEC.

Right on! Bullet!

My emphasis in the election campaign on the importance of our trade with the United States was simply to emphasize the very large and unique market available to us there. My trade policy will be to assist and explore trade efforts in all lands.

So we are now going away from extreme concentration and on to something which I believe is much more rational—a wide approach with pointed efforts at different times.

[*Translation*]

Let us listen now to the Minister of Industry, Trade and Commerce (Mr. de Cotret), because he knew which sectors to promote and which sectors to disregard. He had clear and specific views about the winners and the losers.

[*English*]

He knew who the winners were and he knew who the losers were.

[*Translation*]

In his speech of September 23—as you can see I have read all the bibles—he said the following:

[*English*]

I used the term "industry of the future". Those are the winners. I am not suggesting that certain historic sectors of the Canadian economy will be disowned in terms of capturing the concern and attention of the government. What I am saying is this: let us avoid the tendency to devote inordinate attention to what I call safety nets and operations, that is, a focus on industries which are clearly the victims of global shifts in markets, process technology and other factors or companies that have failed the critical test of the market . . . In this way we can look to the future while being assured that those industries which have been a basis of national strength in the past are not neglected.

This is the right approach but the point I am making is that it is much more moderate and more sophisticated than the things which were being said at one point in the recent past.

[*Translation*]

The same holds true, Mr. Speaker, in respect of tax credits. These are no longer a cure-all. The same holds true also with regard to the distinctions made amongst small, medium-sized and large businesses. My other friend, the Minister of State for Industry, stated in one of his speeches, which I was not able to find, that he would be "the protector of small businesses against the giants of large business". This was his main concern. Since he became minister of industry in general, he is singing a different tune. In his last speech he said:

As I had said many times and as I shall go on saying, I am not against big business.

It is all very nice for a minister of industry to tell us that he is not against large businesses. I have always thought that the role of government was to help small and medium-sized businesses to become big businesses. I had assumed that the role of the minister of industry would be to help small, medium-sized and large businesses. He now says that he is no longer or never has been against big business. "What I should like to see," says he, "is a climate in which trade and industry, small, medium-sized and large businesses are well-integrated and can develop." Fine! This is exactly what be should have said from the very beginning and not only a few months after taking over his department.

My second comment, Mr. Speaker, concerns the present numbers of industry and trade ministers. We now have six and our friends opposite could probably appoint even more. First of all, we have Senator de Cotret, the Minister of Industry, Trade and Commerce and Minister of State for Economic Development. He is the emperor, the czar—

An hon. Member: He is Caesar!

Mr. Pepin: He is Caesar, yes. Thank you very much for the inspiration. I have nothing against him; on the contrary, I like him a lot. But his appointment under the circumstances everybody knows was contrary to the most honourable and respected constitutional practices. He is causing us many difficulties with regard to the imputability and responsibility of this government to the House. That is an unusual situation, and I am not the only one to raise the matter since constantly public opinion, industrialists and parliamentarians are wondering who in the world is responsible for this part of business or that part of policies. We have received a release telling us something like this and obviously I could quote it. Each one of those gentlemen is specialized except Mr. de Cotret, who is a generalist, but each one of those gentlemen is at the same time responsible for the whole thing or just about, so to speak. I will quote so that I will not be charged with lack of objectivity.

In the release from the Department of Industry, Trade and Commerce dated October 3, 1979, we read:

• (1230)

[*English*]

Also, when we have the experience and talent of a Mike Wilson or a Ron Huntington—

Bows and applause from the audience!

Some hon. Members: Hear, hear!

Mr. Pepin:

—available we should have their involvement in all major matters affecting the department.

So every one of them is a specialist except the minister, but at the same time every one of them is involved in "all major matters"—difficult to define—concerning the department.

[*Translation*]

So I just suggest, Mr. Speaker, that all this is confusing and that I am not the only one who refuses to accept this multiplication, this duplication of tasks. In the final analysis, they are specialized but the three of them are doing the same thing. So I just suggest to the Prime Minister, and I know that this is one of my recommendations which my two hon. friends are going to accept easily, that he appoint them for good so that we shall have a minister of industry, a minister for international trade and a super minister of economic development who will sit in the other place. It is very simple and if those three gentlemen want to meet, we do not see any objection but in the meantime we shall know who is responsible for what. So this is merely a suggestion and I hope that my hon. friends will not disagree with this one as they did with many others.

We have three other ministers of industry, trade and commerce in this government and I forgot to mention the Minister of Fisheries and Oceans (Mr. McGrath) who, obviously, is greatly concerned about this matter as is the Minister of Agriculture to mention another two.

We also have three senior ministers: First the right hon. Prime Minister (Mr. Clark) who symbolizes the precedence of politics over industrial and commercial matters, the one responsible for the Jerusalem blunder. I do not have to give him a lecture, Mr. Speaker, I do not have to spank him in public as Mr. Stanfield did it very well. Mr. Stanfield says in his report and I quote:

[*English*]

To use effectively whatever influence we may have in the area to encourage moderation and compromise we must retain credibility with both sides as a fair-minded interlocutor. We could not do this if we were to move our embassy to Jerusalem.

I could go on. That is a damaging set of remarks on the desirability, the opportunity, the wisdom of that particular move.

[*Translation*]

And from a Prime Minister who, when he was sitting in the opposition, did not hesitate to lecture the government of the

day on the subject, I have a quotation from *Hansard* of April 13, 1978 where he said, and I quote:

[*English*]

We—

That is, "if we were in power".

—would recognize in our national development policy the fact that in the Middle East alone countries are planning to invest more than $200 billion over the next decade in infrastructure—

He went on to mention what it was.

In this country we have companies like Atco which have succeeded in this kind of world market—

Listen to this:

—despite the obstacles governments have put in their way.

Is that not beautiful? It is not beautiful when you know the kind of obstacle they were to place in the way of Canadian exporters in the last six months!

We would get behind more Canadian companies that have the experience and expertise to serve these markets.

This is a very new definition of "getting behind". It is not a very nice way of getting behind.

[*Translation*]

Anyhow, I do not need to define the commercial effects of that experience in the short term as my friend the Minister of State for International Trade (Mr. Wilson) did it very well: A hiatus, an interruption, a six-month impasse in the efforts done by our businessmen in that part of the world. I did not say that, the minister himself did.

[*English*]

Mr. Wilson: Never used that word "impasse".

Mr. Pepin: I will find it. It was profusely quoted in the press.

Mr. Wilson: Don't believe everything the press tells you.

Mr. Pepin: The word does not matter. The minister said very clearly that the affairs brought about a suspension of our efforts. He came into the House one day and said, "There is the list of companies which have been damaged". Everybody knew and he knew that this was only the tip of the iceberg and that there were many who were put into a most uncomfortable position in the process. He knows that, I know it and everybody else knows it.

[*Translation*]

In the long run, what will be the consequences of this experience? We do not know but we intend to ask the minister detailed questions every time we get the opportunity to do so in the months to come. I sympathize with the three ministers responsible for industry, trade and commerce because they went through six months of agony. This is evidenced by the fact that the senator Minister of Industry, Trade and Commerce stated in the Senate—

[*English*]

The record is clear now . . . our commercial interests in the Middle East can pursue their normal course.

Is that not an implication that the normal course was not being pursued? Obviously. Is that not an indication of a—"hiatus", "impasse" or whatever word you want to use? For six months there was a break in Canadian efforts in this area, and the number of letters, telegrams and messages the ministers received—which we have not seen, of course—should be a clear indication of that.

● (1240)

[*Translation*]

The second extraordinary contribution of the Prime Minister—allow me to smile—to the economic and commercial development of Canada is his ideas on the dismantling of Petro-Canada. They are disastrous because Petro-Canada was in the process of becoming a driving power in the development of our industry, trade and commerce, in the sense of exporting services and equipment throughout the world, in the sense that it gave CIDA a tool for development in Third World countries. So the second contribution of the Prime Minister is extremely harmful.

There is also the hon. Secretary of State for External Affairs (Miss MacDonald). In her case, it is "Miss MacDonald or the primacy of moral considerations". I have already spoken about this and shall not come back to it. But everyone knows, or can find out, that she has decided to bring up all the great moral problems of our times. I have already said what I think about it. I have already expressed the wish, on behalf of the Canadian people, who do like their jobs and who like to live decently, that it might be desirable—which is very normal—to find a way to reconcile the pursuit of our spiritual interests with that of our material ones. I am not the only one to worry about her psychological behaviour. I hope, naturally, and for our sake, that she will reflect upon those topics with all the moderation, the level-headedness and wisdom they warrant.

We have another minister of industry and commerce in the person of the President of the Treasury Board (Mr. Stevens), the king of privatization, the theologian of the return to the private sector, our very own little homebred Ayatollah. If you will allow me, Mr. Speaker, I shall talk a while about privatization which is one of those elements of confusion the government has introduced in the industrial and commercial life of Canada. The spokesmen for the government will ask me: But what does the subject of privatization have to do with the development of trade, industry and commerce? The mere fact that they will put the question is precisely the point I want to make. That is, that they go about this whole operation without concern, without realizing the importance "operation privatization" will have on the development of our industry, trade

and commerce. The whole operation is led by the President of the Privy Council without any concern for industry, for trade, for commerce. Or at least without any show of concern; if he has any, he certainly hides it well.

I shall now designate the industry, trade and commerce ministers by the term triumvirate to simplify matters. The triumvirate has more or less admitted in committee that they have not had much of a say so far. They have not been allowed to discuss these issues which are nevertheless quite relevant to their responsibilities. Yet, Mr. Speaker, the commercial Crown corporations concerned have been created or salvaged from the private sector precisely in order to promote the industrial and commercial development of Canada. No one is going to make us believe that C. D. Howe was indulging in socialism when he set up Crown corporations. It was because at that time both the means and the will were lacking in the private sector—

Mr. Knowles: Why not?

Mr. Pepin: Indeed not, C.D. Howe was no disciple of Karl Marx. Not quite. So these corporations were set up for industrial and commercial purposes and therefore, if they are tampered with, if they are to be privatized, one must wonder at once how industrial and commercial development will be affected. Now, the President of the Treasury Board seems to be or is obsessed by two ideas: first, to privatize the public sector, and second, to reduce the number of civil servants. That is his ambition, and every time he can get one he feels good at having contributed to Canada's development, and whether that is good or bad does not matter. How does the President of the Treasury Board deal with this case? He systematically puts the horse before the cart. First of all he announces a list of corporations for sale. Then we will worry about costs, about terms and conditions. An influential member opposite said that everything was up for sale. So why, on what conditions, to whom, what, how, when to sell, what effect will that have on industrial development, on industrial competition? We will see after, we will think about it after. One day the President of the Treasury Board says: "We will not sell to foreigners". Another day, the minister of industry says "Not" to the provinces, "Maybe". Still another day the President of the Treasury Board says, "Even at a loss". And yet another day the minister of state for industry says:

[*English*]

I would not want to see privatization with the development already committed.

He is talking about Canadair.

[*Translation*]

One day the President of the Treasury Board said that the purchaser of Northern Transportation "will have to continue achieving government non-commercial objectives". That is strange. They transfer to the private sector, then they say: the purchaser should behave like the public sector. Quite an interesting concept.

When will they privatize; when will all this come about? The President of the Treasury Board says, "As soon as possible." The Minister of State for industry says, "It might take a year". And from his comfortable seat in the Senate, the Minister of Industry, Trade and Commerce and Minister of State for Economic Development says, "When we are good and ready." So you can freely choose what you want, ladies and gentlemen; this is a free country; make up your own mind.

Mr. Speaker, I am simply trying to say that this procedure does raise certain problems, that it creates some uncertainty and some confusion, and that we should seek to avoid such things whenever possible. But here is the one element of uncertainty which really takes the cake. The other day, on November 19, one of my colleagues asked the President of the Treasury Board, "Is there a second list of corporations going for sale, different from the first which goes back to September 28?" Then the President of the Treasury Board rose, self-assured as usual, and said this, in English:

[*English*]

I indicated that from time to time cabinet may well designate other Crown corporations it feels would be suitable—

Please note that he said "other Crown corporations". In that connection he said:

In fact, one will be referred to later this afternoon after the markets close at 3.30.

The same afternoon he said that the government's holdings in CDC would be reduced below 50 per cent, unless, of course, CDC purchases Crown corporations now for sale, and then it might take more time. Then he announced triumphantly that 10,000 workers will be removed from the "federal payrolls".

In fact, the government's share of CDC created in 1971 was meant to go down to 10 per cent as the record of the company and the willingness of the population to buy improved. So what is new about the 50 per cent, I ask you?

Second, the CDC is not a Crown corporation, which is a rather interesting fact in view of the concentration of the minister on Crown corporations. That is stated in clause 31 of the bill creating it. I do not have time to read it here. It might have been government policy at the time but, in the eyes of the government and in the eyes of the CDC board of directors, it is not an instrument of the government now. Finally, the employees of CDC are not on the "federal payroll", as suggested by the minister. Foul ball! Strike out!

[*Translation*]

whatever you like! Then I asked the Prime Minister (Mr. Clark) whether he was aware of those things, whether he was familiar with the dossier. I can still see him completely bewildered when he answered on November 19, and I quote:

[*English*]

Mr. Speaker, a committee has been or is going to be set up—

Nobody seems to know

—within Treasury Board to study issues related to privatization,—

So now we are going to study it. We have announced the whole thing and now we are going to study it. He went on to say:

—and I think that the President of the Treasury Board is now considering the names of those non-government people who could take part in such a group.

[*Translation*]

Now it was my turn to be bewildered, and I asked him—

[*English*]

Mr. Speaker, does the right hon. Prime Minister not consider it odd to start implementing a policy without having the basic elements?

[*Translation*]

Shortly after, the President of the Treasury Board, in reply to a very intelligent question put by one of my colleagues, said, and I quote:

[*English*]

Mr. Speaker, I would certainly assure the hon. member that it—

That is the advisory group.

—will be operational by Christmas of this year.

That is a heck of a long time to create a committee. He ends up by saying that this group—

—will be called together to make decisions and not just to discuss in the abstract the whole question of privatization.

So they will be called in and confronted with the facts. They will be told, "This is what we have decided; tell us it is all right". I am sure they will find someone to sit on that committee, but I would not and I know many people who would not—

[*Translation*]

Mr. Deputy Speaker: Order! I regret to inform the hon. member that his time has expired. He may go on with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Pepin: I thank my colleagues very much. I want to say that as far as the privatization of Crown corporations is concerned, it is a matter of deciding which ones are still useful either as business concerns or as instruments of the central government. It is a matter of fact. It is incumbent upon the government itself to ascertain that fact. It has nothing to do with philosophy. It is not a matter of knowing whether and not the private sector is morally superior to the public sector, but of knowing what is best for such and such a sector at a given time in our economic and industrial development.

The debate on the privatization of Crown corporations is making a very bad start and causing extreme confusion and uncertainty. In my opinion, it will result in a mess which will harm the Canadian economy, the viability of the corporations themselves and the stability of employment. It is therefore important that the Prime Minister himself look into and deal with this issue, because the Minister of Industry, Trade and Commerce is unable to do so. And as suggested to him by Mr. Alfred Rouleau, president of the Sociétés coopératives Desjardins, he should set forth as soon as possible a comprehensive policy of public enterprise, so that we may know where he stands.

I should have liked to deal also with the government's export policy on Candu reactors, but I realize I may have to do so some other time. I shall certainly have the opportunity to deal with the matter elsewhere. I repeat that what I wanted to show is that these gentlemen who appeared to be so sure of themselves, are like ballet dancers doing the splits. They do not really know what they want. They are divided between two objectives. The first is to develop an industrial and commercial strategy—they say "economic"—which calls for planning of course, for government action or presence in the decision-making process. At the same time they would like to extend considerably and extraordinarily the role played by the private sector in the development of those policies. It is not easy to reconcile.

I suggest to you, Mr. Speaker, to my colleagues and other Canadians that they have not succeeded. The synthesis of effort by the public and private sector has not been made precisely because they take philosophical and psychological positions about the private sector and so they cannot reconcile them. Reconciliation is so easy—all members on this side have already done it, because there is a place in industry, in commercial development for the private and public sectors. It is as simple as that. I hope members of the government will get the idea one of these days.

● (1250)

[*English*]

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, before getting into my remarks, I should like to repeat the motion moved by the hon. member for Ottawa-Carleton (Mr. Pepin). It reads as follows:

That this House regrets the inability of the government to conduct and develop effective Canadian industrial and international trade policies.

I am not sure in my own mind to which government the hon. member is referring, because I think we have seen tremendous progress over the past few months in achieving some rationale, some cohesion, some sense of direction and support on the part of this government toward the trade efforts of the country. Over time, that will produce a tremendous amount of benefit to the economic development of this country and to our balance of payments.

I welcome the opportunity to speak on the activities which we have followed. My colleague, the Minister of State for Small Businesses and Industry (Mr. Huntington), will comment upon our industrial policies, but before getting into that, I should like to say quite frankly that I was disappointed with what the member opposite had to say. As we all know, he was a former minister of industry, trade and commerce. I expected something of substance and something of depth in the remarks he made on our trade policy. Since he has been out of the picture for some while, I thought possibly he might have some

objective comments and some objective judgments to make on the whole progress made in the past few years.

As we have seen, our balance of payments deficit increased to the tremendous level of $7 billion; the balance of trade on manufactured account increased from a $3 billion deficit, around the time he left office, to the current level of something in excess of $12 billion. He has been sitting on the sidelines as a dispassionate observer. I would have thought we would have heard something of substance from him today which we might be able to use to benefit the development of our trade policies.

I look forward to further discussions with him and further comments from him in the House and in committee, whereby I can have the benefit of his knowledge and experience. But to have a professorial discourse which shuffles over the very top of the ground does not get into the depth we must get into. As he observed himself, it is a complex issue.

During the first few months in office, we have taken a good, hard look at the problems we are facing. What we have today is a position where there is a trade surplus over all, a surplus last year which was about $3.5 billion. This year it will be somewhere between $2 billion and $2.5 billion. It is offset by the very large outflow of funds through service accounts. I have mentioned the problems we have on the manufactured and trade deficits. What we have identified here is that trade and tourism are two of the key areas where we believe we have the greatest amount of leverage to offset the deficits we have today: trade manufactured account as well as in resources account. I do not propose to talk about the resources policies today. I believe it would be more appropriate if that came from other ministers.

I will talk about the manufactured account. We have identified some short-term initiatives which we can take very quickly, without a lot of planning and strategy formulation. We have set the stage for a good policy debate on the international trade policies this country should be taking over the eighties, and I will come back to that later. The hon. member seems to feel that we should be changing overnight and curing in six months all the wrongs which have been developing over the past ten years. He more than anyone in the House, being a former minister, should know that there is a lot of momentum in the problem we are facing today.

I should like to outline some of the major advances we have taken. We have identified certain key areas of emphasis which I should like to come to, but before doing that perhaps it would be helpful if I addressed two or three of the specific issues the hon. member raised in his comments. Candu, the sale of the Candu reactor: I do not know how many times I have heard from members opposite about the so-called mistakes this government made in an attempt at being successful at selling that Candu system. We have tried to pick up the pieces left by the previous government in formulating a cohesive and well-organized, strongly supported effort to sell this very successful Canadian technology in other parts of the world.

I have met with the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) and Mr. Donnelly, the president of AECL. We have identified those markets in which we feel we have the best chance of selling that product. We have formulated a strategy as to how we will go about selling that product to those markets, with the maximum amount of government support. The previous government showed a remarkable lack of government support. The other day in the House I said that there had not been a minister from the other side in the previous government sent to Argentina during the whole period when they were looking at selling the Candu reactor. The hon. member for Etobicoke-Lakeshore (Mr. Robinson) corrected me and said that the hon. member for Saint-Maurice (Mr. Chrétien) was down there as minister. I should like to put on the record today that he was not down there as minister. He was down there as the president of the Inter-American Development Bank. It was clearly pointed out to me by the people in Argentina that he was not there as the minister supporting Candu.

For a period of three years the Argentinians have been trying to open discussions at the political level, where they could understand what was going on in the minds of the previous government, so that they could come to grips with the problems they were clearly facing in incorporating the Candu system into their own marketplace. That is the problem we had in Argentina. That is the problem we had to overcome. We are doing our darndest to overcome it, and we will have some success in Candu sales in the near future.

May I call it one o'clock?

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

• (1400)

AFTER RECESS

The House resumed at 2 p.m.

Mr. Wilson: Mr. Speaker, I do not know how well I am going to do after a very full lunch at the cafeteria here, but I am very pleased to resume my remarks on the very important topic of international trade.

Mr. Knowles: I thought the government was practising restraint?

Mr. Wilson: I did practice a great deal of restraint over lunch. I had no dessert, not even my oranges from Florida.

Back in June the Prime Minister (Mr. Clark) designated a separate ministry for international trade. I think this was an indication of the degree of importance the government places on the matter of international trade, and that it was meant to be an indication to the country of the importance that the government places on the matter. I think it also indicates that the government wished to free up one minister to take on the various responsibilities and activities that international trade involves in this country.

What I would like to do is set down for the record the objectives I wrote down for myself back in the early part of the summer, objectives which I felt the international trade minister should have in the fulfilment of his responsibilities.

The first of these objectives was trade promotion in the broadest sense, leading to an increased amount of foreign exchange earnings, since it is in the area of trade, as I said earlier, that we feel we have the greatest opportunity for balancing our balance of payments deficit.

The second objective was to create the department of the Minister of State for International Trade as a focal point for government and industry on all matters relating to trade in Canada.

The third objective was to raise the profile of trade throughout Canada, and in so doing emphasize the importance of reducing our balance of payments deficit.

The fourth objective was to raise the profile and the importance of international competitiveness, and in so doing to create some yardsticks which would help Canadians understand where we are slipping in our competitive position, or where we are improving on that competitive position. There would be a sort of early warning signal to the government and the Canadian people in the event that we lost our competitive position. The House will recall that back in the mid-1970s competitive position slipped away from us very quickly. That was one of the things we did not respond to quickly, and the previous government ignored that fact. I think if there was a publicly understood early warning sign the government would not be allowed to let that slip away as it did in the seventies.

The next objective would be to increase the importance of trade considerations and government decisions on the whole development of our industrial and trade policies, and the importance of trade in the development of those policies.

● (1410)

The final objective is to assist trade efforts in individual countries, regions or specific projects or deals, where the ministerial presence can be effective. I think that indicates a broad view of how the function of the Minister of International Trade should be directed toward furthering our international efforts. There has been a broad acceptance of that within the department and within other parts of government as well.

One factor that must be considered in international trade is that if we do not have the products to sell, then no amount of trade promotion can help. It is very important that we co-ordinate our trade and international policies. My colleague, the Minister of State for Small Businesses and Industry, will be commenting on how the industrial policy of this government has developed in the six months we have been in office.

It is very important to recognize that we must improve the Canadian business environment both on the trade side and on the industrial side. Contrary to the allegations made by the hon. member opposite, I believe that the triumvirate or three-minister approach toward industry, trade and commerce is a very effective way of co-ordinating the policies of the government, so that maximum benefit can be derived from our trade activities as well as our industrial development. We must have that orchestrated and integrated policy in the short, medium and long term if we are to succeed in this area.

As I said in my opening remarks, I should like to discuss our trade policy from the standpoint of the short-term initiatives we are taking as well as the medium and long-term initiatives. We have recognized that there are certain initiatives that we can take quickly, and that we must take quickly if we are to succeed in the increasingly complex and competitive world that we are operating in today. Some of these things can be done quite easily; some will take more time to work out because of the complexity of the problem.

As I indicated, one of my objectives is to increase the visibility of the minister of trade in support of our trade activities. I have met with many people in Ottawa and in other parts of the country regarding our trade activities, as well as with representatives of other governments and their business representatives.

I think, also, that a very important part of the activity of the trade minister is to visit other countries, assist in negotiations and provide visible endorsement of the government for the particular trade activities involved. I went on two trips this summer before Parliament met and I am planning a program of trips for the first half of next year.

One of the principal things we must do in planning this program is identify those projects which we feel have the best chance of success. That priorizing program is under way. We will identify those countries that need the types of products we can sell in the areas of transportation, telecommunications, energy and mining. In the course of our own industrial development we have achieved a very high degree of technology and expertise in these areas. This can be matched with those countries that have the economic growth potential and political stability that will lead them to be good, long-term customers for Canadian business.

This is an important area of co-ordination that we believe can be addressed in the short term. One means of approaching this, which we hope to announce shortly, is through the formation of an export trade development board. It will be composed of members of the business community who have had experience in trade and who will he matched with representatives from the public sector. We see this board as being a very important source of advice on our export promotion policies and on the strategy that we want to follow in identifying those target countries where we feel we can make the greatest impact. We expect this board will advise and assist in the development of longer-term trade policies and be involved very closely in all discussions.

Another important area is the co-ordination of the government's interests. We would look to this board to advise us where they thought this was falling short. At the outset we propose to initiate an interdepartmental committee of government which will provide that co-ordination within government.

On many occasions I have heard it said that there is no one place that an exporter who has a broad interest in the export market can go for a proper hearing. As a result, a lot of his time is spent talking to different government departments or even parts of departments. If we can get this interdeparmental co-ordinating group established, we feel it will satisfy that need very quickly. It will be very important in co-ordinating policy and action in order to fulfil our export needs.

In these two ways we feel we can establish a strong focal point within government and the industrial sector to meet the needs of the export community. The key consideration in all of this is that we are looking to the private sector to carry the ball. The private sector must provide the organizations that will seek business and be successful in getting it. Governments can support but they cannot go out and do the job.

The next area that I should like to discuss is the Export Development Corporation. As I have said before, we live in a very, very competitive world. Order industrialized countries have experienced a falling-off of economic growth and are now looking to the export market to assist in this economic development. They have become very competitive and are providing financial support to different projects. Canadian companies or consortia have found it very difficult to compete as a result.

We want to make the Export Development Corporation a more effective and competitive organization than it is today. It will have to be co-ordinated very closely with other parts of government. I am pleased to tell the House today that CIDA is being very open in the approach it wishes to take in co-ordinating the provision of aid with other support efforts that this government will be making.

There is under active study right now some different approaches to the establishment of rates by the Export Development Corporation and other terms and conditions for the moneys they would lend in support of our export activities. We are seeking ways to meet the concessional financing which has been made available to some of our competitors. This is a very complex area and is closely intertwined with our aid policy. It must, therefore, be closely co-ordinated with the development of our aid policy.

We feel, however, that it is something that must be done in the short run as well as in the medium and longer term. We are looking at how we can make export trade available to a greater extent in support of small business export efforts. I believe this will be an area about which we will be coming forth with specific policies.

● (1420)

Let me discuss the question of privatization. The word "privatization" has been used in a very broad sense as it relates to the change in operations that we are considering for a number of companies that are now wholly-owned by the government. The President of the Treasury Board (Mr. Stevens) stated briefly last week, and I would like to state now, that at no time have we been considering the sale of the shares of the Export Development Corporation to the private sector. That is not the direction this government is taking. What we feel we should be doing is involving to a greater extent resources and skills in the broad range of contacts that the private sector has and then utilize those skills in support of our export efforts.

The chartered banks will be very important participants in this effort. I have had discussions with a number of officials of the chartered banks, as have representatives of the Export Development Corporation, and we propose to follow through on those shortly. The Export Development Corporation must be flexible, aggressive, innovative and a very efficient organization if we are to succeed in the world that we are in today. It is and always will be a critical component of our export efforts. We must strengthen and give our full support to it so that it can fulfil its responsibilities.

Knowing a number of officers and employees of the Export Development Corporation, I am very confident that they have the skills and the innovative knowledge to be able to go out and do the job required of them so that the Export Development Corporation will continue to be a very important part of our export effort.

I have made reference to the Hatch report. This is a private sector study group which has been put together to study the export promotion efforts of the government. We have had initial discussions with the group as to the content of their report. I am pleased to tell the House today that the direction in which they are going is quite consistent with the direction I believe the government should be going in support of our export activities. I expect the report will be available some time in mid-December and I hope we will be able to respond positively and at an early date to the proposals which they will be putting forward.

I turn now to the medium and longer-term strategy that we should be following in Canada. The Secretary of State for External Affairs (Miss MacDonald) will be laying a paper before a parliamentary committee on our foreign aid policy for the 1980s. An integral part of foreign policy must be our foreign trade policy. There will be a number of important questions posed in that paper for discussion by the parliamentary committee. This will be a very important discussion paper outlining our position vis-à-vis the rest of the world, as well as being able to see this government can support the direction of our trade policy in the 1980s.

Let me comment briefly on a couple of aspects of that policy. Canada is a medium-sized power in the world today. It is highly respected in many ways by many countries. It has a link to the Third World countries, those countries which have reached a reasonably advanced state of development but are not at the stage of development of the major industrialized countries in the world. We see that these countries will be very important markets for Canada in the future. We want to see how we can develop our broader foreign policy so that we can reinforce the good relations and high regard these countries have for Canada. We can see in what way this could lead to expanding our trade with those countries.

Canada is a very blessed country in the capacity that it has to produce natural resources, whether those resources are food,

fisheries, minerals or energy. In this review of our foreign policy, I believe we should be having a very close look at how we can link the capacity that we have in this resource area together with the political stability which this country has in furthering our trade activities with the rest of the world. I believe there is a way that we can link the two in order to get maximum benefit, that indeed there are certain ways in which we can gain some leverage and benefit from the existence of these strengths in furtherance of our trade activities.

We will also be posing questions as to the role of the multinational corporations in our country today. We have about 1,200 good sized multinational companies represented in Canada. Sometimes these companies are looked on with disfavour. I think we have to look at these companies and say that we have a fact of life here, that they are important parts of the community in which we live and work today. We should ask ourselves how we can get the most out of them to further our trade in economic development activities.

One of the areas about which I have been talking quite consistently over the past few months is the development of world product mandate companies that are wholly-owned by large foreign-owned corporations. If we are able to develop full single product line in Canadian companies, we will be able to have a greater degree of responsibility in Canada for research and development, right through the whole process of production and marketing, and have no constraints on the ability of the Canadian subsidiary to sell that product in any part of the world. I think this is a very important part of our industrial development. My hon. friend, the minister of State for Small Businesses and Industry, will be talking further about the importance of this as it relates to research and development.

Finally in this paper we should be looking at how we can identify markets on a longer-term basis. I have talked of the priorization attempts that we are making right now in the area of our immediate trade requirements, but I think we should be taking a longer-term approach to the identification of markets in order to develop criteria we should follow in linking our political and strategic foreign policy with our trade policy. I believe this would provide the parliamentary committee with a very important role in the development of our trade policy in the 1980s. I look forward to the proposals and suggestions of hon. members in this area.

Let me close by saying that private industry involvement in this country must be a pre-eminent part of any trade policy that we have in Canada. We are prepared as a government to provide the support to business where it is necessary. As I have said, we live in a very competitive world and we must meet the competition that is being put forward by our main trading partners and rivals. We do not want in the development of our trade policy to prop up industry that should not be propped up, but we do want to develop a policy that will make our industry competitive so that it will be competing on a commercial basis as well as on a financial basis. That is the prime consideration of our policy.

Trade is a very important part in the future economic development of this country. It is critical to the development of our industrial policies. We have a country of 23 million people. We cannot hope to develop the way we want in this country if we are going to be confined to a market of this size. Therefore, we are hopeful we will be able through our trading and industrial policies to develop the whole world as our market in order that we can have longer production runs and much greater efficiency, to the benefit of our companies and the citizens of this country.

• (1430)

We have come a long way since May 22 and June 4. Members opposite have indicated in the phrasing of their motion that we have not. I have no hesitation in standing before this House and saying that I am proud of the achievements we have made during this period. I can tell the House that further policies will be announced in the coming months. I stand before this House and say that I am prepared to defend these policies very openly and in a forthright fashion. I hope in a positive way all members of this House can support our trade activities in the way they should be supported and in recognition of the importance of trade in our future development.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, like the Minister of State for International Trade (Mr. Wilson) who has just spoken, I should like to begin my remarks by placing on the record once again the motion that we are debating in the name on the hon. member for Ottawa-Carleton (Mr. Pepin). It reads as follows:

> That this House regrets the inability of the government to conduct and develop effective Canadian industrial and international trade policies.

This is the motion put before us today by the present official opposition criticizing the present government. I suggest that eight or ten months ago when the sides were reversed, the then official opposition could have put down precisely the same motion with respect to the then government. If there was ever an indication of tweedle-dum and tweedle-dee, we have it in this debate today.

Indeed, it is the view of my party that one of the difficulties faced in Canada is that for all the years that we have been a nation, we have had parties in power which have had an industrial and trade approach based on two concepts, two articles of faith. The first has been that because we are a small population in a very large geographical area, our best basis for achieving wealth is to sell off our resources. That has been one of the features of our economic life for which we have paid dearly. It has gone on under both Conservative and Liberal governments. The other article of faith of the two parties we have had in power these long 112 years—

Some hon. Members: Oh, oh!

Mr. Malone: Tell us about the early days.

Mr. Knowles: I could talk about the early days but I am more concerned about the days that lie ahead.

Mr. Kempling: Did you really have lunch with Sir John A.?

Mr. Knowles: I am concerned about the time ahead after some of our friends have left us. The other article of faith has been the belief that our manufacturing sector should be concerned primarily, if not exclusively, with the domestic market. This has resulted in our developing in Canada what is so well known as a branch plant economy.

One of the interesting statistics I ran across a short while ago is that in 1968 when the right hon. member for Mount Royal (Mr. Trudeau) became prime minister of this country, 27.6 per cent of employment in Canada was in the manufacturing industry. We had 10 or 11 years of that right hon. gentleman's government and the latest statistic I have been able to obtain is that that figure is down to about 21 or 22 per cent. In other words, it is not just a case of our having too small a manufacturing sector; it is actually slipping behind. I suggest that is largely because of our branch plant economy, our branch plant psychology. That has, of course, resulted from the fact that so much of our manufacturing is owned and controlled outside of Canada.

The latest figures I have suggest that about 57 per cent of all manufacturing in Canada is foreign-owned. That includes 99 per cent of the rubber industry, 95 per cent of automobiles and parts, 87 per cent of chemicals, 71 per cent of electrical goods, 63 per cent of agricultural equipment and 57 per cent of transportation equipment.

Because we have had in power in Canada these two parties with these two precepts or tenets—on the one hand that we gain by selling off our raw materials and natural resources, and on the other that we restrict our manufacturing activity mainly to supply our domestic market—we are actually losing ground.

With regard to the first principle, that we sell off our raw materials and natural resources, one of the things that is happening today is that it is being discovered that there are other countries, maybe we can call them hinterland countries in the Third World, where there are natural resources and raw materials as well. No longer are we one of the few countries to which industrial giants look for those raw materials. Therefore, the two tenets or pillars on which both Liberals and Conservatives have conducted the economic life of this country are crumbling. I suggest it is high time we have the kind of debate that has been proposed today by the hon. member for Ottawa-Carleton. Indeed, it is a debate that will have to be carried on for far more than just today; this is a debate that is crucial to the future life of Canada.

We in this party feel very strongly that there are certain things we should strive for in terms of an industrial strategy to which there is related the whole question of international trade. In the first place, we believe we should concentrate on the developing of industries that supply the key sectors of our economy. Our people spend 80 per cent or 85 per cent of their income on housing, transport and food. We suggest there should be a deliberate attempt to develop on a manufacturing basis expertise and efficiency in those areas for the good of our people, and also to establish a base for our being competitive in world markets in those same areas. In other words, we believe that by concentrating on the developing of these key industries we can begin to turn our backs on that branch plant colonial situation in which we have lived all these years.

• (1440)

We also feel, as a second point, that we should develop certain key basic industries in areas which are solid and crucial to all manufacturing so that we can break into world markets. We should not forever accept the idea that we are run from abroad or that we are just an adjunct to other countries; we should go deliberately into the production of such things as industrial machinery and equipment, chemicals, plastics, telecommunications and metal fabricated products, for after all these are the foundations of a modern industrial economy.

Some years ago I very much enjoyed reading Blair Fraser's book which was, I think, entitled "In Search of a Canadian Identity". And I have enjoyed reading the work of others who have pictured for us the strength of this country as the north, with its wilderness; and as long as we have that wilderness, the rocks, trees and the lakes, we will be a distinctive country. I would not want us to lose that. Yet in this modern, competitive industrial world we must also develop our own place in that world and not continue, as I have said, to be an adjunct to another or be subordinate to other industrial giants. So our second contention is that we should emphasize strongly the development of these basic industries and put ourselves on the map in this important part of the world's economy.

The third and perhaps the most important thing that we should do—and I offer this as a third element in an industrial strategy that would have far more meaning than we have had thus far from the two old line parties—is that we should make the deliberate decision that Canadian resources be owned by Canadians, controlled by Canadians and developed into manufactured goods for use at home and for export by Canadians. I am concerned about the conflict between privatization and the continuance of a government presence in our economy, and there is no question where my party stands on that issue. I was alive and active in the days when the government was far less active in the economy than it is today and I, for one, do not wish to see this country return to those days. I believe we are hearing a lot of nonsense from those who sit on the other side in connection with this area, and I am not so sure that those who sit in the official opposition on this side of the House are as clear as they ought to be on this question either. But over and above that, I suggest that the most important thing for us in terms of an industrial strategy, in terms of our surviving and succeeding in a modern industrial, manufacturing world, is for us to have the ownership of our own resources, to control their development and be in charge of our own affairs.

Mr. Speaker, I like very much the way in which my leader, the hon. member for Oshawa (Mr. Broadbent), expressed this matter in a speech he made earlier this year when addressing a gathering at York University. In his absence I will take the liberty of quoting two or three sentences from what I thought was a very good speech. My leader said this:

We need at long last an industrial strategy for nationhood. And the starting point for this must be a decision that we will stop being industrial tenants in our own resource-rich land. Canadian resources must be owned by Canadians, controlled by Canadians and developed for the benefit of Canadians.

I am still quoting the words of the hon. member for Oshawa.

I say that economic planning for industrial development based on our resources can work. We can create thousands and thousands of new jobs if we stop exporting our resources and convert them to manufactured goods here in Canada.

Mr. Speaker, that is the conviction of this party—that we have the right location on the map of the world, that we have the resources and the people to build the kind of strategy that will provide a good life here in this country, and that we can play an effective role in making this a better world for all.

So I say on behalf of our party that we believe it is time for us as Canadians to take control of our own economic future and to make Canada an exciting and decent place for all of us. When I say "all of us", I mean men and women alike, on an equal basis; I mean native-born Canadians and those who have come to this land; I mean the young; I mean the working people of our population; and I also mean those who are older and retired and who have the right to enjoy the security and dignity that they have earned.

Mr. Ray Chenier (Timmins-Chapleau): Mr. Speaker, may I preface my remarks on metric conversion by noting how we on this side of the House are becoming accustomed to the uncanny ability of the government to turn calmness into calamity, serenity into insecurity and sensible policy into knee-jerking reactions based on some obscure notion of public interest.

An hon. Member: Groucho.

Mr. Chenier: I am very happy to see that my fan club on the other side is starting to respond.

[*Translation*]

Even if the confusion that the government has succeeded in creating about conversion to the metric system is not of the same magnitude as the blunder about the embassy, the conversion program is just one more case of this government's inability to base its actions on proper research, or even on its expectation of political gain.

[*English*]

If what we are reading in the papers these days about the government's intentions toward metrication is true, one must truly question the kind of advice this government is getting. Frankly—and I say this in a non-partisan way—I believe that what the government is about to do to the metrication program is not only what amounts to a callous disregard of the thousands of small businessmen who have put a lot on the line already in the move to conversion, but is an insulting judgment of the intelligence and adaptability of Canadians. All this from a government said to represent small business, the average Canadian, as rhetoric contenders over there like to call themselves.

While I simply cannot understand the intent of the government in its plans to fumble around with metrication, its motivation for doing so is very obvious. As we on this side of the House know only too well, there are on average about four ministers responsible—and I use that word loosely—for industry, trade and commerce. We have a super minister conveniently hidden away in the other place and several in this chamber, all presumably acting in unison, or, as they say, three people to co-ordinate three departments—confusion again. Presumably they are acting in unison to further the industrial development of this nation.

● (1450)

Naturally, when there are so many ministers involved in the same area, some ministers get the good stuff and others do not. Perhaps the Minister of State for Small Businesses and Industry (Mr. Huntington) felt a little left out of the headlines when assigned his portfolio and wanted to do something about that unfortunate situation. That being the case, it seems he wanted to make a big impact, maybe the same type of impact the Secretary of State for External Affairs (Miss MacDonald) wanted to make. He wanted to make a big impact out of metrication because that area is one of the few things he has been assigned. He is now making headlines.

These headlines remind me of some of the headlines made during the election campaign by some of his colleagues concerning the metric system which decried the metric system as another example of the previous government's ignorance of the west, and of its shoving foreign things down innocent people's throats. There are even stories—and I admit I cannot verify them—that some of the government party's candidates, some of whom are now members of this august House, made the logical connection between bilingual labelling on packages and metric labelling, both obviously plots by the previous government to provoke the ire of certain segments of the population. This type of politics speaks for itself.

[*Translation*]

What I want to say is that the government persists in keeping other promises it made to its members who built their election platform on their opposition to metric conversion. Such being the case, I can only say that the government is ready once again to jeopardize a program which industry unanimously supported.

[*English*]

Before I go further into my attack on what I see as the prospect of another Tory assault on common sense, allow me to elaborate on the success of the metrication program. I have consulted with many of the organizations which are actively involved in the conversion process, and they tell me something that is at the farthest extreme from what the government has up its imperial sleeve. Grain handlers, manufacturers, the construction industry, education officials: all these groups tell me that they are alarmed at the indecision and the flip-flop on the part of the new government regarding the metrication program. Fortunately, most of these areas of the economy have reached complete or very advanced states of conversion, and only the most foolhardy of governments would venture to tamper with them at this point. Though the government would

be unwilling to admit it at this point after allowing its candidates to run at the mouth about the evil of metric, it has in many instances improved Canada's trade relationship.

An hon. Member: I love this.

An hon. Member: What a crock.

Mr. Chenier: I thank the hon. members for their applause. I am very happy. I see that they understand. In many instances metric has improved Canada's trade relationship, and within the industries themselves they see conversion as one would view the learning of a new language. There is no clapping now. There seems to be a problem on the other side with learning new languages. We are able in trade terms to communicate with many new markets which we have just begun to develop.

An hon. Member: Name one.

Mr. Chenier: I add as a footnote that the European Economic Community, with which we do a significant amount of business, imposes a penalty on the import of all non-metric goods.

One of the complaints most often raised by members of the government about metrication is the effect our conversion has or will have on our trade relationship with the United States. Although I am reluctant to dignify these kinds of comments by responding to them, they do deserve a severe repudiation. I have yet to hear or be informed of any real disadvantage posed to any one particular industry in Canada by converting to metric as far as its business in the United States is concerned. We are the envy of that country for the smoothness of the conversion process which has taken place in Canada.

Some hon. Members: Oh, oh!

Mr. Pepin: Prove the opposite if you can.

Mr. Chenier: There are people on the other side who laugh, but they do not seem to know what we are talking about. The stories I have heard have turned out to be based on misinformation or just the wishful thinking of some people who do not understand the system or do not want to.

However, let me comment on an alleged horror story reported in a western newspaper. The writer, whose political leaning is obvious, suggests that lumber manufacturers, because they currently produce both metric size lumber for Canada and non-metric for the United States, must run their lumber through cutting machines twice in order to produce two sizes. Besides having the wrong political leaning, the writer obviously has never worked in a lumber mill or, if he has, it was in a very small and inflexible one, because edgers and planers can be adjusted readily to any measurement. However, rather than check his facts, this writer concludes:

To satisfy government, the lumber industry will have to run its Canadian goods through the saw twice, at extra cost to peel off those offending millimetres.

One can only wish that this person had found out about how lumber is cut but, then again, there are not very many lumber mills on the prairies.

Conversion to metric vis-à-vis the United States has not been of the nature described by the system's critics. In each and every area where important areas of mutual interest are concerned, our two countries are working through liaison committees composed largely of industry representatives to ensure smooth transition. Contrary to the views expressed by some members of the government, the United States is not that far behind Canada in conversion, and it is only behind in areas where there is little or no interaction with our country.

I note in reply to the argument about potential problems in our trade with the United States that at present, since the rest of the world is metric except for Canada, South Yemen, North Yemen and the United States, the Americans are already conducting 70 per cent of their import business in metric.

Some hon. Members: Hear, hear!

Mr. Chenier: While the motives of the government in its plot to undermine the metric program are themselves worthy of considerable scorn, what I find most alarming about the statements made by the minister is his attempt to subvert the program on the ground that, and I quote:

Not enough consideration has been given to the human impact of metric conversion.

He said this in the context of making his announcement that the government is considering a slow-down in conversion in several sectors, most importantly in retail food packaging.

[*Translation*]

What does the minister say or who puts those words into the minister's mouth? I think that he means consumers when he refers to the human factor. However, I doubt that the minister has ever realized that the Canadian Consumer Council was one of the first and strongest advocates of conversion.

[*English*]

That association is now alarmed at what the minister plans to do to metric conversion. I note in today's *The Globe and Mail* that the minister has dismissed the Consumers' Association as representing only a small sector of consumerism. Well, who is speaking for the large sector of consumerism? I suspect it is the minister's bruised ego that is doing the speaking in this House. The Consumers' Association has backed metric conversion from the beginning because it will be of great benefit to the consumer, who will be able to compare prices per quantity with greater ease as compared with the difficulty facing shoppers with the hodge-podge of sizes and shapes under the present Imperial system. In fact, the minister wants to delay, I understand, for one year the introduction of a change for the benefit of Canadian consumers. He want consumers to have another year of confusion—of course, we are getting used to it; we have had it for six months—and be subjected to another year of a perplexing mix of metric and Imperial goods in the supermarket. This minister is speaking for no one when he makes such suggestions about mucking up metric conversion. I most wonder what the minister has in mind when he says that Canadians are not prepared to accept the metric system, although conversion was adopted as a policy with the support

of all parties, including his own, back in 1971. I can only say that he is afraid of allowing Canadians to bite the bullet, as his government is so willing to have them do in such areas as interest rates and oil prices, but they cannot bite the bullet when it comes to something like this.

● (1500)

We cannot afford to move back. If Canadians are not ready to tackle the metric system in the grocery stores within the next year, I ask: when will they be ready? It does not seem to matter to this government that the retail food packaging industry is 80 per cent metricated, that thousands of small businesses in Canada have already planned for metrication and are literally chomping at the bit to get it over with.

Let me at this time bring to the attention of the House the concerns of two key groups involved in metric conversion. One is the Retail Council of Canada which represents the larger retail chains which account for over 50 per cent of the Canadian retail business. The council is deeply concerned—and I understand that its feelings have been communicated to the minister—that delays in the program at this time threaten the entire conversion process and will create an additional financial burden on council members. The council has urged the minister to clarify his position and to provide assurances that the program for retail chain conversion will proceed as scheduled. I understand that the council has told the minister that if a decision on this matter is not taken immediately, the industry's plans for conversion on a large scale as of January 1 will be placed in severe jeopardy.

The other concern is that of the Canadian Federation of Retail Grocers which would account for most of the business not represented by the retail council. Let me read to the House a telegram sent by this group to the minister this week. The message reads as follows:

The directors of the Canadian Federation of Retail Grocers met today and passed a resolution that they strongly oppose any slowdown of the planned conversion to metric.

We realize the public may not be receptive to change and even though we will take the brunt of the opposition, the job must be done.

Let Canadians show the world we are up to it and get the job done as quickly as possible.

Our representation covers all provinces, Newfoundland to B.C., including the territories.

In light of the overwhelming opinion of those who have a lot at stake in metric conversion, the government must be informed of the danger that it has now posed to key sectors of the economy for no real reason other than the minister's apparent fear that Canadians are too stupid or too belligerent to accept the metric system. There can be no other explanation for his actions.

To be fair, I must recognize the minister's apparent awareness that the metric system is here to stay, a pretty fair conclusion considering that the process has reached far beyond the point of no return. The process has been a smooth one, a process lauded by those from the private sector, over 2,000 volunteers, who have participated in planning and implementing the conversion.

If the minister is so concerned about the effects that conversion to the metric system will have on Canadian sensibilities, why does he not ask those who have made the greatest commitment to metrication, the small businessmen? It is they who have accepted, some reluctantly, the necessity and the inherent simplicity of the program, and it is they who are the most ardent opponents of any move on the part of the government to meddle with the retail conversion program.

Let me quote some people to whom I have talked about this threat which the government is posing, who have said such things as "the uncertainty is ruinous", "to turn back now would be criminal", "damage has already been done", and "in the United Kingdom and Australia slowdowns were absolutely fatal".

[*Translation*]

These remarks confirm my opinion that the government does not really care for the interests of the Canadian industry and in fact has obviously ignored its efforts and concerns with regard to metric conversion. The evasive policy which has characterized this government up to now with regard to that conversion undermines the well orchestrated efforts and the total commitment of the Canadian industry toward adopting the metric system. This almost chaotic situation now prevails simply because of the whimsical attitude of a minister, who was granted a title but has few real responsibilities.

[*English*]

The government talks about how Canadians must accept hard choices and decisions now for a better future for the nation. It says this in regard to oil prices and interest rates. The slogan which the government is fond of using is "bite the bullet".

Thinking about the future is obviously one thing which the government is not doing so far as metrication is concerned. As a professional educator, it is with particular interest that I note that young Canadians are fast becoming familiar with the metric system. In a matter of a few short years our schools, from coast to coast, thanks to the unanimous agreement of the provincial educational systems that conversion to the metric system is a must, will be turning out consumers who know only the metric system.

Without minimizing the difficulty which some Canadians may find in adapting to the metric system, surely this government must recognize that it cannot turn back, it cannot undermine a system which future generations of Canadians will understand and from which they will benefit, and they will be thankful to the Liberal government for its foresight.

Nobody is saying that the adjustment to the metric system will be easy for all Canadians. There will, of course, be strong objections once the stores and businesses in Canada operate completely in metric. Nevertheless, whether it is tomorrow or further down the line, conversion has to be achieved, the bullet must be bitten, and for the sake of the businesses which have invested large amounts of money and many years of effort in planning, the bullet must be bitten now before the government, through its indecision, throws what has been a remarkably

smooth conversion into a state of uncertainty and chaos. Delay in conversion for the sake of delay is nonsense, Mr. Speaker.

May I have 30 seconds more, Mr. Speaker, to complete my remarks?

If there is one area in the conversion process that has not quite met expectations, it is the area of public awareness. While indeed public support for metrication has increased greatly over the past few years, the Metric Commission has perhaps been unsuccessful in convincing Canadians of the need for the metric system. It has focused too much on the mechanics of metrication at the expense of explaining the reason and why it is necessary to convert to the metric system.

I support the minister in his desire to see a more effective program explaining why Canada has gone metric, but I strongly dispute the notion that the progress of the program must be delayed to do the explaining. I urge the minister to adopt a more enlightened opinion of the capacity of Canadians to convert to the metric system and enjoy its benefits.

[*Translation*]

Somebody once said that had God wanted humanity to use the metric system there would have been ten disciples. In answer to that, Mr. Speaker, I would remind the House that there exists a document called the Ten Commandments. This document still influences world history.

[*English*]

In conclusion, I urge this government to leave the metric system alone, to let the conversion process continue as has been planned by Canadian business and Canadian industry. Give Canadians credit for their adaptability and let us get the job done. Let us not let Canada be the odd man out in the metric world.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Does the hon. member wish to put a question to the hon. member for Timmins-Chapleau (Mr. Chenier)?

[*Translation*]

Would the hon. member for Timmins-Chapleau accept a question from the hon. member for Burlington (Mr. Kempling)?

[*English*]

Mr. Kempling: Mr. Speaker, I want to ask a very simple question. The automobile I drive has tires that take 32 pounds per square inch. I should like to know how many kilopascals that is because the service station to which I go has a pump that is in kilopascals, but there is no conversion chart. Could the hon. member tell me how many kilopascals equal 30 pounds per square inch?

Mr. Chenier: Mr. Speaker, I am a new member of Parliament and I will reply to the hon. member in the way that I hear it every day now that the new government is in power—I suggest that the government put it on their next agenda for review.

[Mr. Chenier.]

Some hon. Members: Hear, hear!

Mr. Pepin: Yes, let us have a commission on that one.

Some hon. Members: Oh, oh!

• (1510)

[*Translation*]

Mr. Fabien Roy (Beauce): Mr. Speaker, we have before us a motion introduced by a member of the official opposition which reads as follows:

That this House regrets the inability of the government to conduct and develop effective Canadian industrial and international trade policies.

Mr. Speaker, that motion contains two admissions: the first one concerns those who governed the country for 16 years, those who put that motion forward. If I interpret correctly what I heard from my colleague from Ottawa-Carleton, they think that Canada urgently needs to be straightened out economically. Canada is facing horrible difficulties. Canadians are worried. In short, we do not know what tomorrow has in store for us. That is what the mover of the motion just admitted.

Second, he admits that the new government has not yet taken its responsibilities and has not yet submitted a program to the House. I listened carefully to the speech of my hon. colleague.

Mr. Pepin: Was the hon. member present when I spoke?

Mr. Roy (Beauce): I was here and I was very careful not to interrupt the hon. member. I would ask him to do the same because I have a few things to say. Mr. Speaker, when I look at the number of members of the official opposition present in the House, and I see they are three or four, I understand them. They are not indeed all devoid of intelligence. Neither are they all devoid of memory because they remember that yesterday they were the ones who had to run the business of this country.

Mr. Speaker, that kind of motion is absolutely indecent. I really thought that the House of Commons was more serious than that. When we have seen here, after 16 years of Liberal government, the Canadian standard of living drop, lowered from the second down to the sixth place in the world, at a time when the economic growth of most other countries is being stunted by a lack of resources, I say it is indecent to get that kind of result when you have been governing the country with the greatest potential in the world. It is indecent that the only legacy of the former government is an economy going adrift and an unemployment rate which has doubled itself. After May 22, when we were elected to represent our constituents in every riding and in every province of Canada, we inherited an inflation rate that has tripled during that administrative period, combined with a fourfold increase in government spending, a deficit 14 times larger and a bureaucracy so eager to put its heavy hand on everything that it ended up by

robbing us of practically everything. It is also indecent that the ever-increasing number of social programs failed to bridge the income gaps and achieved nothing more than an increase in bureaucracy. The least we can expect now from Liberals is that they keep their mouths shut until they get a new direction, a new leader who, it is to be hoped, will be able to get rid of the old ignorant and incompetent team whose inefficiency is only matched by their irresponsibility. This is demonstrated by the fact that none of them in this House has the ability and the competence to become prime minister. That is a serious shortcoming for the main opposition party.

I can see the degree of masochism in them when they retell once more in which state they have left the country after 16 years in power. Mr. Speaker, Canada is forced to borrow to pay off the interest on its debt. This shows what we have inherited from the Liberal administration.

In 1974, the government had revenues of $19,366 million and spendings of $20 billion. In 1976, the expenditures had reached $33,181 million, revenues $29,159 million and the deficit $4,021 million. In 1977, the deficit increased from $4 billion to $6,250 million. From 1977 to 1978, it increased from $6,249 million to $10,035 million; and this year the government is announcing an even larger deficit, which means that the percentage of the deficit as compared with the total expenditures of the government which was 4 per cent in 1975, went up to 12 per cent in 1976, to 18 per cent in 1977 and to 25 percent in 1978. Mr. Speaker, if we make a projection for the next four years based on the same rate of increase as in the past, we find ourselves with 32 per cent in 1979, 39 per cent in 1980, 46 per cent in 1981 and 53 per cent in 1982. I can therefore understand why the Liberal party is telling the Progressive Conservatives that they should urgently correct their mistakes and put Canada on the road to recovery. I can understand them. We now have to borrow to pay the interest on the national debt. I do not know of any other country in the western world which has to do the same! Is there another country which is forced to borrow to balance its payments and which will have to sell its gas at prices lower than the world prices to make both ends meet? We are selling everything, lock, stock and barrel.

This is the Liberal heritage of those who followed the saying "divide and conquer" to remain in power. They confronted region against region, province against province, culture against culture. That government, led by the messiah of national unity, remained in power by violating our civil liberties, the rights of the provinces, and most important, our right to economic progress and the integrity of our currency. In this regard, I would like to remind once again the House of the comments made by the governor of the Bank of Canada himself who stated that there was no alternative but to comply with the decisions of the Federal Reserve Board, in order not to have our dollar devalued again, because there is no more room to manoeuvre. Why is there no room to manoeuvre? Because of the huge deficit in our trade balance, and that our deficit is too high.

Mr. Speaker, indecency has its limits; it borders on obscenity. How they are embarrassed now! They are only three members out of 114 in this House. I know why they are not anxious to take part in this debate. However, Mr. Speaker, I cannot shy away; we cannot shirk our responsibilities as members of Parliament. As I have often said, the role of the opposition is not to defeat government or to create opportunities to try to defeat the government, but to force them to take their responsibilities, to introduce sound legislation before this House, to make public sound decisions and to bring forward policies that will help, before it is too late, redress our economy and put the country back on the road to progress. What is being done on the Progressive Conservative side? Nothing! From time to time they come out with short statements, and that is all. When are they going to move?

• (1520)

I look forward to the day when we in this House are confronted with real legislation, with real economic policies, when we find out that the government finally decided to use adequate means, to give itself the tools needed to put the Canadian economy back on the rails and to give Canadians a renewed confidence in their country's prosperity. Rather, we have a vision that projects nowhere, statements by the leaders that boil down to contradictions. We hear a minister announce something, then another minister brings so many qualifications that contradictions are very easily detected. Half-baked programs are being announced. For instance, the legislation that is now before the House is but a half-measure.

Instead of announcing a truly comprehensive policy in the area of housing and residential ownership, we are told of a limited policy to help one group of owners. Of course the most well-off will benefit, but Canadians who pay rent and face problems also are confronted with increased housing costs because of constantly rising interest rates, because those constantly rising interest rates lead to higher fixed costs for landlords, and this freezes more or less new housing developments, and therefore in certain areas there is a lack of housing and this, because of supply and demand, goes against small people, those who are the least capable of paying. Landlord confidence will decline, because of rising interests and other costs. Where are the benefits to them, where is the increase in the allowable contribution to home ownership programs for people who pay rent? There is nothing for them, because as I say, this is only a half-measure.

As far as energy is concerned, there is an unfortunate confusion in this House between oil policy and energy policy—increased consumption, increased supplies. Are we confronted with increased consumption but, are we also faced with increased supplies? This is only delaying the problem. Where is the program ensuring that the energy needed will come from

somewhere? All the incentives in the world will not alter the fact that sooner or later there will be no energy left, and we will have to ask ourselves where it will come from. On that score, we are once more up against a half-program, a half-measure.

As for external affairs, there is no excuse! We have lost contracts. Think of all the time it takes to get new markets, all the contracts, negotiations and time involved in getting new clients. In some cases, it takes as long as a year or two, and even more. Because of a half-baked measure, because of a frivolous election campaign promise, Canada has lost who knows how many contracts and sales, how many billions of dollars. That, we have not been told. It may be that no economist will ever be able to estimate the loss with certainty. But everyone knows, and businessmen better than anyone else because they are in a position to evaluate the consequences, the losses they incurred, the loss of contracts for years to come before they have a chance to make up for them, to rebuild the confidence of their clients and open up new markets. Why? Because most of those countries have planned economies, they know where they are going.

Talking about the fiscal deficit, the bureaucratic deficit, I challenge anyone to quote a government statement to date which has not been contradicted later on: trade, $6 billion deficit. Has the House been told what steps the government intends to take to restore our balance of payments? What does the government intend to do? What is its policy? Does the government have a three-year plan? Or a five-year plan? Does the government really want, and is it really in a position, to inform the House and the Canadian people, that before a given time this or that will have been done, that our balance of payments will be restored, so that we no longer have to depend on decisions made by foreign countries, in particular our neighbour to the south? No announcement is being made on that issue, and yet weeks, months are going by.

It is the same thing, Mr. Speaker, with respect to estimates. Do we have a three-year plan? Do we have a five-year plan to balance the government estimates, in order to give better balance to the economic power, in order to give those who will be responsible—who are not yet responsible but who will soon be, hopefully—for giving our country a true monetary policy, the freedom of action needed so that decisions can be made here, for the benefit of Canadians and with all Canadians in mind? But no, weeks and months go by. I am warning the Progressive Conservatives. The Liberal party will soon elect a new leader, and it may not be long before a new team is back with a new program. I for one will doubt its sincerity. Yet the fact remains that Canadians decided to change governments last May 22, and in view of the fact that the new government has made no change, being satisfied with strolling down the narrow lanes traced by the previous government, unable to introduce legislation and set up policies for the whole Canadian population. Mr. Speaker, there exists a very serious possibility that the present government will be faced with political problems before long. But I should like to say this: there will not be much change coming either from the government side or the opposition side, because the Canadian people have had enough.

The Canadian people will elect more members from our party to the House, and they may also elect a greater number of representatives from the New Democratic Party, if the present government is unable to meet the challenge, assume its responsibilities, lead the country on the road to progress and prosperity. In spite of all our possibilities, Mr. Speaker, a balanced budget does not appear to be for tomorrow, because both the former and present governments lack the necessary means and powers. I shall conclude by quoting a statement made by U.S. President Franklin Delano Roosevelt at the time of the declaration of war to the effect that to win the war, "it is necessary to demystify the monetary power." These words were not said by any of my colleagues in the Social Credit Party of Canada, nor by me. They were said by President Franklin Delano Roosevelt at a time when the United States was coming out of the depression: "In order to win the war, it is necessary to demystify the monetary power." If Canada wants to accept the challenge of the future and to hit the road to progress and prosperity, we also will have to demystify the monetary power.

As regards the motion introduced by our colleague from the official opposition, I will merely say that they have definitely nothing to offer. Of course we have been given the opportunity to give the government some advice that I feel is quite relevant and quite necessary at this time, but I suggest that, generally speaking, this kind of motion causes the House to waste one day in debating it, and as far as I am concerned, I consider that today has been a day lost for our Canadian parliamentary system.

[*English*]

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): Mr. Speaker, I am indeed pleased to have the opportunity in the few minutes available to me to reply to some of the allegations of inactivity that I am so tired of hearing in our first six months in office. I guess the fundamental thing that we are addressing here is a difference in philosophy from that expressed by the opposition critic for industry, trade and commerce in that I gather, from the wording of his motion, that he is a top down interventionist and believes in government intervention in the marketplace, which is kind of polarized to the philosophy that I carry with me in my political activities.

● (1530)

I guess the best example of all is that of the hon. member for Timmins-Chapleau (Mr. Chenier) when he issues that challenge to me as the minister responsible for the Metric Commission in Canada. In his speech he said that all parties agreed to the metric paper in 1971. That is true. Where metric

in Canada came off the tracks, however, was that for some convenient reason, that top down type of government failed to abide by the spirit and intent of the white paper. Now, in the fall of 1979, that is what we must address as we approach the mandatory stages of implementation which are going to affect wide segments of the population. I could probably take the hon. member to the very desk at 235 Queen Street where that speech was written for him, but I will resist.

The allegations and the attitude toward metric that we have heard today do not serve the situation well. There is a very serious problem. In this, I would address my remarks to the hon. member for Ottawa-Carleton (Mr. Pepin) so that he may listen, rather than talk.

We are not going to interfere with the meat packers council, the meat packing industry or any other industry; what we will interfere with is the mandatory nature of the intervention on January 1, 1980. What must be slowed down are the regulations as they apply to the weighing of individual portions or the weighing of individual measurements. There is nothing to stop any meat packer who has already converted to metric, or any processing firm that has converted, from continuing with it. But it is the mandatory nature of the regulations that is causing the problems that are reported to us by the Metric Overview Board. While on the subject, Mr. Speaker, may I say how pleased I am with the intensity and the low key approach and the seriousness of the Metric Overview Board.

As a junior minister, Mr. Speaker, I do not have opportunities for press coverage and so forth. I should like any member of the House to identify any reporter whom I have ever sought out in order to make the news or get a headline. That is not my method of operation. The implementation of the Metric Overview Board has been very low key. We were able to accumulate a great deal of information and to rationalize it before the first question was asked in this House. Any announcement that was made, was made in this House, Mr. Speaker. I would like hon. members to be aware of that situation.

Now I come to the other allegation, and I shall have to refer again to the hon. member for Ottawa-Carleton, Mr. Speaker. What did he say?

Mr. Pepin: You said that you regret the public was not better informed, and the fact is you say you didn't try to connect with the public through the press.

Mr. Huntington: He says that I regret that the public is not better informed. The professor is very concerned about this. Mr. Speaker, that is the downfall of the system. If the white paper had been adhered to and implemented, there would be no problem. There was no monitoring system in the three test areas of Peterborough, Kamloops, and Sherbrooke to find out what the problems of the people were. It was not until the Metric Overview Board went into the streets, into the factories, into the auction markets, into the ranches, into the farmers' meetings across Canada, that the government or the Metric Commission started to get the feel of the temper and concern lying below the surface.

If the political process cannot address the concerns of the people, and the people have to knuckle under to top down governments and systems that they do not understand, then, Mr. Speaker, the system is failing, and I fail, as a member of Parliament.

This country has had 16 years of Liberal government. The hon. member for Winnipeg North Centre (Mr. Knowles) has said that the motion before us today should have been made against the previous government. I agree with that.

Mr. Knowles: Could have been.

Mr. Huntington: Could have been and should have been. I believe some of the wording was a little stronger in the dying hours of the last Parliament. The damage that has been done to the stability, the perception, and the decision-making process in the marketplace, cannot be undone in six months, in 12 months or in 18 months.

We should take a good look at the estimates system in this House. The programs in the 1979-80 estimates were in the planning process some 40 months ago. It took that long from planning to implementation. They had just been presented to the House when the election intervened, so we were dealing with history when they were before us. We are now dealing with new programs that will appear in the 1980-81 estimates, but plans for them began two or three years ago. They have now come to the surface like bubbles in a bottle.

The new government is not going to have an opportunity in one year or two years to change the direction of the utilization of resources in this country. Those who sit on the crowded front bench opposite—the two hon. members—know very well of what I speak. They were both good, hard-working and responsible ministers in their day. There will not be the rapid change that the hon. member for Ottawa-Carleton seeks in his motion. Those in the back benches over there must feel a little shame for the motion although for most of the day there have only been about four members sitting there. There is not only a degree of shame to this motion, Mr. Speaker, there is a degree of sham also.

There was an allegation that I had not considered small business when proposing to slow down the mandatory imposition of metrication. Hon. members opposite may be surprised to learn that the small business sector had not even been considered by their party, in the process of implementation. The small retailer was supposed to go out and buy a $2,000 scale, or else have a padlock hammered on his door. He was not even told that he could write off the cost of the scale in one year. The big companies which employ accountants and lawyers knew about this, but not the small independent retailer. These are the people who make the country tick. They are the backbone of the country and they want a degree of independence, but they have been completely ignored in the process. I will not stand for the allegation that I have not been very concerned about the independent individual in the business world, when the party opposite completely ignored them in this process.

Implicit in the motion is the suggestion that the Canadian government should take a strongly interventionist role in industrial and international trade policy. It is my position that we should not be in the business of creating expectations in the business community so that they can sit back and wait for government to take their hand and lead them into anything in which there is a risk.

I have been truly concerned in studying the resources available and delivering them to a wealth creating situation in Canada. This concern gets deeper by the hour and by the day. What we have inherited is a use of tax resource that is always reacting to a situation in the domestic and in the global market place. Do you know that in our department we have a budget of about $450 million? Of that, $150 million is in operational funds and $300 million for grants and contributions. Do you know that for the new government and for the new ministers we have less than five per cent of the budget that we can redirect to new things? That is how locked in—

● (1540)

Mr. Andras: You brought in a $2.5 billion tax expenditure and mortgage deductibility, and you have blown it.

Mr. Huntington: Apart from mortgage deductibility and everything else—that will do more to get this country going again than the protectionist, reactionary policies that we have inherited from the former government.

Some hon. Members: Hear, hear!

Mr. Huntington: Twenty-five per cent of our direct spending resource goes into an industry that needs to be kept structured and cannot compete in the international marketplace. We cannot even build our own ships with a 20 per cent subsidy, a three per cent SIAP agreement and no end of provincial assistance and compete with other shipbuilding nations of the world. Apart from comparing subsidy for subsidy we are just not there. Over the years we have put in place protectionist policies involving very high duties, direct assistance to industries, and direct grants to research in industries that have lived behind this protection and have not become modern, vital and truly competitive.

I am not saying that we are going to stand as a nation with our head held high and not have a shipbuilding industry. I am not saying that we are going to stand as an industrialized nation with our head held high, and not be able to put shoes on our feet. I am not saying that we are not going to be able as a nation to clothe our own backs. But if we are going to have those industries in this country as a national need and a national identity, those industries must be brought up to a very modern and a very high productivity level so that that national energy can be redirected into other wealth-creating areas.

Some hon. Members: Hear, hear!

Mr. Andras: That is great rhetoric, but how?

[Mr. Huntington.]

Mr. Huntington: You just give us a chance. Give us a chance to get some of the resource out of the system. That is what we are working on.

Implicit in the hon. member's motion is the suggestion that the Canadian government has unlimited resources with which to launch major new initiatives in the development of industrial and international trade policy. Right now in this system there is $5 of demand for every $1 in the reserve available in the economic development envelope. Do you know that we are borrowing $1 billion a month to pay for the commitments that the previous government put in place? And its members ask what we are doing. What do they do? They come up with sham motions like this one which was put into the House by the hon. member for Ottawa-Carleton. Government resources are scarce, sir. New expenditure programs must be undertaken soberly in light of the restrictions placed upon us by the government deficit with which we have been saddled.

The escalating downstream demands of every program put in place is part of our inheritance. Personally I think new programs should be put on the shelf for six months so that the new government can get a handle on what resource is available and where it should be directed under a new wealth-creating thrust.

Mr. Andras: Including mortgage deductibility?

Mr. Huntington: Yes, sir.

Implicit in the motion is the suggestion that industry wants the government to step in and impose a brand new industrial scheme upon it. Let me say that what business wants is a stable climate, a predictable climate for investment and growth. Business lost that in 1972. Business wants the government to be there in the more risk-undertakings or in the undertakings of DIPP where the private sector and industrial market just cannot support that type of industry, but where there is an international need and where there is a NATO and a defence commitment. Those are the areas the government should be in. We should also have enough resource to be able to move over and lift up some of our emerging industries onto a new plateau that will allow them to compete internationally. That is where the resource should be redirected. Business does not want taxes to finance brand new schemes which some bureaucrat, in his wisdom, thinks would be good for the business community.

We have gone through an era of unbelievable distribution of tax points and tax expenditure and that is a good reason why we are spending $1 billion more than we are collecting today.

Implicit in the motion of the hon. member for Ottawa-Carleton is the notion that the new directions in policy initiatives can become immediately apparent. He knows better, sir. That is why I referred to the motion as a complete sham.

We realize that there are inadequacies in the current program which we have inherited from them. Those things are in place and all we can do is oversee and manage them to the best of our ability and wring out whatever waste we can in the management of them. I asked the deputy minister of our

department how much we could save at IT and C if we shut the doors and paid the essential wages. He replied about $10 million or $15 million, because he said that all of the programs are committed, that they were all in place and they were all downstream. That is the problem today. The minister knows that—

An hon. Member: Not the minister.

Mr. Huntington: —the hon. member. I do not understand the wording of the hon. member's motion.

What business wants is government to create an environment of stability and predictibility and confidence.

Mr. Pepin: He is ahead of his time.

Mr. Huntington: Business also wants wherever there is high risk some front-end benefit on a high risk investment. The tools are all in place for that and it is just a case of a wider application.

We will be moving with a budget very soon, Mr. Speaker. As a junior minister I have been very active in carrying research papers and alternatives on the tax credit points, and rationalizing that through to the finance. We have been very active in research and development programs and in rationalizing the various opportunities open to us for that. We have been very interested in rationalizing the techniques for putting in place programs to lift Canadian innovation from the work bench into the market place, which is a very expensive process. We are trying to spread the decision-making process out more widely across the Canadian business and industrial community rather than have decisions for people to play God and directing things by saying, "you can have this, or you can have that," or, "No, you cannot have this or that." That decision-making basis should be spread more widely. This is a fundamental difference.

Regarding industrial design, I have spent hours with the senior people in the Industrial Design Council of Canada and we are reworking Design Canada and the Industrial Design Council, because therein lies the future. Why have we been limiting that to a hobby-like program when, if we are to project ourselves into tomorrow, we are not going to think of ribbons and fancy paper or fancy covers around things; we are going to think of macro-design. We are going to design ways of doing things better and of competing more efficiently.

Why can small and medium-size industries in Italy pop up and take their place in the world market, in the European market and in the domestic market? Why? Because the Italians are years ahead of us in design. I have been doing all I can to learn from them in this area. One should take a look at the Italian frigate program and look at the involvement of the wide sector of their industry in that program. We must learn from these things.

I see that my time is running out, but I did want to conclude with about six other points, if I may.

• (1550)

The Acting Speaker (Mr. McCain): Order, please. I regret to interrupt the hon. minister but his time has expired. He may continue only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Huntington: I thank the House very much. A number of policy measures are already in place. I do not think they should be overlooked or that we should fail to put them on the record. First, there is the energy self-sufficiency policy. A great deal of work on the part of the bureaucracy and the political system is involved in this. It cannot be brushed aside. Very serious and fundamental issues are involved here. I personally have called for a study of the industrial framework that should sit on top of a new energy thrust and the new energy era in Canada.

Although the Export Development Corporation has been very successful, its operations are being reviewed with the intention of making it more responsive to the private sector needs and international market needs of Canadian industry. With regard to grain transport facilities, do not tell me we are not aware in this House of the tremendous strides that have been made by my colleague, the Minister of Transport (Mr. Mazankowski).

The Minister of State for International Trade (Mr. Wilson) explained that he is deeply involved in improving our international marketing capabilities. The expanded duty remission system is part and parcel of strengthening a program in place and getting it wider spread and to better benefit Canadian workers. As I already mentioned, a number of measures have been taken to extend research and development so that there is a private participation in that very important aspect of Canadian life.

Foreign non-tariff trade barriers of all kinds are being studied as a result of the GATT negotiations, and massive adjustments have to be made on a bilateral basis or Canadian industry is going to be in very serious trouble. These are all things that are in the works and that we are working on very hard.

With regard to multilateral trade negotiations, there is a definite need to critically assess the usefulness of the multilateral forums to Canada and to rethink our long-term approach to our international trading relationships.

These are a few of the things on which this government has been able to get a handle. Sure, it has not finished it all, but my goodness, six months to unravel the damage of 16 years of extravagant, spendthrift rule, is impractical.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, as I have listened over the past few days and weeks to the plaintive cries from members of the Tory government speaking about what they are unable to do, I wonder when will come the day when enough time will have passed so that they will be able to say, "Today I can make up my mind and can do something." I even

heard the House leader complaining the other day about the difficulty of getting legislation through this House. In my opinion, we have made fairly good progress in getting legislation through the House in this session. What have we passed? We heard the Tory people say we have passed the legislation that was left over from the last session that had to be passed. However, I draw to the attention of hon. members that that legislation was left over from the last session because the present government members were unwilling to pass it in the last session.

Some hon. Members: Oh, oh!

Mr. Herbert: Mr. Speaker, I hope the businessmen listened to the gentleman who just concluded his remarks. In particular, I hope those in the shipbuilding, footwear, and clothing industries were listening. They are not going to be very happy to hear the Tory government say, "You have to be more competitive, you have to go it alone; we, as a Tory government, say you are not getting any more help; do it on your own." They are saying to the employees in those industries, "You have to be more competitive, take lower salaries and have less money in your pockets at the end of the week, because that is the only way it can happen if we are to be competitive with the shipbuilding, footwear, and clothing industries of other countries."

Without government intervention, assistance, and encouragement, those industries are going to disappear from the Canadian scene.

Mr. Huntington: Mr. Speaker, I rise on a point of order. The hon. member is speaking very well and I have a great deal of respect for him. However, nowhere in my speech will he find the statements he has been alleging I said. For the sake of propriety I would like him to be very careful he does not allege to me something I did not say.

Mr. Herbert: Mr. Speaker, I am very sorry, but I listened very carefully and that is the impression I got. That is why I am suggesting to the shipbuilding, footwear, and clothing industries that they read very carefully the remarks of the last speaker who said very definitely that the businessmen must go it alone. I cannot but convey from those remarks that if the businessman is to go it alone, it means there is not going to be any support from this government.

I wish to repeat again the excellent motion of the hon. member for Ottawa-Carleton (Mr. Pepin):

> That this House regrets the inability of the government to conduct and develop effective Canadian industrial and international trade policies.

By far the biggest tragedy that is before Canada's international trade—

Some hon. Members: Order.

Mr. Herbert: There are so few people in the House that I wonder why they continually make their interjections.

Mr. Huntington: There is nobody on your side to make any.

[Mr. Herbert.]

Mr. Herbert: Since the Tory government came to power, the worst and biggest tragedy that has befallen us has been the reiteration of their Middle East campaign promise. In terms of lost trade, we are never going to be able to count the many hundreds of millions of dollars. In terms of lost jobs, we will only be conscious of the full effects for Canadians as we enter the winter ahead. Absolutely nothing was achieved. We lost international face as a nation, and at a time when we had a golden opportunity to illustrate leadership our very actions as a nation were discredited.

Not only has a lack of leadership seriously affected our international trade, but it has made it virtually impossible for us to stand beside our major trading partner, the United States, in its current Middle East crisis. When our friends to the south need moral support, when we as a nation could be rallying other civilized nations to the support of the United States, we must lie low because our credibility has been destroyed.

Being in government requires decision-making in difficult situations. Such decision-making is not always popular. What is the course of action of our Tory government? They are going to have more studies. They like studies. I wonder what they had in mind when they decided earlier this year that they wanted an election and they wanted to form a government. Did they have nothing in mind as to what they would do when they came to power? All we heard today was that there would be more studies. The words being used were, "We are rationalizing, we are spreading the decision-making process." If they had a good idea about what they were going to be doing, why could they not have started work on Day 2?

The hon. member for Ottawa-Carleton made a good suggestion when he suggested that co-ordination comes amongst equals.

Mr. Pepin: They took two months to recover from winning the election.

Mr. Herbert: They have not recovered yet, they were so surprised. What the hon. member for Ottawa-Carleton was attempting to do was elevate the two ministers of state to a position of equality with the minister who sits in the other place. He was attempting to aid the consultative process that is such a preoccupation of the present government.

I am reminded, and I do not want to be unjust to the public service, that one talks often of the public service mentality which is to avoid problems, do nothing, form a committee, or start a study. Thus, no action has to be taken and no decision can be criticized; "if a study has already been conducted, let us begin a further study to study the study." And so it goes on. Since Parliament met on October 9 I have heard nothing but continued reiteration of the need to conduct more studies. Of course, that avoids the necessity for coming to grips with the problems.

● (1600)

All over the world, governments in industrialized nations are coming under increasing pressure from industry and labour to

limit imports. Pressures of this kind are always strong whenever business is stagnant or growing too slowly. Today, in the industrialized nations there are more than 15 million people looking for work. Subsidies are paid in a number of nations to help domestic industries win contracts which would otherwise go to foreign competitors. In Geneva, the staff of the GATT organization, which monitors the international by-laws adopted by most non-communist nations, say that fully 40 per cent of the world's trade today is categorized as being non-liberal, meaning that it is subject to controls.

Like most other nations, the United States already restricts the importation of certain products. Protectionist pressures have been rising in Britain and on the continent. The number of unemployed rises steadily. Many industries face stiffer competition from low cost producers in the less-developed nations and Japan. One way or another, the Europeans now protect a growing number of high cost industries including steel, ballbearings, textiles, clothing, footwear, consumer electronics, and cars. How similar that is to the list which applies in Canada at the present time.

Canada is grumbling about the duty-free auto trade with the United States, having enjoyed a surplus in these dealings between the two countries in three years only. Canadian officials say that more parts plants are needed but manufacturers show no inclination to build in Canada. Once again, I wonder, though the automobile industry was not mentioned by the previous speaker, whether that industry also is on the list of industries to be told to go it alone. I can assure hon. members that if that is the case we shall not see many more automobile manufacturing plants in Canada.

The Conference Board found in a study that Canadian pay levels were higher than those in U.S. scales covering 11 occupations in the automobile industry. Again we must be careful, because the last time I suggested that it was better to work for X dollars than to not work for X plus 2 dollars I was criticized. But the fact is we either have to pay workers less or we have to give some protection or assistance to the industry.

Any discussion of Canada's trade position must begin with the recognition that this country has become overwhelmingly dependent on a single trading partner, the U.S.A. This long-term trend, which has accelerated since the Second World War, has now reached the point at which trade between Canada and the United States accounts for about 70 per cent of our exports and imports. Since total Canadian exports represent such a large percentage of our gross national product, and since the U.S.A. plays such a large part in Canada's total trade flow, it follows that the likely future direction of Canada-U.S. trade will be of crucial importance to the further development of our economy.

Canada has a virtually unique position as an industralized trading power without open access to either a large national or regional market. The weakness of Canada's manufacturing sector has given rise to a large deficit in our trade in end products, hence a continuing inability to compete effectively in world markets. The impact on our industrialization and export potential of large foreign direct investment is abundantly apparent. Canada is one of the only two industrialized nations—the other being Australia—without access to either a national or regional market of over 100 million people. We are increasingly isolated in a world of large trading blocs. As world trade has become more competitive and Canada's dependence on trade for its prosperity has remained high, forces are pushing Canada toward closer trade integration with the United States.

I should like to quote Mr. R. J. Wonnacott who says in the *International Journal:*

> One of the major economic issues facing Canada in the next decade will be how to increase its industrial efficiency to internationally competitive standards. While there is not yet a consensus on a cure, there is general agreement on the diagnosis of the problem: in a world in which there are substantial economies of scale in manufacturing, Canadian processing is now too heavily characterized by small scale high cost processes. If this problem is not cured there will be a continuing cost for Canada. Moreover, it will face increasing difficulty in export competition with firms from the United States which have always enjoyed the efficiencies of a large market.
>
> The obvious solution for Canada would be to gain free access to larger markets by liberalizing trade.

The Senate conducted an impressive study on the subject of Canada-U.S. trade relations, and the chairman of the Senate standing committee on foreign affairs, Senator van Roggen, wrote to me recently:

> I believe there are many of us who recognize and can reasonably agree on the nature of the problem and, indeed, probably differ less than we think about what the solution is. Certainly "free trade" is a long-term objective which would only succeed after we have put our house in order first.

In its report, the standing committee put forward the following principal recommendation:

> The committee urges governments in Canada, as well as the business and labour communities, to assess without prejudice Canada's present economic prospects, the alternative solutions and their consequences. The committee recommends that they consider seriously the option of bilateral free trade with the United States.

Before anybody jumps, let me say that the deputy chairman of that committee, Senator Grosart, is a member of the government party. It is important for every Canadian to be fully conscious of the fact that the standard of living to which we, as a nation, are accustomed, depends completely upon our continuing to be one of the great trading countries of the world. Otherwise there is no way in which a small population of just over 20 million could operate anything resembling a modern, industrial economy. Canada's exports amount to about 25 per cent of our gross national product. Nevertheless, imports exceed exports. Of this immense trade, 70 per cent is with United States, 11 per cent with Europe, 6 per cent is with Japan, and less than 13 per cent with the rest of the world combined, even if one includes Canada's massive grain sales to Russia and China. The vast majority of our trade continues to be with the United States, and the United States is truly a trading bloc of its own.

A study of the nations which have been most successful in the international marketplace indicates that an effective industrial strategy begins with the realization that no one country can make everything more cheaply and more effectively than others, that specialization and constant innovation are essential, and that the selected areas of specialization must be

accorded the full support of co-ordinated national policies and the countries' human and natural resources.

● (1610)

A brief overview of Canada's situation today can be stated. Canada has a large resource sector in forestry, minerals, energy, and agriculture, in which we have a favourable balance of trade in excess of $12 billion. We have a manufacturing sector developed, in large measure, in response to our tariff policy to serve the small Canadian market only, in which we have an unfavourable balance of trade in excess of $10 billion. There is a chronic imbalance of payments in invisibles of approximately $9 billion a year. Canadians have a concern about foreign ownership and control which we cannot begin to address until we halt our imbalance of payments and stop borrowing the savings of foreigners to cover the same.

I suggest that we must soon seek to negotiate a free trade agreement with the United States so as to draw even with them in due course. There is the immediate, obvious disadvantage of the loss of our tariff protection, but there are these comparatively low protective levels which now prevail or will prevail following recent agreements. There will be a period of dislocation and adjustment, but hardly on a disruptive scale.

On the other hand, what do we gain? Canada gets free access to the huge United States market and becomes part of what I would consider the world's best trading bloc. Our United States competitors all have a large home base market from which to compete with us. We need the same advantages they have. Canada-U.S. free trade is not just access to the U.S. market. It is the creation of a large base from which to develop world-scale plants. It would result in our slowly rationalizing our branch plant economy where we try to make one of everything, with its attendant problems of foreign ownership, foreign control, and lack of Canadian research and development.

Basically in a bilateral free trade situation the exchange rate would replace the tariff and become the moderator. This has a great advantage as a lower Canadian dollar has a double benefit of inhibiting imports and helping exports, whereas a tariff only provides one of these benefits. In order to succeed we would be required to discipline ourselves by adopting measures to increase capital formation by Canadians.

As a result of the Economic Council of Canada report, the Senate committee report, the C. D. Howe Research Institute position, the statement of our new Minister of Finance (Mr. Crosbie), the hon. member from somewhere in Newfoundland, and the positions of a number of individuals knowledgeable in the field who all support at least a study of Canada-U.S. free trade, the subject has come to the fore. Proposals for a Canada-U.S. free trade agreement are simply aimed at strengthening the Canadian manufacturing sector by rationalizing it over a period of time in the context of today's situation where it has lost its traditional high tariff protection.

During the last five years it has become increasingly obvious that Canada's competitiveness in manufactured goods is limited. Canadian manufacturing suffers from high capital costs, lower productivity than in the United States, less product specialization, small production runs, much less indigenous research and development, and substantial market fragmentation. All of these factors have meant that Canadian manufacturers have great difficulty in producing competitive or attractive exports to the United States.

These would be problems for the Canadian manufacturing industry, whoever owned it, but these problems are in many instances compounded by the fact that the United States is at the same time our major trading partner and the owner of much of our manufacturing industry. The effects of high levels of U.S. investment in Canada have been extensively analysed. The establishment of large numbers of United States manufacturing subsidiaries or branch plants and, concurrently, a high degree of American ownership in such primary resource sectors as fossil energy and other minerals, tie us inevitably more tightly to a single regional North American economy. For example, we have lost control over the development of our mining and manufacturing sectors and are more vulnerable to the strategies of U.S.-based multinational corporations, with global interests, which may shift their investments to lower cost regions without consulting Canadian needs.

I might point out that as late as yesterday I was talking about what business in Canada will do. I was not criticizing businesses when they look for the most profitable location and therefore do not take into account the need for development in areas of Canada of high unemployment. Here again, without government intervention in some form, this is going to continue to increase, and I suggest that unless the government makes up its mind fairly soon to look more carefully at the efforts of the Department of Regional Economic Expansion, we could be in serious trouble in the province of Quebec.

We are closely connected to the United States in our monetary and fiscal policy. Our foreign debt has grown as we have borrowed to cover our current account deficits, leaving us little flexibility in our interest rate policies.

The recently concluded GATT agreements, in pursuing the laudable goal of trade liberalization, will bring us to a situation of virtually complete free trade with the United States. In eight years, when implementation is complete, 80 per cent of current Canadian exports to the United States will enter duty-free. To the sectors which already operate under virtually free trade—the automotive industry, defence production, and farm machinery—will be added forest products and edible agricultural products. Over all, well over 90 per cent of current Canadian exports will enter the U.S. market at insignificant tariffs of 5 per cent or less.

Accordingly, trade flows between the United States—

The Acting Speaker (Mr. McCain): Order, please. I regret to advise the hon. member that his time has expired. He can continue only with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Herbert: Thank you, Mr. Speaker, and I thank the House. I have only a few more sentences to conclude my remarks.

Trade flows between the United States and Canada are clearly likely to increase, and the impetus to the establishment of a free trade area is growing stronger.

In an environment of free trade our principal purpose must be to encourage the growth of Canadian-controlled companies in manufacturing and in the resource processing area, which are capable of taking advantage of new export opportunities.

We will need programs to promote investment by Canadian employees in their companies through the encouragement of share sales directly to the employees. There will have to be even more extensive support programs to small business investors in the form of tax incentives and reduced government regulation. Greater incentives will be needed for the development of research and development capacity in Canadian firms in selected, high technology and high potential areas.

I could elaborate at great length on any of these and many more areas in which there will have to be federal intervention if the Canadian industrial sector is to progress and be successful in providing jobs for Canadians. In the meantime, if the new government will cease fighting with foreign countries so as not to make any worse the situation as it is today, at least its inactivity in that area will be of assistance to our industry as a whole.

I thank the House for giving me the opportunity to conclude my remarks.

Mr. Bill Kempling (Burlington): Mr. Speaker, it is a great pleasure and honour to stand in the House of Commons late on a Friday afternoon with the galleries overflowing and members on every side hanging on to every word uttered.

An hon. Member: Is your mother here?

Mr. Kempling: It is a real pleasure to be here.

Mr. Andras: Many members of the press gallery are up there! Only one!

Mr. Kempling: I must say at the outset that before today I had never heard the hon. member for Ottawa-Carleton (Mr. Pepin) speak in this House because, when I came to the House, he left. That was in 1972. He did not return, and I was new. Considering the events of Wednesday of this week, there is a natural assumption that he will be one of the aspirants to the leadership of the Liberal party. I thought it appropriate that I stay here and listen to his remarks. I say in a friendly sense after listening to his rambling report of rubbish, that I suggest he save his money and his emotions and do not run.

Mr. Pepin: That is a shocking blow to my chances. I might never recover.

Mr. Kempling: I am sure the hon. member will take that to heart. I had to give him that bit of advice, for what it is worth to him.

Mr. Pepin: Not much.

• (1620)

Mr. Kempling: Let me say that when I read this ill-conceived motion of the opposition which brought on this debate, I was quite amused by it. Anyone in the official opposition who dares to raise his or her head on this subject, and who has the audacity to point an accusing finger at this government, is either naive, ignorant of the record of the previous government, or stupid. I would have to say that their view is so narrow that they can see through a keyhole with both eyes.

Mr. Pepin: You speak big.

Mr. Kempling: Since I have come to Ottawa I have seen four ministers of industry come and go. We had Alastair Gillespie who was a disaster, and who finally found "a place to happen". We had Don Jamieson whose main talent seemed to be that he was going to look into something and advise, but he never did either. We had the present hon. member for Saint-Maurice (Mr. Chrétien), who is not here so I will not be too uncharitable with him, but I would say that somewhere between Indian Affairs, Treasury Board and Finance, he dropped into Industry and, at the most, he was confused. Then, of course, we had Jack Horner. He finally rode into the sunset on May 22 and all of us were happy to see him go. We used to say about Jack that he is as big as a gorilla, as strong as a gorilla, and if he were only as smart as a gorilla, he might have done something with it.

Mr. Knowles: That is no way for a Tory to talk about a Tory.

Mr. Kempling: The hon. member for Winnipeg North Centre (Mr. Knowles) says this is no way to talk about a Tory. I heard this morning that he is one of the candidates for the leadership of the Liberal party, so I do not really know what his politics are.

Some hon. Members: Oh, oh!

Mr. Kempling: Well, he is going to be the leader of something; let us put it that way.

Mr. Andras: If at first you do not succeed, try and try again.

Mr. Kempling: I must say, about the hon. member for Ottawa-Carleton, that I have seen his smiling face; I heard someone describe him as the chortling cherub of chutzpah, and I must say I have seen his smiling face many times, and he has built quite an image. Not having met him, like a lot of football players who have press clippings, I thought he was a pretty good guy, but I looked into the Department of Industry, Trade and Commerce when I came down here and ever since I have been here, and I could not find anything of value on which he left his smile or his thumb-print. While he was highly regarded as a very nice person, I cannot see that he put the country or our trade in any particular direction.

Mr. Pepin: That is a very clever and deep remark. It is a deep analysis.

Mr. Kempling: Now, Mr. Speaker, what has been done throughout the seven years that I have been here, through four ministers from Gillespie to Horner or, maybe more appropriately, from the sublime to the ridiculous? What has really been done? I sat through I do not know how many committee meetings of the Standing Committee on Finance, Trade and Economic Affairs, and speeches in the House, and I have heard such things as that they are studying an industrial strategy. They are going to put in place an industrial strategy. Then I heard they were proceeding with a sectoral approach, whatever the hell that is—

An hon. Member: Order.

Mr. Kempling: Pardon me. Thank you, I accept that. My emotions got the best of me. They said they were taking a sectoral approach, which was just another way of saying, "Don't bother us, fellows; we really don't know what we are doing but we will put those words together and they will be confusing enough to keep everyone off." We have not seen the result of this sectoral approach after seven years. Then we heard one of the members state again today that if we would only convert to the metric system, all our problems would be over, the gates of Europe would be open to us, people would buy our manufactured products. In fact, the Metric Commission itself had a figure at one time of how our sales were going to increase down the road if we only converted to the metric system. But, by gosh, they do not have much proof for that today. Finally, after seven years, we had an admission at one of our meetings that they did not think they could really put an industrial strategy in place which would last more than 30 days. That is what we had to face when we came in.

One thing that I found in the seven years which I can review with any accuracy, is that the former administration did not really talk to the people who create industry. One of the reasons that I became involved in the political process was that there was no clear direction for industry that I could see. When I came to Ottawa in 1967, and up to the middle part of 1972, I found they spoke a language that I could not understand. It was a mixture of philosophy and text book economics, laced with some bureaucratic clichés.

Mr. Pepin: Maybe it was French.

Mr. Kempling: Oh no, I made no such remark, and do not try to say that I said anything about French. I am talking about the style of conversation that was used. It was a confusing bunch of nothing. In fact, the people who I know in industry shook their heads in disbelief on coming back from Ottawa. I belong to all sorts of trade associations. We could come up here and talk to people in IT and C and Revenue, and we would walk away and shake our heads and say, "My gracious, where is this country going to?" I heard some of this gibberish the other day from the NDP. I see the hon. member is there and he raised his eyebrows.

I hear them once in a while and I find that, for example, one of their critics will talk about industry out of one side of his mouth and ask, "What are you doing about industry to create more jobs in industry, and what are you doing to help our industry get going, to help lower our balance of payments, to increase our trade, and so forth?" The other day one of them got up—I do not recall whether it was the hon. member for Winnipeg North Centre, or someone else—and he said that profits in the industrial sector in Canada were up, and what were we going to do about it? Well, for gracious sakes, do you expect companies to operate at a break-even point? Do you expect them to operate at a loss? One of the difficulties we have here is the nonsense statistics, the misleading statistics that are put forward. An hon. member raised the point that profits were up over last year. What were they last year? Maybe they were down last year, for all we know. If you do not give a firm basis for these statistics, you can be part of the distortion yourself. So, we—

Mr. Knowles: Are you having trouble reading your notes?

Mr. Kempling: No, they are in my own handwriting. I wrote my notes in a hurry as I was listening to the remarks that were made here, and perhaps I am having a little trouble reading them.

The reason we have not developed an industrial complex that is equal to the labour force that we have had in this country over the past 16 years, is very simple. Over the past 16 years the previous administration removed the ability of the middle-class wage earner to achieve any level of savings. In other words, they taxed away his ability to create wealth. Years ago we used to be able to go into small towns and find doctors, lawyers, and other professional people, as well as successful businessmen, who would put money forward on a venture-capital basis to get an industry started. I can remember, in the town in which I lived at the time of the depression and coming out of the depression, people digging down into their socks to invest in industries which were developing. You do not find that any more. In fact about the only source you can find for venture capital today is the bank, and what are you paying banks? You are paying them a very high rate of interest. That is something to which we should address ourselves. So the ability of the middle-income wage earners and professional people in the country to create wealth has been eroded to the point that we have very little of that type of venture capital available.

When we came to power after the election on May 22 we found some very difficult things. The Minister of State for Small Businesses and Industry (Mr. Huntington) thought there would be a department there. Do you know what he found? He found an office.

• (1630)

Mr. Wilson: And a nasty piece of goods.

Mr. Kempling: A nasty piece of goods, a couple of secretaries, a PR person, and an executive assistant. That was the

department which the Minister of State for Small Businesses and Industry found. It consisted of about four or five people.

Mr. Andras: He immediately moved into de Cotret's office and created one heck of a problem.

Mr. Kempling: That is what the former government had put before the people of Canada and the small business sector. That is what John Bulloch and all other people who present the case for small business had put forward as the department of Minister of State for Small Businesses and Industry. It was half a dozen people and nothing else. In fact the only thing he had within the department was the Small Businesses Loans Act. Is that right?

Mr. Wilson: Yes.

Mr. Kempling: That is all there was to it. We sat on the other side and asked the government on this side questions about what was being done with small business. The two or three ministers the previous government had would stand up and say things, but they had nothing there whatsoever. It was a sham, a worse sham than the motion put forward today.

One thing this minister will not do is play small business against big business, and big business against small business. That is what I have heard coming from the other side quite often. They play one against the other, and divide them off. They will not get that from this minister. What did we find when we came into power? We found a current account deficit of $7 billion. We found a manufacturing products deficit of $12 billion. We found a budget deficit of $11 billion. We found inflation approaching double digit levels. We found the Canadian dollar at 15 cents. We found that billions of dollars had been spent in foreign exchange reserves to keep it there.

Mr. Pepin: Fifteen cents?

Mr. Kempling: It had dropped 15 cents, to 85 cents.

Mr. Pepin: That is better.

Mr. Kempling: I thank the hon. member for pointing out my error. It had dropped to 85 cents, it had dropped 15 cents. I hope that is recorded clearly. We found nearly one million people unemployed. In fact, as the President of the Treasury Board (Mr. Stevens) said, "The cupboard was bare". Not only was it bare, it was garroted, gutted, and bled dry.

Mr. Munro (Esquimalt-Saanich): Somebody even sold the hinges.

Mr. Kempling: That is right. It was bled dry by a bunch of economic bandits who have the audacity to come into the House today and criticize the efforts we have put forward in six months. I say that is brass, just plain brass. They should hide their heads in shame.

Some hon. Members: Shame, shame!

Mr. Kempling: I know another one or two members want to speak, so I will yield the floor to them shortly because I am a parliamentarian and I respect their rights. But I should like to say that we have three ministers involved in our trade policy.

Mr. Andras: The timid trio of trade.

Mr. Kempling: Let me tell the hon. member that the best thing that ever happened to the Senate of Canada was to have three ministers there.

Mr. Andras: Does the Senate think so?

Mr. Kempling: I think it is the most wonderful thing that ever happened to that institution, because the place has come alive, and they are doing something.

We recognize the immensities of the problems of trade and industry, and we split them apart. In our view the department was too big. It required more ministers to look after it and give it individual attention. Particularly I am proud of my colleague, the Minister of State for International Trade (Mr. Wilson). He has a good commercial background and a great reputation in the business community. I know he will be successful. He put in place trade policies and other initiatives which I know generally will increase the trade of our country as we go down the road. We have had some tough things to do in the short time we have been in government. We have more tough things to do in the budget which will come down on December 11. I believe we are up to it. I believe Canadians are ready for tough medicine. I think they will take it.

If members opposite in the official opposition had had the courage to face reality, perhaps they would still be in government today. The fact is that they just refused to face reality. Either they did not have the will or they did not want to look reality straight in the eye and see what we were facing. The result was that on May 22 Canadians said, "No more, you are out. We will give these other people a try". I think we deserve a try. I look at the talent in our benches and I am proud of it. Given half a chance, I am convinced that we can turn the country around and point it in the direction which it should be going.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Bernard Loiselle (Verchères): Mr. Speaker, I listened with great pleasure and attention to the previous speaker, the Minister of State for Small Businesses and Industry (Mr. Huntington). He talked about the situation he found after his party came to power on May 22, and of course he quoted a few figures which may not be very favourable. However, he forgot to talk about something which was very positive, our trade surplus. Since the present government had been gloomy for 16 years when we were in power, as soon as it saw this trade surplus, it tried to paint everything black and attacked the issue of Jerusalem because Canada had to go from a surplus to a deficit.

Everything goes by threes in this government, even though the right hon. Prime Minister (Mr. Clark) speaks about more

flexibility in communications and a major exchange of views. There was the Minister of Employment and Immigration (Mr. Atkey) who talked about barkings, the Secretary of State for External Affairs (Miss MacDonald) who remained silent, and the right hon. Prime Minister who tried to keep an election promise even though it meant the loss of several million dollars in contracts, whatever the Minister of State for International Trade (Mr. Wilson) might say. If he does not have detailed figures, I would suggest that he ask one of the organizers of the Progressive Conservative Party, the president of Atco, who can provide rather accurate figures.

Mr. Speaker, the Minister of State for Small Businesses and Industry also said how bad the situation was when his party came to power. This was perhaps an excellent idea, but the fact remains that, to rectify this situation in the industrial and commercial sectors, the right hon. Prime Minister created another triumvirate made up of two men who can talk big and one man who may have enough imagination, but who is absent from the House and who is not directly responsible to the population, because the government did not obtain a clear mandate from the voters. Instead of having a triumvirate consisting of two spokesmen and one thinker, we should perhaps have three ministers clearly involved in the development and the implementation of industrial policies in Canada.

Mr. Speaker, when the Progressive Conservative Party came to power, it considered two solutions as a panacea. The first was tax credits and the second was privatization. The Progressive Conservative party, and especially the President of the Treasury Board (Mr. Stevens), have for many years criticized the role and even the existence of the Export Development Corporation. During the recent election campaign, and I could quote from several speeches made by Mr. Stevens in this regard, this party made a commitment to the Canadian population to implement a large scale privatization program under the pretext that any activity in whatever sector is always better for Canada and our economy when it is controlled by private enterprise, even though they have never given sufficient proof of this theory.

● (1640)

With this pro-private enterprise, pro-privatization momentum, everything was going. Last September, the President of the Treasury Board produced a list of over ten Crown corporations that were to be turned over to the private sector and he told us he had in his pocket a second list that would be made public in due course. From behind the scenes, we learned that civil servants had to spend the month of August producing a series of internal papers, the purpose of which was primarily to say in which painful way privatization would be carried out, rather than to consider the advantages of such a move. More recently, the President of the Treasury Board told the House about the setting-up of a committee to study the whole of that issue and to show the government how to proceed to privatize the corporations already mentioned. And, last week, the President of the Treasury Board without even waiting for the report from the task force, announced the privatization of the Canada Development Corporation.

Such rambling on the part of the government, added to inadequately prepared statements, brought out all sorts of loose rumours. This government is entering day after day into a process of privatization that is far from just having advantages. As an example, today, Mr. Speaker, I would like to deal with the EDC. The former banker who is now President of the Treasury Board has suddenly found himself cogitating publicly over the privatization of the EDC, and having done that, having thought that out, having publicly pondered over that, he had to take action. And then confusion set in, both abroad among our trade partners, and here among our Canadian exporters. Let us look briefly—and that is what the government should probably be doing—at the EDC, because it is necessary that we should remember what purposes and objectives are being pursued by that corporation. The mandate of the EDC is to facilitate and develop export trade by providing loan guarantees and other financial services. Its role is to ensure that Canadian export sales are not lost because of lack of financing at rates competitive with those offered by foreign exporters.

The EDC is the largest institution of its kind in Canada. Its role is to complement rather than replace other financial institutions. Its purpose is not to subsidize Canadian exports. It is commercially independent and has earned an adequate rate of return on investments made by the government, through the Consolidated Revenue Fund. The EDC's purpose is also to develop trade by offering Canadian firms consultation services in the areas of exports and country credit analysis. The EDC operates on a financial independence basis and at least for the time being it is attempting to maximize its revenue potential. The corporation has a unique accounting structure which allows for financing facilities at the government's own risk, in situations where a transaction would not meet commercial criteria but is to Canada's advantage.

To fulfil that mandate, the EDC offers five types of assistance to exporters: long-term loans; export credit insurance against non-payment by foreign buyers; insurance guarantees; guarantees to contractors and building firms; and foreign investments guarantees against the loss of Canadian investments due to political action.

The previous government, conscious of the predominant role played by the EDC, put forward Bill C-36 passed by the last Parliament. That legislation may be summarized as follows: the ceiling of EDC's loans and guarantees was raised to $26 billion. The authorized capital was increased from $400 million to $1 billion. Easier terms were put in effect to support tender and performance guarantees. The ceiling of authorized loans made on behalf of the corporation was raised to $10 billion. The ceiling of authorized loans made on behalf of the government was raised to $2.5 billion. The corporation's insur-

ance facilities were brought under a separate account for possible liabilities, namely, $10 billion on behalf of the corporation and $3.5 billion on behalf of the government. The previous government was motivated by its knowledge and awareness of the role played by EDC in our exports. In 1978 the EDC's volume of business was $6 billion as compared to $2.6 billion in 1977.

That is the dollar amount of exports supported partly or entirely by EDC. In 1978, loan transactions reached $3.7 billion; insurance facilities including security and guarantees for foreign investment covered $3 billion worth of exports; EDC's profits were $29.5 million. In 1978, EDC made all its financial requirements in its own name. That year, Canadian exports gave our country second place among exporting countries for the amount of per capita exports and eighth place for the dollar value of the exports. In 1978, EDC supported 50 per cent of our exports of goods and equipment as well as technical services to countries other than the United States. Unpaid loans stood at only $6 billion at the end of 1978; that same year, EDC loans and guarantees supported exports to 20 countries, which benefited over 300 Canadian companies. In terms of man-years of work created through the support of exports by EDC, we have an achievement of 162,000 man-years.

Mr. Speaker, as a member from the province of Quebec, I can only oppose any reduction in EDC's role because its activities are more important for Quebec than for any other area in Canada. Quebec is the only area where the EDC percentage of exports, 29 per cent, is much larger than its percentage of exports for Canada as a whole, 20 per cent. The reverse may be true for the prairies but that can be explained by the fact that a large percentage of the prairies exports is made up of farm commodities which are paid for in cash and which do not need the EDC facilities. This corporation meets the needs of Canadian businesses wherever they are. Though it cannot change Canada's industrial geography, it seems to make an effort to support efficiently the less industrialized areas.

Mr. Speaker, considering that less than 7 per cent of EDC loans had to be renegotiated; considering the EDC's role in all Canada and particularly in Quebec; considering that it is the only instrument through which the government can significantly transpose its international policy objectives in the trade area; considering that 50 per cent of all exports made outside the U.S. are subsidized by EDC; considering that from 64 per cent to 66 per cent of all insurance policyholders are small or medium businesses, and considering how flourishing the EDC is, we wonder why the minister insists on changing the structure and activities of the Crown corporation, especially at a time when all industrialized countries have become aware of the need for similar agencies to help their own exports.

Recently, in one of his replies, the minister told the House that he intended to increase the participation of the banks in the activities of the corporation. How will he do it? One possibility would be to subsidize the banks by 3 per cent to 4 per cent and even 6 per cent of the commercial interest rate. Such an approach would not significantly reduce the expenditures incurred by the consolidated fund. It would reduce the role of the EDC to an unacceptable level, that of accountant for the subsidies to be paid the banks. Such a change of direction would lead to the loss of several competent staff members of the Crown company, which in turn would automatically deprive the government of an essential element of trade, that is, financing.

Though I accept the argument that over the years the banks have acquired significant expertise in the field of international financing, I shall nevertheless remind the minister of the obvious: all banks are unanimous in being reticent about any financing that exceeds an eight-year term. They are also reticent about guaranteeing fixed rates of interest, and even more so when it comes to lending money, even with government subsidies under the bank prime rate.

● (1650)

Even more unfair would be a greater participation by banks if it were to take the form of a sharing in the financing whereby their participation would have to be achieved under the medium term and the last in, first out basis. This approach is quite costly especially since EDC has been financing all its operations on public and private markets at the same cost as chartered banks. Such an approach would be detrimental to exporters while at the same time it is not necessary to the banks operating on the international market.

Mr. Speaker, I am aware that the President of the Treasury Board can always raise the fact that the government must annually spend some $600 million to $1.1 billion for the 1976 to 1982 period. Yet I want to remind him that we are dealing here with an equity and that he must consider these amounts as an investment and not as money spent. In short, Mr. Speaker, a country such as Canada must support its exporters, and whatever the approach considered, whatever the policy it will choose to follow, its action will entail a cost. The financing of exports through the EDC is the least costly and the most effective, and at the same time best serves the interests of Canadian policy. Moreover, the privatization of this government sector of activity would occur in a most untimely context when more than ever deals are being transacted between governments, when political disorders in various countries of the world have reached almost record heights, which suggests greater participation by international organizations dealing with governments and not with private enterprise.

If the President of the Treasury Board means to create a better economic environment for the private sector, he should direct his attention away from the Export Development Corporation and especially try to be more receptive to the analysis of the industrial adjustment programs which his colleague, the

Minister of Industry, Trade and Commerce (Mr. de Cotret), will soon submit to Treasury Board. Those programs are more than ever required and expected by all industrial sectors in Canada which are under obligation to increase their productivity and improve their competitive position, at a time following the GATT negotiations when it is imperative for Canadian industry to enter foreign markets while protecting the domestic market in Canada.

It is in this area that the government must make efforts to improve the economic climate in Canada, not by dismantling or belittling the role of a corporation such as the EDC. On the contrary, the government must give stronger support to that corporation so that we can develop here a better expertise in international trade and its requirements, for example the funding of its operations. The government should even recommend that the corporation cut its profits in order to lower the interest rates offered to potential buyers of Canadian goods.

All industrialized countries give themselves the means necessary to support their exports. Countries use all kinds of export policies from joint credit to barely visible subsidies, and if Canada wants to progress and not regress in international markets, its government must totally support private enterprise but in an energetic and efficient manner, according to modern standards and methods, and not by adopting a stance which may have been popular and valid decades ago but which is obviously now outdated.

Mr. Speaker, it would be sad to see the government adopt outmoded ideas in the areas of economy and business.

I see on government benches young members who must surely have read the same economists as I. It is a shame to see the President of the Treasury Board, who cannot boast of his successes in the private sector, and some other ministers base their economic action on theories and approaches which are now outdated. I am convinced that we must generate in Canada a sound economic environment. We must have trust in the spirit of entrepreneurship of Canadians. We must stop dreaming of the thirties, of pre-depression or post-depression days. We can no longer approach economic problems in Canada the way we did in the fifties. I see the member on the other side whose merits as a great international negotiator have been extolled by one of his colleagues. We saw how successful he was in selling our nuclear reactor. Mr. Speaker, if the government wants to create a favourable climate for Canadian companies, if it wants Canadians to trust their economy, then it should start promoting well-thought-out and well-documented policies and not the kind of triumvirate formulae where one person speaks and the other two are merely echoing the first one; instead of implementing an action plan not of its own but robbed from others, it should implement one that would be Canadian and designed for Canadians, Mr. Speaker.

[Mr. Loiselle.]

[*English*]

Mr. George Cooper (Parliamentary Secretary to Minister of Justice and Attorney General): Mr. Speaker, I am delighted to be able to speak in opposition to this astounding motion, even though it will only be for three minutes that I can do so. I say astounding motion because on June 4, for the first time in history, this country received at the hands of the Prime Minister (Mr. Clark) a portfolio in the cabinet of Canada devoted solely and exclusively to the pursuit of international trade.

The motion reads as follows:

That this House regrets the inability of the government to conduct and develop effective Canadian industrial and international trade policies.

In view of the action taken by this government, such a motion is truly astounding.

I want to say also that the motion is astounding in view of the incredibly bad performance of the previous government in international trade. The last year for which we have firm figures shows that this country suffered a $5.3 billion deficit on its trade accounts and this year's deficit will be $6 billion or $7 billion. Next year it may be even more because of a lack of policies put forward by the Liberals over the last 16 years. When we consider this record we see how "brassy"—if that is the word used by my colleague, the hon. member for Burlington (Mr. Kempling)—the motion is in its scope.

It is my view that not only is this motion completely wrong, it goes in the opposite direction to that which this government has taken in its pursuit and desire to improve Canada's trade balance. I wish to mention two or three decisions taken by this government which will immensely help international trade. I have already referred to the creation of the portfolio of Minister of State for International Trade, but there are a couple of other things that have tremendous bearing on this country's capacity to produce and sell goods which perhaps do not fall within that portfolio. The minister has spoken eloquently on this, as have other members of the government.

I should like to refer to some of the trade policies of this government that will improve our industrial strength to the point that we will be able to create goods and sell them abroad. For the first time in Canada in a long while, we have a government that is responsible about spending the people's money. We have put in place a system called the envelope system of spending. It will provide five cabinet committees with a certain amount of money to spend, beyond which they may not go. The result is that not one minister, the President of the Treasury Board (Mr. Stevens), but five groups of ministers will be trying to get as much as they can out of their spending envelope, always in concert with the other four. It is in the interests of the five ministers, acting together, to restrain each other's budgets.

We have in Canada now a government working to prevent the disastrous budgetary deficits that we experienced in the last few years of Liberal administration which brought this country almost to the point of being a banana republic in terms of finances. That is the most important thing we could

do, Mr. Speaker, to get the industrial strength of this country back in line and to create a situation in which we can produce goods for sale to the rest of the world at economic prices.

Some hon. Members: Hear, hear!

* * *

● (1700)

BUSINESS OF THE HOUSE

Mr. Knowles: Mr. Speaker, before we adjourn I wonder if the chief government whip could confirm that on Monday the first order of business will be the continuation of the debate on second reading of Bill C-20?

Mr. Kempling: Mr. Speaker, to my knowledge we will be proceeding with second reading debate on Bill C-20.

The Acting Speaker (Mr. McCain): This House stands adjourned until Monday at two o'clock p.m.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, November 26, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*Translation*]

TOURISM

SUGGESTION U.S. AMEND LEGISLATION ON CONVENTION EXPENSES—MOTION UNDER S.O. 43

Mr. Bernard Loiselle (Verchères): Mr. Speaker, pursuant to Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an urgent matter of pressing necessity.

Since the American legislation on the reimbursement of convention expenses, commonly known as section 602, came into effect in January, 1979, Canada has been experiencing annual losses of some $100 million following the cancellation of many conventions of American organizations which were to be held in Canada. Since then, several private organizations, including the Tourism Industry Association of Canada have made numerous representations to the American government to have that legislation amended. However, no concession has been made by the American authorities, and this is why I move, seconded by the hon. member for Shefford (Mr. Lapierre):

That the government, through the Minister of State for International Trade and minister responsible for tourism (Mr. Wilson) and the Secretary of State for External Affairs (Miss MacDonald), undertake to carry on actively negotiations with the American authorities to have them amend this legislation.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

DECLARATION OF HUMAN RIGHTS

CALL UPON SOVIET UNION TO RESPECT PRINCIPLE OF REUNIFICATION OF FAMILIES—MOTION UNDER S.O. 43

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity on a motion which I am sure all hon. members will wish to support.

As we approach the thirty-first anniversary of the Declaration of Human Rights, I move, seconded by the hon. member for Windsor West (Mr. Gray) and the hon. member for New Westminster-Coquitlam (Miss Jewett):

That Canada reaffirms its commitment to the principles enunciated in the Third Basket of the Helsinki Accord and calls upon the Soviet Union to respect that principle which calls for reunification of families and to allow all Soviet-Jewish refuseniks to be reunited with their families in Israel or elsewhere, and to further call upon the Soviet Union to release all prisoners of conscience, specifically Anatoly Shcharansky and Ida Nudel.

Mr. Speaker: The presentation of the motion, pursuant to Standing Order 43, can be done only upon the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The motion has been read to the House. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

● (1410)

HUMAN RIGHTS

BANNING BY SOUTH AFRICA OF CERTAIN HUMANITARIAN PROGRAMS AND AGENCIES—MOTION UNDER S.O. 43

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I rise, under the provisions of Standing Order 43, to bring a matter of urgent and pressing necessity before the House. On November 1 of this year, the government of the Transkei in the Republic of South Africa issued an order under its public security act banning 34 organizations, including the South Africa Council of Churches, the Dependents' Conference, the World Council of Churches, the Student Christian Movement and the Young Christian Workers.

Since the Transkei government has not been recognized by any government outside South Africa, and since this is, therefore, an illegal action demonstrating that the oppressive policy

of apartheid is still very much the policy of the South African government, I would move, seconded by the hon. member for Churchill (Mr. Murphy):

That this House deplore this vicious attack on the humanitarian programs and agencies which are trying to cushion the worst blows inflicted by the policies of apartheid, and that this House, further, direct the Government of Canada to protest officially to the government of South Africa this travesty of fundamental human rights and urge it to take immediate remedial action.

Mr. Speaker: Such a motion can be presented for debate at this time, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PARLIAMENT BUILDINGS

LACK OF ACCESS FOR HANDICAPPED—CALL FOR INVESTIGATION—MOTION UNDER S.O. 43

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, today I invited to the House of Commons a group of handicapped people from British Columbia. They came in their wheelchairs and were at first unable to get into the building. Eventually they got in through a side door which had to be unlocked. For a while they were unable to enter the parliamentary dining room: we had to carry them down the stairs.

Finally, not all of them were able to get into the House of Commons, though there were only about seven or eight of them in wheelchairs. The marble staircases pose a danger. One has to carry people into the galleries. The situation is really shocking. I would move, seconded by the hon. member for Vancouver East (Mrs. Mitchell):

That this House notes the difficulties handicapped people face inside the Parliament Buildings and urges the appropriate authorities to investigate these facilities with a view to suggestions for correction.

Some hon. Members: Hear, hear!

Mr. Speaker: The motion read by the hon. member can be presented only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Motion agreed to.

* * *

VETERANS AFFAIRS

PENSIONS—INVESTIGATION BY STANDING COMMITTEE—MOTION UNDER S.O. 43

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, in view of the co-operation on the part of all members in passing the estimates of the Standing Committee on Veterans Affairs, and in view of the delay on the part of the government in presenting the bill in connection with veterans pension changes and the need to discuss matters of extreme urgency to veterans, I would move, seconded by the hon. member for Glengarry-Prescott-Russell (Mr. Ethier):

That the government provide terms of reference to enable the Standing Committee on Veterans Affairs to meet to discuss matters of the utmost importance to our veterans and their families.

Mr. Speaker: Presentation of such a motion can be done only by unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENVIRONMENTAL AFFAIRS

RISKS AND BENEFITS OF PROPOSED URANIUM MINE IN LABRADOR—MOTION UNDER S.O. 43

Mr. Peter Ittinuar (Nunatsiaq): Mr. Speaker, I rise, under the provision of Standing Order 43, on a matter of urgent and pressing necessity. In view of the fact that the Labrador Brinex uranium mining and milling project is very near the final stages of assessment before the Atomic Energy Control Board issues a licence for development, and in view of the fact that the province of Newfoundland possesses environmental legislation only in draft form and that the majority of their data is being provided by Brinex, I ask leave to move, seconded by the hon. member for Skeena (Mr. Fulton):

That the federal government carry out a complete assessment of risks and benefits, including an environmental impact study and public hearings, before the Brinex project is given the go-ahead.

Some hon. Members: Hear, hear!

Mr. Speaker: The introduction of this motion for debate can be done, pursuant to Standing Order 43, only with the unanimous consent of the House. Is unanimous consent forthcoming?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

SITUATION IN IRAN—INITIATIVES TAKEN BY CANADA AND OTHER NATIONS

Right Hon. P. E. Trudeau (Leader of the Opposition): I should like to ask the Prime Minister a question following the

exchange we had last Wednesday relative to the situation in Iran, which has deteriorated to the point at which the Secretary General of the United Nations has now convened a meeting of the Security Council.

● (1415)

Could the Prime Minister, within the bounds of propriety, report to the House on any of the initiatives we discussed last week and which he indicated he would attempt to follow up?

Right Hon. Joe Clark (Prime Minister): Yes, Mr. Speaker, I can. There was a proposal from the Leader of the Opposition or the House leader of the opposition that we might want to consider consultations with the summit nations at Tokyo. We have considered that possibility, as I indicated we would, and we have come to the view that since all of the summit nations have made their position unmistakably clear in expressing concern about the implications for international law of what is occurring in Iran, there is not a further useful initiative that could be taken there.

We have, however, turned our attention to the activities which might be launched in relation to the Commonwealth, and we are giving some thought to activities which might be launched in relation to Francophone communities to ensure that, as much as possible, those organizations will express their concern about the breach of international law in a public way.

There is a meeting being convened in London at which the High Commissioner for Canada will make a recommendation to other members of the Commonwealth that the Secretary General of the Commonwealth be empowered to make a declaration reflecting the consensus of Commonwealth High Commissioners' views. We are also taking other action at the United Nations.

Mr. Trudeau: Mr. Speaker, I think the House is very grateful that these initiatives have been taken by the government following some suggestions which were made here last Wednesday.

I might indicate to the Prime Minister that in our view it is not enough that each country, singly, whether a member of the summit or not, indicate its indignation over the breach of international law. As I indicated last week, it seems to me that in dealing with international terrorism, as in hijacking, it is not enough that each country act alone and take its position. It is essential, as we found out when we attempted to deal with hijacking, that each undertake to do certain things concerning others so that we act as a bloc.

We in Canada have always said that we were the closest friends and allies of the United States. It seems to me that what is called for now is a collective decision and a collective announcement, perhaps by the summit leaders, that if any harm comes to any of the American hostages held by Iranian action, then we will consider it as though harm had been done to our own citizens. If each member of the summit were to say that, it would seem to me that the Iranian government and those who are indignant at this action would see the consequences of their action in terms of future peace in the world.

Mr. Clark: Mr. Speaker, I am certain the right hon. Leader of the Opposition shares my view that what we must do in this circumstance is to determine those actions which will be most productive for Canada to take. There is no question at all that it will be useful for Canada to bring to bear the influence of certain blocs. That is why we have proceeded with the Commonwealth; that is why we are looking at the possibility of proceeding through Francophone communities; that is why we are working at the United Nations.

It has been our judgment that it is not probable that there will be effective new action which could be taken by the seven summit nations as a bloc and which could accomplish more than the individual actions taken by Canada and the other members to the summit community on our own.

In light of the renewed representation by the right hon. Leader of the Opposition, naturally I will be prepared to review that question again to see if there is anything new and useful which could be done by the seven summit nations acting together.

Mr. Trudeau: Well, Mr. Speaker, one would assume that several of these summit nations are aware that they depend on oil supplies from Iran. The United States no longer depends on it, in the sense that they have decided not to take it. But each of the other summit nations must be tempted in some way to put its self-interests in getting oil from Iran ahead of its desire to see the United States emerge victorious from this conflict of power.

By way of a question—and perhaps not even asking the Prime Minister to answer the question today—has the Prime Minister considered and has he in effect got on the phone to talk to Helmut Schmidt, Giscard d'Estaing, Margaret Thatcher, Prime Minister Ohira or the Prime Minister of Italy, because once harm is done to these hostages there is no guarantee that the United States will not say, "Well, nobody is willing to help us in this and we must act alone"?

● (1420)

Mr. Clark: The right hon. Leader of the Opposition will know that four of the nations represented at the summit were party to the very strong and unequivocal statement issued by the European Parliament, at which time that group of nations acting as a bloc, and a more representative group than the summit nations, indicated their concern.

As I said to the right hon. Leader of the Opposition a moment ago, in light of his renewed representation we will be prepared to see if there is any further action that might be productive for the summit nations to take, either individually or as a bloc, that would have a positive result in Iran and which cannot be achieved through other means.

LEVEL AT WHICH INDUSTRIALIZED COUNTRIES HAVE EXPRESSED OPINION

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, the Prime Minister in a sense answered a portion of the question which I wanted to put to him, namely, at what

level have the industrialized countries expressed their opinion? It is surprising to me, if the industrialized nations have been vocal, how little attention their views have received in the international press. I have been following the situation and have found that the only western government, in addition to Canada, which has expressed a view is the government of France, but I have not seen the name of the President of France, of the Chancellor of the Federal Republic of West Germany, the names of individual leaders such as the Prime Minister of Japan or the Prime Minister of Britain.

That is the kind of political high-level solidarity that I again urge the Prime Minister to achieve, and I ask him whether he knows—because I do not—to what extent the individual leaders have come out, for example, the Chancellor of the Federal Republic Germany or the Prime Minister of Japan, and whether they have come out individually or have made representations through a lower level in their governments.

Right Hon. Joe Clark (Prime Minister): In the case of the countries that have been cited by the hon. member, the positions have been stated very clearly. Whether they have been stated by the heads of government in each case, I do not know at the moment: certainly in some cases they have been. Certainly, also, the statement by the European Parliament was clear, strong and left no question in the minds of the Iranians or of anyone else as to the extent of concern on the part of the participating countries.

As I indicated in my earlier response, we will, naturally, review again to see if there is anything useful that can be added to a very difficult and complex situation by suggesting that heads of government become more dramatically involved as individuals.

Mr. MacEachen: Mr. Speaker, I have just one brief supplementary question. Could the Prime Minister tell us whether he, himself, has been in touch with any of the heads of government of the industrialized countries? If he has not, will he consider personally calling these leaders?

Also, in view of the very grave situation—the first international crisis since 1962, in the opinion of the Secretary General—will he consider now taking a lead and at least discharging his responsibility and the responsibility of Canada by asking these leaders, personally, why they find it so difficult to become identified at that high level, with this very grave international breach of law and order?

Mr. Clark: I will, first of all, determine whether or not that is the case. If it is, I would naturally be prepared, if Canada's influence would be effective in this regard, to speak to the heads of government involved. For the information of the House, of those listed by members of the opposition I have spoken on this matter only to President Carter.

[Mr. MacEachen.]

ENERGY

DECISION ON OIL PRICES BEFORE DECEMBER 11 BUDGET—MULTINATIONALS NOT PASSING ON REDUCTION IN PRICE

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I have a question pertaining to oil producing countries. At the press conference prior to the first ministers' conference, the Prime Minister said that a decision on oil prices would be reached preferably at that conference because, as he said, "We can't discuss these things forever". Considering that it is now two weeks to the day since that conference took place, and considering that the oil price decision is probably the most important economic factor influencing the budget which will be brought down on December 11, will the Prime Minister assure the House that a final decision will be reached by him on oil pricing prior to the budget?

● (1425)

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I can assure the House that the budget will reflect assumptions which were basic to the proposal put before the first ministers by this government. My hope is that it will be possible for us to have an agreement prior to presenting the budget in the House.

There have been recent exchanges of correspondence between myself and the Premier of Alberta. I expect there will be another meeting fairly soon among the Premier of Alberta, some of his ministers, myself and certain ministers of this government, which I trust will be a significant step toward resolving differences that still remain. After that meeting, naturally I would want to be in touch with the premier of Saskatchewan and the premier of British Columbia who, as representing producing provinces, are most particularly involved and concerned with the questions still at issue.

Mr. Broadbent: Mr. Speaker, I consider the short answer to my question would have been a simple no, that the Prime Minister will not assure us a decision will be reached by him by the time of the budget. I find that extraordinary. There have been discussions going on for weeks and months. The Prime Minister indicated, a month prior to the first ministers' conference, that he thought then it could not wait beyond the conference. Now he is saying that we may be into late December or January, and I find that extraordinary.

Mr. Baker (Nepean-Carleton): He did not say that.

Mr. Broadbent: I would like to go on to another aspect of the oil concern Canadians have, and ask the Prime Minister if he has received word from Saudi Arabia, as has the American government, about their concern that the multinational oil companies have not passed on to consumers in North America a reduction in price which was given to the multinationals by Saudi Arabia.

In that context, would the Prime Minister tell the House, considering this reality, that the multinationals are acting simply as middlemen between the oil companies and Canada? Would he not agree, for this very reason, that Petro-Canada

and not the multinationals should be the exclusive importer of oil into Canada?

Mr. Clark: Mr. Speaker, the Leader of the New Democratic Party, perhaps after the euphoria of the weekend, did not hear my answer to his earlier question. I said that there may well be an agreement before December 11.

Mr. Broadbent: Maybe.

Mr. Clark: Yes, there may well be an agreement by that time. We are moving in that direction and I am hopeful that we can realize that objective. Regarding Saudi Arabia, to my knowledge we have not received the representations which, I have read in the press, have been directed to the American government. I will check, and if there is useful information to convey to the House, naturally I will convey it.

As to the third part of the question, again for the forty-fourth or forty-fifth time in the House, I indicate to the Leader of the New Democratic Party that, no, we are not reconsidering the plan to review the role of Petro-Canada.

Mr. Broadbent: Mr. Speaker, I conclude my questioning with a two-part question which arises from the Prime Minister's answers. Is he committing the government to investigating whether or not price reductions which have been passed on to the multinationals by Saudi Arabia have, indeed, been passed on to Canadian consumers? Or will the situation be like it was in the United States, where consumers are being gouged?

Second—and I do not ask this in a polemical way—would he explain briefly to the House why it is not advantageous to remove the multinationals as middlemen, when we are importing oil, because of the complications both in price and the insecurity of supply which have arisen with the multinationals acting as middlemen?

Mr. Clark: Mr. Speaker, a specific question was asked about a representation from Saudi Arabia. I will investigate whether such a representation has been received. If not, we will, in any event, see if there is any cause for concern to Canadian consumers regarding the price we are paying. As the Leader of the New Democratic Party will know, we are now paying a price which in effect is a flat rate based on a weighted average.

• (1430)

In relation to the latter part of the question by the Leader of the New Democratic Party, it is our judgment that there is no useful substitute that could, in the real world, play the role that is advocated by the Leader of the NDP, and certainly it is our view that Petro-Canada would not be able to play that role as effectively as the Leader of the NDP believes it would be able to.

NATIONAL UNITY

INQUIRY WHETHER GOVERNMENT RECOGNIZES EQUALITY OF TWO FOUNDING PEOPLES—LINGUISTIC RIGHTS ENTRENCHED IN CONSTITUTION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is for the right hon. Prime Minister. On Friday in this House, in answer to a question by the hon. member for Saint-Maurice, as reported at page 1638 of *Hansard* the Minister of State for Federal-Provincial Relations (Mr. Jarvis) said:

> I think it most accurate and most important to emphasize that our discussions continued to recognize the right of the provinces in so far as education is concerned. We then went on to say that, given that right, we would like to explore with our provincial counterparts the entrenchment of the constitution so that the right is protected.

Could the Prime Minister interpret that statement for the House, and will he tell the House whether this represents a change in policy on the part of his government from his often repeated statements that he would not entrench the rights of official language minorities? Also, will the Prime Minister confirm that he now recognizes it is a responsibility of the federal government to lead—and I say lead—the provinces in entrenching the linguistic and educational rights of the official language minorities in a revised constitution?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the statement of the Minister of State needs no interpretation. He indicated that the Government of Canada was exploring that possibility. That is exactly what we are doing. There has been no change in policy at all.

The position indicated by this government and, indeed, indicated as a result of the Kingston conference involving this party, then in opposition, and certain provincial governments less numerous then than now is that, in our judgment, the most useful route to pursue regarding minority language rights in Canada is to have the federal government encourage the provinces through an indication that we would try to move forward on the basis of agreement, rather than threatening any province with the imposition of a regime. That remains the position of this government.

[*Translation*]

POSSIBLE ENTRENCHMENT OF LINGUISTIC RIGHTS IN CONSTITUTION—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my supplementary is for the right hon. Prime Minister. In its recommendation No. 4, the Task Force on Canadian Unity—I think it was recommendation No. 4—said that should all provinces agree on these or any other linguistic rights, these rights should then be entrenched in the constitution. Could the right hon. Prime Minister tell the House or at least give us some assurance that if a majority of provinces indicate that they favour the entrenchment of these rights in the constitution, he would act accordingly and give Prince Edward Island, New Brunswick, Saskatchewan, Ontario and, I think, New-

foundland—which indicated during last spring's federal-provincial conference their intention to accept that principle—the leadership necessary to meet the wish of the provinces, or of at least five of them, that linguistic rights be entrenched in the constitution?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the hon. member made a distinction between the positions taken in the Pepin-Robarts report, which involved all provinces, and his questions where he talks about a majority of provinces. It would be preferable for us to come to an agreement affecting all provinces. However, it is an option we are prepared to consider as valid should it be possible to come to an agreement with several provinces and not be necessary to force a position upon the other provinces which disagree.

[*English*]

INQUIRY WHETHER MINORITY LANGUAGE RIGHTS WILL BE ON AGENDA OF FORTHCOMING FIRST MINISTERS' CONFERENCE

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, my question is also for the Prime Minister. The Prime Minister will surely recognize that the statement made by the Minister of State for Federal-Provincial Relations has at least led to the interpretation of the government's point of view that the government is in favour of entrenching minority language rights in the constitution.

This appears to be some change from previous statements of the Prime Minister. I would like to ask him if something has happened to make him change his mind on this very important issue and whether, in that case, since he is prepared to discuss it with the provinces, he is prepared to put the item on the agenda of the coming meeting of first ministers.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, first of all, the Minister of State and I have indicated the interest of this government in having the entrenchment of various rights including those to which the hon. member refers. We have made that point recently and in the past.

We have also made the point very clearly that in our judgment it is preferable, in a matter of this kind, to proceed with agreement rather than creating a circumstance in which a population or a province feels it is having imposed upon it a right with which it is not comfortable. In relation to the question of the agenda, it is certainly a matter that we would hope to have on the agenda of the first ministers' meeting.

Mr. Herbert: Mr. Speaker, in that case, and since he is going to put it on the agenda of the first ministers' meeting, could I ask the Prime Minister whether he has now notified the governments of the provinces that this is a subject to be discussed, has he had any indication from them as to whether they are willing to discuss the subject and, in fact, is the matter now actively with the public servants who will be preparing the position papers for the government at the first ministers' meeting?

[Mr. Gauthier (Ottawa-Vanier).]

Mr. Clark: Mr. Speaker, the matter was discussed at an official level on the fifteenth and sixteenth. It will be discussed again by the Minister of State for Federal-Provincial Relations when he meets with his provincial counterparts in a week's time.

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ROYAL CANADIAN MOUNTED POLICE

CONFISCATION OF PERSONAL PAPERS OF JOURNALIST—RETURN THEREOF

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, my question is for the right hon. Prime Minister. During the raid on the home of journalist JoAnn Gosselin, RCMP officers confiscated many personal papers and notes pertaining to other stories being researched by Miss Gosselin unrelated to the case being investigated.

Will the Prime Minister investigate and report to this House the justification for these papers not yet having been returned to Miss Gosselin, thus adversely affecting her ability to pursue her livelihood?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, naturally I will look into the question. I am sure the hon. member would join me in understanding that it would be most improper for any member of this House to interfere with a criminal investigation that is now properly under way.

Mr. Sargeant: I can understand that, Mr. Speaker. Last week, the Prime Minister indicated to the House that he would release the guidelines which permitted the RCMP to raid Miss Gosselin's home and seize these papers. Is he now in the position to release these guidelines, and is he prepared to indicate to this House if these guidelines also cover investigations by the RCMP of members of Parliament such as myself who have obtained similar information?

Mr. Clark: Mr. Speaker, I should have been more precise in my earlier answer, in that what the government would not want to contemplate—as I am sure no member of the House would—is interference in an investigation which might involve a breach of the criminal law. To my knowledge, there has been no evidence found to this point that such a breach has, in fact, occurred; although that was the cause of the instigation of the inquiry.

In relation to the guidelines, I am now informed that the guidelines which prompted the action of the Deputy Minister of National Defence were, in fact, informal documents which had not been approved by the Government of Canada—the predecessor government or our own—and, indeed, of whose existence until this affair I did not know. We are now preparing new guidelines which will bear the imprimatur of the authority of cabinet. Since the guidelines that were followed in this instance did not have the imprimatur of this or any previous government, I think in the circumstances it would be improper for us to lay them on the Table.

NATIONAL SECURITY

MEMBER OF CRTC IN COMPANY OF KGB AGENT—SENSITIVITY OF POSITION IN CRTC

Mr. John Gamble (York North): Mr. Speaker, my question is for the Secretary of State and Minister of Communications. Is the Secretary of State and Minister of Communications aware that a certain Jean-Louis Gagnon, as a member of the CRTC, was observed while in Paris by the French security forces in the company of a known KGB agent who was apprehended transmitting missile secrets to the U.S.S.R.?

Is he further aware that the said Jean-Louis Gagnon was a card-carrying member of the communist party and, if aware of these circumstances, does he consider it appropriate that this gentleman, occupying this sensitive position moulding communications policy, should retain his present position?

● (1440)

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, I should point out that it is not as Secretary of State, but as Minister of Communications that I will be responsible for questions related to Mr. Gagnon. Accusations similar to what the hon. member has said have been made before. As I understand it, there is nothing in Mr. Gagnon's career that would make him ineligible to serve on the CRTC. Indeed, he has given outstanding service on that body.

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FINANCE

PROPOSED SPECIAL TAX ON OIL COMPANY PROFITS—CONSULTATIONS WITH INDUSTRY

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Finance. On November 12, the Prime Minister said that officials of the government would be consulting with the oil industry with regard to the special tax on oil company profits that had been proposed. Can the minister tell us today the exact nature of the consultations that have taken place so far, the names of the companies he or his officials have spoken to, and what he has told these companies?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I can confirm that during the period of the last several months there have been discussions among officials of the Department of Energy, Mines and Resources and, I believe, my department, as well with various industry associations and companies in the oil and gas business which have been in to see the government.

There is a free flow of communications both ways between the government and the industry. Discussions have been held with respect to whether the industry has sufficient, or will have sufficient cash flow to meet all its needs for investment in energy over the decade of the 1990s, and so on, and what their views are on taxation arrangements which might apply in the future. These discussions have been ongoing and will continue because we believe in trying to find out exactly what the facts are before taking action.

Mr. Gray: Mr. Speaker, the minister has been careful not to answer my question, which was with respect to the Prime Minister's words when he spoke about consultation with the industry with regard to designing "the most effective tax". Why will the minister not give the House the same information he has given the oil industry? The Prime Minister was reported as saying in an interview just a few days ago that the minister's budget would not contain the tax cut promised during the election. Why has the Minister of Finance not consulted in the same way with individuals and business as he is doing with the oil industry? Why does the minister not have the same consideration for individual Canadians as he has for the multinational oil companies?

Mr. Crosbie: Mr. Speaker, this is a rather strained question. I have been consulting with everybody I can think of in the Dominion of Canada with reference to the coming budget: ordinary people, people I meet on the street, people in my constituency, farmers, fishermen, workers, labourers, business executives and anyone else who will communicate with me. So far they are all willing to communicate with me. There is a constant process of consultation and dialogue.

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NATIONAL DEFENCE

RENT INCREASES FOR SERVICEMEN—GOVERNMENT POSITION

Mr. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have a question for the first minister. Recent reports show that the poverty line of the armed services has now reached a level of 50 per cent due to the exorbitant increases in rent that servicemen are being charged.

Under the circumstances of having our armed forces personnel put into this position of impoverishment, can the first minister tell the House if it is the intention of his government to transfer the authority of the armed forces from the Minister of National Defence to the ministry of health and welfare so that servicemen might receive proper support for their present dire circumstances? Failing that, I would ask the first minister if he will ask the Minister of National Defence to order a moratorium on these rent increases until a more equitable formula can be worked out on this rent problem.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, let me deal with the flippant part of the question, which is what we have come to expect from the forty-seventh candidate.

Some hon. Members: Hear, hear!

Mr. Clark: I can assure the hon. member that I have no such intention. The Minister of National Defence can deal with whatever substance he can find in the question.

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I am pleased to answer this question because there has been a great deal of misinformation going around on this matter in the last week or so. The hon. member has obviously fallen prey to it.

We put a cap on the rental raises of $20 for the first two ranks of private, $35 on the rank of corporal, and the maximum of $50 on any rank above corporal. There is another overriding cap, that no serviceman will be charged more than 25 per cent of his total pay for rent. I might go over the pay rates and point those out while I am on my feet.

Mr. Speaker: Order. That may take more time than we can allow in the question period.

Mr. Axworthy: Mr. Speaker, I will not raise my supplementary with the non-leader of the Conservative party; I will raise it with the Minister of National Defence. Under the circumstances, has the minister investigated whether, in fact, the statements made by members of the armed forces personnel, the commanders of the camps, that over 50 per cent of the lower ranks are now below the official poverty line are true? Has this matter been investigated and, if so, is the minister prepared to take action to provide some compensation in the area of rent? Also, because of the statements made about the conditions and quality of the PMQs across Canada, is the minister prepared to ask the minister responsible for housing if there can be RRAP funds established for the armed forces personnel to bring their houses up to the same standard of repair as ordinary homes across Canada?

Mr. McKinnon: Mr. Speaker, I am rather surprised at that question, considering who put in the restrictions in budget over the last ten years.

Some hon. Members: Hear, hear!

Mr. McKinnon: Some seven or eight years ago, the government of the day decided to make the rent charges for married quarters comparable to the economy. They called in the CMHC to come up with figures for the areas in which married quarters were located. This was then found to be unacceptable in so far as the imposition of the rates went, and some three or four years went by without imposing any of these rent increases. Now they want to impose the increases all at once, and this is unacceptable.

This situation has turned into a shambles. I have put a cap on these raises to protect servicemen and I have asked that the matter be investigated again to determine whether or not we can go back to what the situation was before the previous government decided to bring in this scheme, which we found almost impossible to administer. I am expecting in the next couple of days a report on some suggestions with regard to what we might do for a permanent cure to this illness.

[Mr. Clark.]

EXTERNAL AFFAIRS

AID FOR THOSE STARVING IN CAMBODIA

Mr. Ian Watson (Châteauguay): Mr. Speaker, my question is to the Secretary of State for External Affairs. It is related to the continuing frustrations which the various aid agencies are meeting in their attempts to save hundreds of thousands of Cambodians from starvation. Whatever we may think of the method whereby the new Vietnamese-supported Cambodia regime of Heng Samrin came to power, surely we all recognize that Vietnam holds the key to any massive increase in aid to Cambodia and that the Pol Pot regime, which has been effectively replaced, was responsible for killing two million to three million of its own citizens under conditions every bit as appalling as the Nazi holocaust.

Since leverage with Vietnam will help save Cambodian lives, will not recent criticisms of Vietnam destroy any possible influence Canada might have with the one country which does have leverage, Vietnam, and why is Canada at least giving the appearance of diplomatic support to the criminal Pol Pot regime? Finally, in refusing to recognize the new Vietnamese backed government of Cambodia, are we doing so because we are afraid to offend China and, if that is the case, then are we not cynically—

Mr. Speaker: Order, please. I think I owe it to the minister to allow him equal time in this debate.

Hon. Flora MacDonald (Secretary of State for External Affairs): Thank you, Mr. Speaker. On a per capita basis, Canada has contributed more in the way of providing replacement settlements for victims or refugees of the Indo-China situation than any other country in the world. We have also, on a per capita basis—with the exception of Australia—provided more in the way of relief funds for refugees in Indo-China.

This situation will not be resolved by humanitarian efforts alone. It will be resolved when we tackle its political causes, and its political causes lie with Vietnam.

There is no question that in speaking out about what Vietnam has been doing, whether in Vietnam itself or in the invasion of its forces into Cambodia and Laos, the effect of that has been, in the first place, to cut down on the number of expulsions from Vietnam by way of boat people. That has become very evident since these statements have been made.

● (1450)

Second, I have been given the assurance in recent days, by members of the international agencies which are trying to carry out relief missions through Cambodia, that it is only because some of the countries in the world dare to tackle the political issues that they are able to get on with their humanitarian efforts.

DISCUSSIONS WITH SOVIET UNION AND CHINA

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is also for the Secretary of State for External Affairs. Recognizing her courage in tackling the true root problem, that is, the political reality, would she agree that the political problem is larger in that China, in fact, had an opportunity to reduce the murders of Pol Pot and failed to do so, and at the present time China continues to work on the side of Pol Pot; and that, similarly, the Soviet Union—

Mr. Speaker: Order, please. Is the hon. member putting a question?

Mr. Wenman: Specifically, has the minister approached the Soviet Union or China relative to their politics in this situation?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, I have discussed this matter at the United Nations and at Geneva both with representatives of the Soviet Union and representatives of the government of China. Our efforts will not be limited just to speaking in this regard. Where our efforts primarily now have to be directed, if I may say so, is to providing help and relief to the government of Thailand which is having to absorb so many hundreds of thousands of people who have been expelled from both Cambodia and Laos.

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THE CANADIAN ECONOMY

DATA PROCESSING OF CANADIAN BUSINESS BY U.S. FIRMS—EFFECT ON ECONOMIC SOVEREIGNTY

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I have a question for the Prime Minister. I should like to ask him if he is aware of the dangerous trend developing in this country, whereby Canadian businesses have their data processing increasingly handled by United States' firms, thereby undermining Canadian economic sovereignty and privacy as well as employment opportunities in Canada. If he is aware of this trend, does the government intend to introduce legislation requiring that data processing related to Canadian business operations be performed in this country by Canadian-owned firms?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I want to thank the hon. member for raising a question of importance and concern to the government. The Minister of Communications has already had meetings on the matter. We are, naturally, not yet at a stage where we can indicate what the result of those meetings will be, but the matter is one of concern to us and one that is being pursued by the minister.

[*Translation*]

FISHERIES

DEPLETION OF SALMON STOCKS—MEETINGS WITH ICNAF REPRESENTATIVES

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. In 1972, the hon. Jack Davis, the then minister of fisheries, announced the closing of commercial fishing for salmon to allow this fish to ascend the freshwater streams of the Atlantic to spawn. After seven years of this program, which has cost some $15 million to Canadians, there have been fewer salmon ascending the rivers this year than ever before. Could the minister advise the House whether he is aware of the situation, whether he or his colleague, the Secretary of State for External Affairs, have had discussions about this with the countries of the North Atlantic, especially Iceland, and whether the minister has met with provincial representatives of eastern Canada to set up a program to ensure the survival of this anadromous species?

[*English*]

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, I am aware of the situation and, indeed, I share the hon. member's concern. In an expression of that concern, I convened a meeting in the late summer with the fisheries ministers of Quebec, New Brunswick and Newfoundland. We were unanimous in our agreement that there was great concern over the future of the Atlantic salmon part of our national heritage. To that end, I put into effect a number of consultative measures at the officials' level which will be brought out in a statement which I hope to make to the House in the next short while announcing a new Atlantic salmon policy.

With regard to the international aspect of the hon. member's question, I agree with him that this is an area of concern. As he knows, there was a limit placed by ICNAF on the catch off Greenland. We believe that the limit, or TAC, is still too high and, indeed, we are pursuing an international convention in that regard. I am sure the hon. member would not want me to prejudice Canada's position by going any further at this time.

* * *

[*Translation*]

EXTERNAL AFFAIRS

POSSIBILITY OF COMMON POSITION WITH COMMONWEALTH COUNTRIES ON IRANIAN CRISIS

Mr. Charles Lapointe (Charlevoix): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In an earlier reply, the right hon. Prime Minister indicated that he would try to find a way to convince the other Commonwealth countries and our friends among Francophone countries to assume a common front with respect to the crisis in Iran. Could the hon. minister advise the House whether she

has sought the assistance of our friends to have this issue placed on the agenda of the cultural and technical organization which will hold its annual conference in Lomé on December 10?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, we have begun to discuss the matter with the Francophone countries and we are waiting for their reply.

INQUIRY WHETHER GOVERNMENT HAS MADE ASSESSMENT OF IRANIAN DEBT TO CANADA

Mr. Charles Lapointe (Charlevoix): Mr. Speaker, I should like to put a supplementary question on the Iranian crisis. Since the Iranian foreign affairs minister announced Friday last that some foreign debts, were now cancelled by the new Iranian state, could the Secretary of State for External Affairs tell us today whether she has assessed the Iranian debt in Canada which Iran wishes to cancel?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, I cannot reply specifically to the hon. member because the Iranian state secretary for foreign affairs said that this measure was taken solely against the United States. Representatives of the Iranian central bank also say that such a measure would not be taken against the United States nor any other country.

POSSIBILITY OF CONVENING SPECIAL MEETING OF COMMONWEALTH COUNTRIES—GOVERNMENT POSITION

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, my question is directed to the Prime Minister and it is supplementary to that of the hon. member for Cape Breton Highlands-Canso. It is indeed unusual for the Secretary General of the United Nations to convene the Security Council. Realizing that the crisis is worsening from day to day, is the Prime Minister himself prepared to ask the Commonwealth countries Secretary General to convene a special meeting of Commonwealth countries as soon as possible?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, that is something we have already done. The High Commissioners of all Commonwealth countries represented in London are meeting today in that city. This meeting was convened by the Mauritian High Commissioner, but was actually suggested by Canada. During the meeting, we intend to propose, through our Secretary General, that it would be valid for all Commonwealth countries to voice their common position concerning the situation in Iran.

[Mr. Lapointe.]

REGIONAL ECONOMIC EXPANSION

INQUIRY WHETHER SUBSIDY GRANTED TO SOQUEM FOR DEVELOPMENT OF SALT MINE IN ÎLES-DE-LA-MADELEINE

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, my question is for the Minister of Regional Economic Expansion and relates to a report published in last Friday's *La Presse* which states, and I quote:

—the Department of Regional Economic Expansion . . . will grant a subsidy of several million dollars to the Société québécoise d'exploration minière—

—to develop the salt mine in the Magdalen Islands. The article also mentions that the minister was to meet this morning with his Quebec colleague, Jacques Léonard. Can the minister tell us whether this report is factual and whether his department did grant a subsidy to SOQUEM; if not, can the minister indicate whether during the morning's meeting, if it indeed took place, someone tried to convince him to grant Quebec the subsidy and, if so, when does he intend to make an announcement?

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, I discussed this topic today with Mr. Jacques Léonard, my Quebec counterpart.

[*English*]

I am still not convinced that we should make an official announcement on this matter which continues to occupy a great deal of our attention in our department. I hope that before long there will be something we can announce one way or another.

* * *

[*Translation*]

SOCIAL SECURITY

INQUIRY WHETHER ALL PENSIONS AND SUPPLEMENTS WILL ENSURE INCOMES ABOVE POVERTY LINE

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, since the very wise and very moderate—I would even be tempted to say "very conservative"—Economic Council of Canada released today its report on pensions for Canadians, in the absence of the Minister of National Health and Welfare I would like to ask my question of the acting minister in charge of social development.

I would like to ask him if the government intends to translate recommendation No. 1 into governmental policy, namely, that all pensions and pension income supplements should provide Canadians with an income above the poverty line.

• (1500)

[*English*]

Hon. David MacDonald (Secretary of State and Minister of Communications): As the hon. member knows, Mr. Speaker, a number of important studies have been produced. This is

one of the latest by the Economic Council of Canada. There are two or three other studies I can think of that are in need of very extensive public examination.

It is the intention of the government, as the hon. member may know, to establish a parliamentary review in order that there can be full exploration of the very important implications of this and the other studies.

* * *

FISHERIES

PROTECTION OF FISHERIES HABITAT IN AREA OF RENNEL SOUND, QUEEN CHARLOTTE ISLANDS

Mr. Jim Fulton (Skeena): Mr. Speaker, I have a question for the Minister of Fisheries and Oceans. In light of the massive slides of logging debris in the Rennel Sound area of Queen Charlotte Islands over the past few days, which has resulted in serious damage to a major salmon and steelhead spawning river, Riley Creek, and in light of the proven inadequacy of the agreement between his department and provincial forestry officials, will the minister assure this House that he will issue immediate instructions to fisheries' field staff to exercise their powers under section 31(1) of the Fisheries Act in order to protect the fisheries' habitat before more damage is done?

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, earlier this fall I had an opportunity, together with the minister of the environment of British Columbia, to take a first-hand look at the situation on the Queen Charlottes. I appreciate the concern and the importance of the question raised by the hon. member. I undertake to look into it and report back to him.

* * *

SPORTS

ANNUAL GREY CUP COMPETITION

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism): Mr. Speaker, I rise on a point of order. It is with regard to the question that the hon. member for Vaudreuil (Mr. Herbert) posed at page 1641. Can he now rise and tell us who won the Grey Cup over the weekend?

Some hon. Members: Oh, oh!

ROUTINE PROCEEDINGS

[*English*]

CROWN CORPORATIONS ACT

TABLING OF FACTS SHEET

Hon. Perrin Beatty (Minister of State, Treasury Board): Mr. Speaker, I would like to table under the provisions of Standing Order 41(2) a facts sheet in both official languages on the comprehensive Crown corporations bill which is scheduled for first reading today.

MEASURE TO ESTABLISH

Right Hon. Joe Clark (Prime Minister) moved for leave to introduce Bill C-27, respecting Crown corporations and matters relating or incidental thereto.

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

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Mr. Speaker, I seek the unanimous consent of all hon. members to have an order made which has been previously agreed to by House leaders and representatives of the parties of the House of Commons in the following terms:

That at 8 p.m. this evening, Monday, November 26, the House shall proceed to the consideration of Bill C-4, to amend the Federal Business Development Bank, and that all questions necessary to dispose of the motion for second reading and reference to the Standing Committee on Finance, Trade and Economic Affairs be put not later than 10 p.m. this evening.

Mr. MacEachen: On that proposal, Mr. Speaker, may I say that we are in agreement. It is expected that we will be able to put up all our speakers within that period. Can we have an understanding that we not see the clock if some members want to complete their remarks, but in any event that we complete the bill today?

Mr. Speaker: Order, please. This raises a question before the response is made. I want to get some indication of the disposition of the House in terms of the adjournment debate, which we will announce, of course, at five o'clock. I am in the hands of hon. members of the House. However, if it is very difficult for the House to leave both options open, that of an extended debate and carrying the adjournment proceedings at the same time, I wonder if there might be some consultation to determine which of the two is more preferable, or if there is some hope that both proceedings might carry on.

Mr. Knowles: Mr. Speaker, I suggest that we agree to the motion but that we follow your suggestion that there be consultation as to when it might be appropriate to call it ten o'clock.

Mr. Speaker: Hopefully the Chair will be in a position to make an announcement to the House at five o'clock when it announces whether or not there will be an adjournment debate. That might be the most convenient time for dealing with Standing Order 40, later this afternoon at five o'clock.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I think there is general agreement to deal with the motion and with the question. I wonder if we could adopt the suggestion of the hon. member for Winnipeg North Centre that we have some consultations and perhaps advise you later on with respect to the adjournment debate. I think there is a disposition in the House to agree with the terms of the motion.

Mr. Speaker: There is certainly no difficulty at the present time in making an order. The House could order at this time quite comfortably that it move at eight o'clock this evening to the consideration of Bill C-4 and that it continue this evening until the motion for second reading of Bill C-4 is put to the House. That much can be accomplished now. Perhaps after later consultation the rest of that can be particularized at five o'clock. It takes care of adjourning one debate and starting another and also takes care of the commitment of the House to finish the debate. If there is consultation about how to accommodate the adjournment debate or accommodate additional speeches, we can put that to the House at five o'clock. Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: It would therefore be with unanimous consent. Is there consent for the moving of this motion at this time?

Some hon. Members: Agreed.

Mr. Speaker: The President of the Privy Council has moved that at 8 p.m. this evening, Monday, November 26, the House shall proceed to the consideration of Bill C-4, to amend the Federal Business Development Bank, and that all questions necessary to dispose of the motion for second reading and reference to the Standing Committee on Finance, Trade and Economic Affairs be put not later than 10 p.m. this evening. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: It is so ordered.

Mr. MacEachen: Mr. Speaker, may I on a point of order tell the President of the Privy Council that we are quite prepared now to apply the same principle to the transportation of dangerous goods bill and deal with it from eight to ten o'clock tomorrow evening.

● (1510)

Mr. Baker (Nepean-Carleton): I want to thank the hon. gentleman as well as the leaders of the other parties; I believe there is support with respect to that matter. If there is, I am prepared to put a motion in similar terms in relation to it. Perhaps Your Honour could inquire whether there is consent.

[Mr. Knowles.]

Mr. Knowles: Yes, Mr. Speaker, we are prepared to agree to the motion and what I am about to say now does not detract from that agreement. Indeed, I have had some discussion with the government House leader and I think he is willing that when we reach tomorrow evening, either we shorten all the speeches or we apportion the time among the parties. In other words, if we are allowed 40 minutes out of the two hours it could be left to us to decide whether to put up two speakers or three or four.

Mr. Speaker: Order, please. If the House is again disposed, as it appears to be, to commit itself to two aspects, the first being that it will move at eight o'clock tomorrow evening to the consideration of a bill on the transportation of dangerous goods, and the second that the motion for second reading of that bill be put to the House later tomorrow evening, if the House will have committed itself in respect to both those aspects of the second reading debate on that bill, then it can later inform the Chair if there are details to be filled in with respect to the open part of the order about length of speeches, or accommodating the adjournment debate, extending hours, or anything of that nature.

Mr. Baker (Nepean-Carleton): With what you have said in mind, Mr. Speaker, I should like to move—I know there are a number of seconders in the House:

That, at 8 p.m., on Tuesday, November 27, 1979, the House shall proceed to the consideration of C-25, an act to promote public safety in the transportation of dangerous goods; and that all questions necessary to dispose of the motion for second reading and reference to the Standing Committee on Transport and Communications be put not later than 10 p.m.

Those are the terms of the motion and I undertake to carry out the necessary consultations with respect to the other matters.

Mr. Speaker: In order to allow full consultation perhaps I can make a slight alteration in the finalization time as I did in the earlier motion. It commits the House, it seems to me, to concluding the matter tomorrow evening but leaves it open to members to negotiate an extended hour, if that is to be the case.

With that in mind I ask whether there is consent to putting this motion at this time.

Some hon. Members: Agreed.

Mr. Speaker: The question is on the motion of the President of the Privy Council, seconded by the Minister of State for Fitness and Amateur Sport and Multiculturalism. Is it the pleasure of the House to adopt the said motion?

Motion agreed to.

Mr. Speaker: Agreed and so ordered.

* * *

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 57, 223, 256, 271, 331, 357 and 360.

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

[*Text*]

CANADIAN LIVESTOCK FEED BOARD—EXECUTIVE

Question No. 57—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice-presidents of the Canadian Livestock Feed Board?

2. What is the annual salary in each case?

Hon. John Wise (Minister of Agriculture):

1. (a) Dr. Roger Perreault
   (b) Gus Sonneveld
2. (a) $38,300—$52,100
   (b) Mr. Sonneveld, an order in council appointee, is paid a per diem rate of $175 for each day he is engaged on business of the board.

POST OFFICE—CHIBOUGAMAU

Question No. 223—**Mr. Caouette:**

Does the Post Office Department intend to build a new or renovate the current Post Office in Chibougamau and, if so, what is the (a) approximate cost (b) time limit?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Yes, (a) Estimated cost $750,000; (b) December 1980.

RETIRED PUBLIC SERVANTS

Question No. 256—**Mr. Knowles:**

1. How many retired public servants are receiving pensions, including their basic pensions and any supplement or supplements added thereto, of amounts within each of the following brackets (a) less than $20.00 per month (b) $20.00 to $29.99 per month (c) $30.00 to $39.99 per month (d) $40.00 to $49.99 per month (e) $50.00 to $59.99 per month (f) $60.00 to $69.99 per month (g) $70.00 to $79.99 per month (h) $80.00 to $89.99 per month (i) $90.00 to $99.99 per month (j) $100.00 to $149.99 per month (k) $150.00 to $199.99 per month (l) $200.00 to $249.99 per month (m) $250.00 to $299.99 per month (n) $300.00 to $399.99 per month (o) $400.00 to $499.99 per month (p) $500.00 to $599.99 per month (q) $600.00 to $699.99 per month (r) $700.00 to $799.99 per month (s) $800.00 to $899.99 per month (t) $900.00 to $999.99 per month (u) $1,000.00 per month and over?

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

3. What is the number of retired public servants and also the number of widows of public servants or of retired public servants presently residing in each province?

4. In respect of how many orphans of public servants are pensions being paid and what is the average amount thereof?

Hon. Sinclair Stevens (President of Treasury Board):

	Monthly Pension	1. Annuitants	2. Widows & Widowers
(a)	Less than $20.00	135	124
(b)	$ 20.00 —$ 29.99	156	332
(c)	$ 30.00 — 39.99	229	835
(d)	$ 40.00 — 49.99	465	1,166
(e)	$ 50.00 — 59.99	772	1,228
(f)	$ 60.00 — 69.99	1,013	1,217
(g)	$ 70.00 — 79.99	1,166	1,264
(h)	$ 80.00 — 89.99	1,234	1,168
(i)	$ 90.00 — 99.99	1,237	1,201
(j)	$ 100.00 — 149.99	6,637	5,063
(k)	$ 150.00 — 199.99	6,369	4,251
(l)	$ 200.00 — 249.99	5,875	3,259
(m)	$ 250.00 — 299.99	5,170	2,498
(n)	$ 300.00 — 399.99	8,727	2,591
(o)	$ 400.00 — 499.99	7,320	1,068
(p)	$ 500.00 — 599.99	6,374	486
(q)	$ 600.00 — 699.99	5,384	263
(r)	$ 700.00 — 799.99	3,508	149
(s)	$ 800.00 — 899.99	2,582	103
(t)	$ 900.00 — 999.99	1,900	61
(u)	$ 1000.00 and over	6,820	85
	Total	73,073	28,412

3. Province	Annuitants	Widows & Widowers
Newfoundland	968	397
Prince Edward Island	551	199
Nova Scotia	4,679	1,820
New Brunswick	2,538	931
Quebec	11,744	5,559
Ontario	30,966	11,873
Manitoba	3,378	1,280
Saskatchewan	2,249	777
Alberta	4,323	1,528
British Columbia	10,703	3,620
Yukon	107	31
Outside Canada	867	397
Total	73,073	28,412

4. Eighty-two orphans are receiving annual pensions at an average of $266.98.

POSTAGE STAMPS

Question No. 271—**Mr. Herbert:**

What is the estimated cost per dollar of sales to sell postage stamps (a) over the counter (b) by vending machines?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): (a) The national average cost of selling a dollar of postage stamps over a counter in staff offices and postal stations is estimated to be 55 cents. (b) The present estimated cost of selling stamps through stamp vending machines is 30 cents for every dollar of revenue.

Mortgage Tax Credit

GOVERNMENT AIRCRAFT

Question No. 331—**Mr. McKenzie:**

Has the Liberal Party of Canada paid for the use of any government aircraft in the period August 16 to October 16, 1978, in connection with the by-elections held on October 16, 1978 and, if so, in what amount for each trip?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): In so far as the Department of National Defence is concerned: No. In so far as Transport Canada is concerned: A departmental aircraft was used once by the former prime minister during the specific period. A cheque from the former prime minister, in the amount of $2,220.00 was received by the department.

STAMP BOXES

Question No. 357—**Mr. Herbert:**

What instructions were issued, if any, to postmasters concerning the filling of stamp boxes prior to leaving the premises on a weekend or holiday?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Although specific directives are not given for weekend or holiday filling of stamp boxes, part III, chapter 12, paragraph 37-1 of the Manual of Financial Procedure states that: "Stamp vending machines are to be serviced as frequently as necessary to ensure that a sufficient quantity of stamp books is always available in the machine".

LETTER CARRIER DELIVERY SERVICE

Question No. 360—**Mr. Herbert:**

What is the approximate cost, per household, to provide letter carrier delivery service in (a) urban (b) rural areas?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Cost per householder per annum: (a) $73.08; (b) $32.74.

[*English*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

AMENDMENT TO PROVIDE TAX CREDIT IN RESPECT OF MORTGAGE INTEREST AND PROPERTY TAX

The House resumed from Thursday, November 22, consideration of the motion of the Minister of Finance (Mr. Crosbie) that Bill C-20, to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax, be read the second time and referred to Committee of the Whole.

[Mr. Fraser.]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, at five o'clock on Thursday I was discussing the budget and the nine envelopes which are involved in the budget. They are: fiscal transfers to the provinces, $3.6 billion; public debt charges, $9.8 billion; economic development and support, $8.4 billion; social affairs, $23.5 billion; justice and legal affairs, $1.2 billion; external affairs, $1.6 billion; defence, $4.9 billion; Parliament $100 million; and government services, $3.9 billion. And if there is a rise in OPEC oil prices, there will be a further drain for oil compensation payments.

This bill will go some way to allow money to remain in local hands and allow the local authorities a wider discretion in spending at the municipal level. Critics of this bill have said it will cost the federal government some hundreds of millions to billions in lost taxes. That is so, but it will also open up for the local governments an opportunity for higher tax revenues at the local level.

Municipal politicians are the only ones left who have any fear of the voters as to the handling of financial affairs of the citizens. It has been said both here and in Washington, in the U.S. experience, that the federal mandarins do not like this system of taxation with tax rebates for taxes and interest. Of course they do not like it because it reduces the federal government and the central executive, and hence the scope of the central executive of our government, to embarking on the massive and grandiose plans that so many centralists want to have. I have always said that the local municipal authority can spend taxpayers' money three times as profitably as Ottawa and twice as profitably as the provincial administrations. There is always much more return for the dollars spent of taxpayers' money when it is spent by municipal officials than by either federal or provincial officials.

Bill C-20 will open up for municipal officials greater taxation fields, and with the close scrutiny that municipal officials are subjected to in the spending of taxpayers' money it should be a decided advantage. And, of course, Ottawa will have less money to spend on its grandiose schemes. I am sure not many Canadians would miss the CBC budget being reduced somewhat.

Mr. Speaker, this measure will encourage home ownership. It will encourage Canadians to have a stake in their community and the country. Of course, this does not go well with the opposition who would much prefer a socialized housing stock. Nearly everyone for at least a portion of his life would like to own his house and to have the sense of security that ownership brings. Inflation has heightened the fact that home ownership is one of the best methods that a modest individual can use to prevent the ravages of inflation. Home ownership is considered a savings by our economists and we cannot hold the ideal too high. Savings are necessary if our society is not to become entirely owned and operated by the state.

This bill goes a long way to promote the ideal that home ownership is a good thing and should be spread widely over the

population. We have recognized the value of home ownership in our treatment of capital gains, now ravaged by inflation. We are allowing a once in a lifetime sale of a principal residence without capital gains and are allowing rollovers from one dwelling to another where the owners must move in order to carry on their occupation. This legislation very much complements the capital gains treatment of houses already in effect. Housing was essentially exempted from capital gains as a means of encouraging savings in home ownership. This legislation only endorses this.

I should like to read into the record an extract from this week's *Newsweek* of November 19, a comment by Mr. Milton Friedman on what the eighties will bring for the United States; I think it could be applied to Canada, also. Speaking of inflation, unemployment and big government, he said that while these were important they were only manifestations of more fundamental issues—the values that will shape our society. He went on to say:

> Individual rsponsibility, equality of opportunity, personal freedom, limited government—these were the values of our Founding Fathers. Their counterpart is an economy organized predominantly by free-market capitalism and a government that is small and decentralized.
>
> These values have been giving way to a very different set: social responsibility, equality of outcome, personal welfare, paternalistic government. Their counterpart is an economy organized predominantly by central direction and a government that is large and highly centralized.
>
> The conflict between the two sets of values was at first not evident, but is now plain. No one can fail to recognize how greatly the role of government has changed, how much of our lives it controls.
>
> There is concern about the family. Defenders of the new values blame capitalism. Its emphasis, they say, on rational calculation, material sucess, competition, exchange, undermines traditional nonrational institutions such as the family and church. But why should these effects show up only now, when capitalism is on the decline? The growth of government has done far more to undermine the family in the past 50 years than these amorphous effects did in the preceding millennium.

● (1520)

> The conflict affects every aspect of our life: family vs. government; private vs. communal property; free *v* fair in speech, employment, trade; free choice as consumers vs. government protection of ourselves from ourselves.
>
> The key issue of the 1980s is whether we shall be able to do so, and thereby reinvigorate the human freedom and economic freedom that together have made the U.S. a magnet for the poor and oppressed people of the world—or whether we shall succumb to creeping collectivism and become a totalitarian society.

I suggest that this bill regarding home ownership goes a little way toward making it possible to allow individuals to own their own homes.

There has been a great deal of discussion and argument that this proposal puts renters at a disadvantage. I cannot follow that argument. I believe it is specious. After all, when the renter gives his monthly rent to the landlord, the landlord is allowed to deduct local taxes, utility costs, maintenance costs, depreciation, and interest on any mortgages he may have on his property, before declaring his net income to be taxed.

It is well recognized that rental housing must return a net return to the landlord if housing stock is to be built. As much of housing stock is financed by large institutions such as insurance companies, workers' benefit funds and registered retirement funds which are the savings of millions of Canadians, these institutions must have a return on their investments which they put into rental housing in order to provide the pensions and savings by which the millions of individual Canadians, through these institutions, expect to meet their daily necessities when they can no longer work.

So, in effect, this legislation gives to the individual home owner something which has long been available to the renter in any case. If local property taxes, interest on mortgages and utility costs were not deductible by the landlord before paying his income tax, the cost of renting would be enormously greater for the renter than it is at the present time. Obviously, by making home ownership more attractive to people who are now renting, this should have a moderating effect on rents in the next few years, until a new equilibrium is established.

Much has been made of the fact that since the election interest rates, having continued their upward climb which had started long before May 22, have cancelled out the value of this home ownership rebate plan. There is no correlation between the two. Interest rates are a response by the country to two things. The first is the set of conditions abroad, particularly in the United States where, for the first time in a decade, they are coming to grips with the inflation problem. In Canada, with the long years of Liberal government, particularly since 1968, and with deficit after deficit, particularly in the last five years, we have spent our way into inflation, which must be brought under control or we will face a catastrophe, destruction of our financial institutions and the loss of savings in our banks and other paper instruments, such as happened in Germany after two world wars.

Interest rates are high, but this only reflects the fact that inflationary expectations are also high. Long experience has shown that interest rates are a combination of the real rate of about 3 per cent and the expected inflation rate. It seems to me that the Bank of Canada was to set the rate somewhere in line with what market forces dictate. If the bank was too far out, market forces would dictate otherwise. If, for instance, the bank set a ridiculous rate of 25 per cent, on the one hand, or 5 per cent on the other, market forces would entirely disregard what the Bank of Canada had stated as the prime rate. The bulk of lending would be at rates which would totally ignore the bank. We have an example of this: certain mortgage institutions have lowered their interest rates.

Interest rates in themselves will not cure inflation unless there is a corresponding reduction through other means. One of the greatest things to reduce inflation would be for the federal government to get the federal deficit under control, and that certainly can be done.

The comment has been made that rising interest rates cancel out the home ownership rebate of taxes and interest. In fact, the two are not related in any circumstance.

When the Conservative administration took over from the Schreyer government in the province of Manitoba, provincial finances were such that almost $1 in every $3 that the provincial government was spending was being borrowed. Every year the difference between the taxes collected and the money spent by the Schreyer administration was widening,

and the increase of this was much greater than the growth of the province's economy. It is small wonder, then, that many prudent investors were having second thoughts as to the integrity of Manitoba bonds. It is an anachronism of Canadian politics that when a province pursues prudent financial courses its citizens are penalized in a tax way because the federal tax system is able to take a greater share of the tax income as the province's share diminishes.

If we are serious about fighting inflation, there are many things we can do, but they all amount to a reduction of credit in order to reduce the total spending of the country. This might be done now by the control of interest rates, by the control of new credit or by way of new directions in the economy.

It is widely said that the cure for inflation will increase unemployment. This measure will do something to stimulate house building. But it also may be said that the increase in inflation will also bring unemployment as the bad effects of inflation manifest themselves. In other words, unemployment will occur whether in the cure of inflation, in its containment, or if it is allowed to run rampant, as at present. But, as evidence in South America shows, inflation is particularly damaging to middle-class virtues and financial positions. Certainly home ownership is one method by which the middle class can to some extent guard against inflation.

I would like also to point out to those who question high interest rates that it should not be forgotten that for a long time the people of Canada have been finding that their savings are being eroded as inflation speeds up. For every borrower there must be a lender, and a sober survey would show that anyone who is in the 50 per cent income tax bracket would have to have a 20 per cent return on his investment to break even.

The government has made a start in attempting to control the financial mess of the last ten years. Through this bill it has shown that it understands the necessity of broad home ownership across the country and that a measure of fiscal elbow room will be allowed to municipal authorities so that this most efficient of the three levels of government in the spending of taxpayers' money, which it controls, can be allowed to function.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, this bill we are debating today, Bill C-20—

Mr. Paproski: Who won the game, Hal?

Mr. Herbert: I must admit, in reply to the interjection of the hon. member opposite, that I was devastated on Sunday!

Mr. Kempling: How much did you lose, Hal?

Mr. Herbert: Having cried all week-end, I can only look forward to better success next year.

Mr. Paproski: Hear, hear! Well done, like a great sport.

[Mr. Ritchie (Dauphin).]

Mr. Herbert: To get back to the serious business which might take the smiles off the faces of the members of the government party, this bill to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax is without doubt the worst piece of discriminatory and unjust legislation which has ever been presented to this House. It is my fervent hope that the evil, the greed and the discrimination that are integral parts of the bill will never be inflicted on the Canadian people. This is a disgusting ploy for votes by the Tories and a disgraceful affront to our intelligence. It is degrading to the people of Canada.

I cannot find enough adjectives to describe my dismay that in such difficult times as we are facing today the Tories produce just one major measure, and that one is so inherently bad that it can only contribute to the serious problems in which we find ourselves as a result of worldwide inflation and recession. At a time when this country needs leadership and the wisdom of good government we are presented with a bill which cannot accomplish either of the main objectives for which it is being introduced.

Before I go any further I want to comment on some changes which have already been made in the bill in the hope that other worth-while changes can be made at the committee stage if this discriminatory piece of legislation is eventually to see the light of day. As the House will be aware, I took a very strong position against the suggestion which was made by the then leader of the opposition, the present Prime Minister (Mr. Clark), in September of 1978 when he made this ploy for votes, by immediately communicating with the media in my own region. I immediately included in my letter to my constituency my horror at the possibility of getting ourselves into the mess in which the U.S. has found itself and my view that such a bill should not be introduced in the Canadian House of Commons.

● (1530)

I went on to list my numerous objections to this measure. Amongst my objections, which were recorded back in the fall of 1978, were three points which the government has now taken into account. I mention them because I hope the government will continue to take into account our representations; and if we are to have a bad measure, let us at least try to get rid of the worst features of the bill.

I was very pleased that the government brought in the point that in the case of only one spouse owning the home, which might create some difficulties with the tax returns, the couple could make the choice between them. This would allow the family to decide the best way in which they could take advantage of this tax measure.

I also pointed out at great length the problem of interference in provincial jurisdiction in connection with municipal taxes, and I still emphasize that this is interference in a provincial jurisdiction by a government that has talked at length about the need to confer with the provinces and has even suggested that we have gone too far with CMHC in the housing field

because of its interference in a provincial jurisdiction. As a result, the varying methods by which the municipal governments have charged their residents taxes is now a matter of no concern because there is to be for all householders the same deductibility for municipal taxes. I would only make the point that I have already heard municipal officials saying that of course that will make it a little easier for them to raise municipal taxes and take back from the home owner the moneys he is receiving from the federal government.

The third point, and the most important point of all, was my strong objection to the marginal tax rate variation which meant that persons in the higher income brackets were receiving a much greater advantage. That has been taken care of by the tax credit.

Having apparently scored on three points, I want to go into some of the other arguments in the hope that eventually we will be able to make some sense out of this measure. The average number of dwelling units built in the last ten years was 235,000 a year. The last three-year average was 249,000 homes a year. These figures do not suggest a depressed housing market. However, a further analysis is necessary. The ten-year average of single detached dwelling units is 109,000 a year. In 1978 the figure was 110,000, and this is the category of dwelling units which is to benefit most from the Tory plan. This rate of construction has been maintained despite a sharp fall off in the construction of single detached homes in Quebec. In 1976, for example, 37,000 units were constructed, in 1977, 29,000 and in 1978, 23,000.

Continuing the analysis, one notes that the ten-year average for apartment units is 92,000, but it is in this category that one can see the major fall off in construction. Only 77,000 units were built in 1978. This category of housing construction will not benefit from the Tory plan and could possibly suffer if funds are diverted for remortgaging. Interest rates could increase because of an increased demand for money for single family homes. Competition for financing for multi-family dwellings will increase interest rates if the supply of funds for this type of construction has been depleted.

In this connection, because of rumours that are rife on the Hill, I proposed a motion to the House last week which was an attempt on my part to bring to the attention of the Minister of Finance (Mr. Crosbie) that he should not further withdraw assistance for rental accommodation. The motion, which was not approved by the government side of the House, read as follows:

That this House approves the deduction of capital cost allowance for new multiple unit residential buildings against any source of income at any time, and would view with alarm any attempt by the Minister of Finance to terminate the allowance in his budget speech.

Quite obviously what I am getting at here is that if we are going to give an even greater advantage to the home owner over the renter, then we must not at the same time take away some of the tax measures which will tend to stimulate the multiple family residence construction. I would like at this point also to emphasize that when we go ahead with a measure such as is being proposed in Bill C-20, obviously we tend to increase the value of single family residences, and by doing so, by comparison we decrease the value of rental accommodation. Thus we are swinging the balance—which may be the Tory intention—in favour of single family residence construction and we are taking away some of the impetus for the construction of rental accommodation. As I was saying a couple of moments ago, it is in rental accommodation that we see the major fall off in construction, and that is the one sector of the economy which surely needs assistance at this time.

Few will dispute the fact that the only two major considerations for the purchaser of a single family residence are the amount of down payment and the monthly carrying charges. By requiring only a 5 per cent down payment, or by other proposals of the vendor, the amount of the down payment can generally be arranged to accommodate the serious home buyer. However, the vendor can do nothing to reduce the amount of the monthly repayment of the principal and interest, particularly when repayment terms have already been extended to a period of 30 years and sometimes longer. Thus the effective reduction in monthly payments attributable to the tax concession could stimulate sales. Any price reduction in a product is likely to stimulate sales. However, it is generally recognized that stimulation by tax reduction is temporary, and that after the initial buying splurge to take advantage of the reduction, normal market forces come back into play. This is distinct from the possible stocking up on reduced price products, because obviously one is enticed to buy only one house.

The highest figure that has been reported as additional sales resulting from the deductibility plan is 20,000 and, of course, such a stimulation in the construction industry at this time would be most beneficial. But a look at the home construction statistics previously stated indicates that such a stimulation is an improbable dream and therefore could be an expensive exercise for the amount of benefit received.

There is also the additional difficulty that the deductible tax would be a delayed benefit coming only after a tax return has been submitted, claiming as a deduction the mortgage interest paid in the previous year.

Thus, because there has been no appreciable drop in the rate of construction of single detached dwellings and because any tax benefit will not be readily apparent in the initial monthly repayment program, any increase in sales resulting from a lower monthly cost may be entirely illusory.

While the down payment as a percentage of cost of the lower to medium price house has been maintained at a low level, the increase in demand for funds that is inevitable with the Tory plan could logically result in an increase in the amount of the down payment as a means of providing additional security and reduced risk for the lender. This would have a negative effect on the rate of new construction.

One of the advantages we have had in the last few years is that it has been possible to buy houses in the lower cost bracket with a down payment in the order of 5 per cent. Thus it has been possible for persons in the suburbs of big cities such as Montreal to purchase homes with down payments in the order of $2,000 to $3,000, a figure which it has been possible

for them to realize, and therefore they have been able to become home owners.

● (1540)

To the present time there has been no particular incentive to mortgage one's home other than for the purpose of home purchase. Opening such a tax proposal to all home owners certainly will entice home buyers to buy with a mortgage, particularly if the home owner can use the funds for other purposes. Current bank rates on consumer loans are substantially higher than mortgage interest rates and, of course, the interest payments on consumer loans would not be deductible for tax purposes. I should like to make a comparison with the United States where all interest is deductible; therefore, there is no direct incentive to mortgage one's home if the money can be obtained from another source for the purposes of buying consumer goods.

The inevitable competition for available mortgage funds will lead the lending institutions to be more selective. A long-term or a more senior employee with his higher income security and salary level will be preferred. The marginal cases will be cut off. The older the person, the more difficult it becomes to obtain financing at competitive rates, particularly if an older person has a relatively small income. Lending institutions will not be inclined to mortgage the homes of these citizens. Thus a person who has spent most of his or her productive years paying off a mortgage will be unable to take advantage of the deductibility proposal available to other home owners, simply because mortgage funds will not be available to that person.

Few will dispute the provincial jurisdiction in the construction field. One might question whether the type of intervention perceived in this federal proposal, whilst undoubtedly within the federal sphere of influence, is not an attempt to encourage certain lifestyles with no previous agreement from the provincial governments as to the effect and acceptability of such a proposal. Is this not in direct contravention of the stated aims of the present government first to consult with the respective provincial authorities prior to an intervention which may run contra to the stated aims of some of the provinces?

I should like to make a special comment here about the Quebec case. Throughout the country 62 per cent of Canadians or 4.4 million are home owners, though I heard the Minister of Finance in his remarks refer to some figure of 3.8 million families. Anyway, give or take a few hundreds of thousands, approximately four million persons are involved. However, among Francophones only approximtely 45 per cent own their own homes, with the others living in rented accommodations.

It has been argued that the program will encourage more Quebeckers to own their own homes. This argument obviously is based on the incentive of cost reduction. The implication is that it is not because of choice of living style that fewer Quebeckers own their homes. However, if by this argument one relates the percentage of ownership to regional income levels, then one is forced to question why the highest level of home ownership is in the maritime provinces, the region of the country that, by the same argument, has a population which should least be able to afford to own homes. Thus the rate of ownership of non-Francophones is 1.5 times greater than that of Francophones, 70 per cent compared to 45 per cent.

In addition to the considerably lower ownership rate among Francophones, there is also the average family income differential which will affect greatly the relative house values and therefore the mortgage totals for the two linguistic groups in our country. In Quebec the average family income for home owners is $19,300, compared to $21,200 in Alberta, $22,100 in British Columbia and $22,500 in Ontario. On a per capita basis, the financial benefit from the program will be as much as 60 per cent more in the provinces of Alberta, British Columbia and Ontario as compared to Quebec. This is a direct reversal of the principle inherent in the equalization payments program.

Many persons have saved to increase the equity in their homes. This has been accomplished either by increasing the amount of the down payment or by paying off part of the mortgage before maturity. These people will receive less benefit from the plan than those who have a minimum investment in their homes. The pride of ownership of a mortgage-free home would be discouraged by our tax system.

The 2.4 million Canadians who rent their homes in many cases already are benefiting from the fact that interest costs on multifamily structures are considered an expense for tax purposes. However, there are two ways in which the family that rents will be disadvantaged by the plan. First, all citizens, owners or renters, will contribute to the cost of a program in which they cannot or do not choose to participate. Second, a tenant who cannot afford or chooses not to buy a home does not have the opportunity to raise funds by mortgaging or remortgaging a home. Therefore, the tenant does not have the same capacity for raising funds and must borrow at higher interest rates, and in addition does not have the interest deductibility provision of the home owner.

Whilst talking about the cost, I re-emphasize, as I have said previously in the House, that if one spreads the total cost of this program over all taxpayers, one could compare it to an increase in tax for every single federal taxpayer in this country of something in the order of 15 per cent. If one says right away that there is not to be an increase in tax in the next budget which we will see on December 11, I can only say that if this measure had not been brought in, then it would have been possible to have given everyone a decrease in tax to compensate. The cost to every single federal taxpayer in Canada of this program is equivalent to 15 per cent of the taxes which they presently pay. Therefore, a person presently renting accommodation will be dipping into his pocket to the extent of 15 per cent of his taxes to help his neighbour who has made the free decision to purchase a home for himself or herself.

With no capital gains tax applicable on the principal residence of a family, the appreciation in value as a percentage of invested capital has not been a tax consideration. In the United States, which already permits mortgage interest as a deductible, capital gains tax applies to a residence. One will immedi-

ately wonder if a capital gains tax on homes is being considered, inasmuch as the new program will be an encouragement to reduced equity financing with a resulting additional percentage capital gain from appreciation in value. I should like to reiterate this point. For example, if a person purchases a $50,000 home with a $5,000 down payment and a couple of years later sells the home, which has appreciated in value, for some $55,000, then in that two-year period the equity in the home has increased from $5,000 to $10,000, a 100 per cent improvement in a period of two years. This is a very common experience in Canada today. At the present time that money is not taxed because there is no capital gains tax on single family residences, or on any residence for that matter.

The record of home building on a per capita basis in the United States is worthy of comparison. Canada has always had a far superior home building rate on a per capita basis. Of course, in the United States mortage interest is deductible. In fact, the kind of home building that would benefit from this program has always been strong in Canada. This strength in the building of single detached dwellings has continued, despite the much higher mortgage interest rates that apply in this country.

● (1550)

One is, therefore, entitled to question whether that proposal would have any significant effect on the number of such homes to be built after any initial surge in construction has passed. It is important to point out that in the United States all interest payments are deductible, thus effectively removing any incentive to mortgage homes purely for the tax benefit.

Mr. Speaker, perhaps I could talk for a moment or two about some comments that have been made by the minister who probably has the greatest access to information. The Minister of Regional Economic Expansion (Mr. MacKay), because of his responsibility for the Canada Mortgage and Housing Corporation, has been able to put together some arguments which I think are worthy of repetition and should go on the record.

I have proposed, for example, a direct grant for new home builders, either as a reduction of the down payment or as a monthly payment over a limited period, that period of time when the new home owner is in the greatest financial difficulty. To that the minister has replied:

> Direct cash grants to first-time purchasers can . . . be regarded as an alternative to the program of mortgage interest and property tax credits. Both would facilitate access to home ownership. However, the use of direct cash grants has a number of disadvantages.

He then lists these as:

> Limiting cash grants to first-time home buyers would deny existing home owners relief from the burden of mortgage payments. Limiting the grants to new housing would deprive first-time home-buying households of the opportunity to select between a new home and a more affordable existing home. Restricting grants to new housing would also have the adverse effect of artificially raising the price of new housing relative to the price of existing housing, thereby creating severe market distortions.

I find these arguments, whilst quite logical, somewhat limited. After all, when he says limiting cash grants to first-time home buyers would deny existing home owners relief from the burden of mortgage payments, let me point out that one of the stated objectives is that an increase in construction would result from the increase in demand, and obviously this is a counter-argument to that particular point.

The point about being able to select between a new home and a more affordable existing home I do not think is worthy of too much discussion at this point in time. The affordable existing home which has been on the market for some time is probably being priced at current market prices, and I think we need concern ourselves very little indeed with the resale of older houses. We might concern ourselves with making some of those older houses better places in which to live, and there are programs for that purpose.

In the third point he talks about artificially raising the price of new housing relative to the price of existing housing. The assumption again is that if we give a grant to a person to assist him to reduce the down payment on a house, it would increase the price of the house. How illogical that is when the whole purpose of the bill is to reduce the cost to the home owner and, therefore, put the first-time home owner in a better position so that it will be easier for that individual to purchase the house. There is something illogical about the presentation of that argument.

I made a second suggestion, which was that a direct subsidy of interest rates for an initial period of from one to five years could be made. That proposal could be intended, of course, to stimulate construction. The minister answered:

> —the mortgage interest tax credit will . . . achieve the same results as a direct interest rate subsidy, and at the same time be much simpler and cheaper to administer.

I find it somewhat hard to accept that an interest subsidy to home purchasers could itself be so difficult to administer when we are going to have such a complex proposal on the income tax return that it is going to have to be checked off by the Department of National Revenue.

The fourth proposal I made was that we should stop the practice whereby insurance is required from a private institution for non-National Housing Act mortgages, even though the lending institution increases the mortgage interest rates for these loans. Surely either the increased rate is to cover the increased risk, or if suitable insurance is obtained the regular NHA mortgage rate should apply.

My point here is that we have one company—and I will name it, MICC—which is doing the same thing as the Canada Mortgage and Housing Corporation. When I was in Winnipeg earlier this year I made a point of inquiring as to how this company was faring. It is insuring mortgages, and I will speak in a moment about what is happening to the Canada Mortgage and Housing Corporation and the funds it has.

This company insures mortgages, but in spite of the fact the mortgages are being insured by a reputable company, the mortgage rate charged by the banks and other lending institutions is one-half to 1 per cent higher than that charged when

the mortgage is insured by the government agency, Canada Mortgage and Housing Corporation.

An hon. Member: And they're still losing money.

Mr. Herbert: Mr. Speaker, I was not going to interject at this point because my time may be running out, but I will only say this. In the Canada Mortgage and Housing Corporation fund at this time is a sum of some $650 million which has been accumulated from this insurance charge. To suggest that this money is ever going to be used—I know what the objection is going to be and I will come to that in just a moment—for the purpose that it was originally intended, which is as insurance on mortgages for single family residences, is just preposterous when you take into account the appreciation in the value of homes, plus the fact that as the years go by these mortgages are being reduced.

In fact, the only reason there is an apparent reluctance on the part of the government to talk about using this particular fund at this time to help the home owner is that a large part of these funds has presently been committed as a result of the acquisition of homes under the Assisted Home Ownership Program. I am well aware that there are persons who are not particularly happy to talk about the fact that there have been so many acquisitions under this program. All I would say at this stage is that these acquisitions represent a relatively small proportion of the total number of houses built under this program, and in each case the individual involved has had the advantage of the program for the period in which he has lived in the house.

The fact that some of these people have been unable to meet the increased payments necessary at the end of the five-year period, through no fault of their own, is a shame. Nevertheless, the 90 per cent to 95 per cent who have been able to use the program to advantage, and as a result now occupy their own homes, in my opinion makes the program extremely well worth while. In no way does it bother me that some $400 million has had to be used out of the $650 million insurance fund for the acquisition of these homes. This money is not lost. When one acquires a home for a certain sum, one must spend those dollars in order to acquire the property. But one then sells the property, and it is only the difference, if there is a difference, between the selling price and the purchase price that is the loss. The actual anticipated loss in any one year would not exceed $60 million. The maximum loss of $60 million to the Assistant Home Ownership Program in one year, if one considers the funds which are being funnelled in by continuing insurance charges year after year, is nothing at all to be ashamed of. I think one of the finest things which the previous government did was to give the opportunity to low income persons to acquire their own home.

● (1600)

Thus the suggestion that we cannot use this fund either to reduce to one-half of one per cent or even eliminate entirely the insurance charge but continue with the coverage, which would immediately give everybody a reduction in their monthly payments, and that this would have no immediate effect on the fund, is quite right. Of course, it would result in a decrease in the amount going into the fund, but it would then only be necessary to make more of an effort to sell these houses that have been acquired by Canada Mortgage and Housing Corporation. If there is a shortage of housing accommodation, then this is the route to take. It is the least expensive to the public since it involves no additional expense to the government whatsoever.

I also suggested that we eliminate the remaining federal sales tax on building materials as a one-time stimulus for construction activity. The minister's answer was:

—not all of the price reduction resulting from a cut in federal sales tax would be passed on to the consumers.

I think that it is a disgrace to make such a statement. I am ashamed of the suggestion that the market now is not sufficiently competitive, and that it would force salesmen and the companies selling building materials to reduce their prices if the government was to take off the remaining federal sales tax on building materials. Surely that is one very effective way to stimulate construction.

I also talked at some length about giving a stimulus to the building industry by proposing other deferred tax advantages to builders who at the present time are carrying very high inventories. The comment by the minister to this particular suggestion was:

New residential construction activity has been lagging throughout 1978 and 1979.

I acknowledge the lag, but as I said earlier, this does not apply to single family residences, but mainly to rental accommodation in multiple family highrises and other types of multiple family units. He goes on:

The lower level of activity can be attributed to a number of factors. The first major factor has been the over-production in some market areas of certain types of dwellings resulting mainly from the AHOP and ARP programs. As inventories grew beyond normal levels, builders have had to reduce new production. To compound this problem, mortgage interest rates remained at high levels throughout the latter half of 1978 and in 1979.

The minister goes on to say on the following page:

The current low level of new production cannot therefore be attributed to a lack of productive capacity on the part of the builders. Rather, it is more because of a weakness in demand that housing starts are at such low levels. Thus, I believe there is a greater need for the mortgage interest and property tax credits to stimulate demand than there is for the granting of deferred tax advantages to builders at this point in time.

That may be so, provided there are still builders to build the houses should there be an increase in demand. The situation in which we find ourselves at the present time is that the builders have inventories and houses for sale in most parts of the country. In fact, I was reading a pamphlet of the Housing and Urban Development Association of Canada which said in part:

Much of the country reports soft markets except Newfoundland and Ontario which say that the single detached demand is buoyant.

I find it interesting that they would mention the provinces of Newfoundland and Ontario because Newfoundland is referred to as the area in this country with the highest percentage of home ownership but the fewest number of homes on mortgage.

And in Ontario there is presumably a greater capacity on the part of Ontario residents, because of their higher income levels, to purchase their own homes.

I would like to make one last point on the response from the Minister of Regional Economic Expansion to my suggestions. I suggested that there be a sunset clause so that the difficulty experienced in the United States, that it has been found impossible to close the tap on their program, will not be a Canadian experience. The minister said:

Your proposal to include a sunset clause in the program could only be justified if home ownership were to cease to be a social goal at some future time.

I do not think anyone will dispute with the minister the fact that it is a social goal, but the difficulty is that if this program is put into place it will become almost impossible to get it out again, no matter what may be said at this time. We know the experience of the present President of the United States who in one of his campaign promises said that he would get rid of the deductibility of interest on mortgages. However, when he got into office he found that the politicians would make it impossible to put such a measure through, so the United States finds that it is stuck with what everyone in that country acknowledges is a bad piece of legislation.

I would like to quote from a document in the building industry called "The Canadian Builder". In an editorial headed "Mortgage Interest Deductibility: Tinkering with a Time Bomb", it says:

Stop asking the government for free goods and services, however desirable and necessary they may seem to be. They are not free. They are simply extracted from the hides of your neighbours, and can be extracted only by force. If you would not confront your neighbour and demand his money at the point of a gun to solve every new problem that may appear in your life, you should not allow the government to do it for you.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. I regret to inform the hon. member that his time has expired. In order for him to continue, he must have the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Peter Ittinuar (Nunatsiaq): Mr. Speaker, like many Eskimos in Canada, my hearing is quite bad. Let me preface my remarks by saying that it is perhaps appropriate I speak to a rather subdued House today because, in terms of government priority, northern housing programs have been just as subdued. I would like to illustrate that by giving hon. members a number of figures. In 26 communities in my riding there are a total of 3,353 houses, of which 37 are privately owned. That is not for a lack of desire, however. Many of these houses contain primary, secondary and tertiary families, so hon. members can imagine the need for housing programs for the north and particularly in my riding of Nunatsiaq.

● (1610)

My colleagues have already pointed out that Bill C-20 will benefit present-day home owners without increasing the possibility of home ownership for others, and also that developers and lending institutions are likely to be the recipients of large financial gains.

The rationale behind Bill C-20 is supposedly to increase home ownership and lighten the financial burdens of present day home owners. These are certainly honourable goals. The mortgage interest tax credit, however, will not alleviate affordability problems for those Canadians most in need. Four out of five households that spend over 25 per cent of income on housing are renters. These are the people who have a real affordability problem. They are also the people whose needs are ignored.

Similarly, almost 99 per cent of the people in my riding are not eligible for this tax credit. In the Baffin region, which is a very large area of Canada, 0.61 per cent of housing is privately owned and operated. In the area north of the tree line as a whole, 1.1 per cent of the total housing is privately owned. Bill C-20, therefore, will benefit almost no one in the riding of Nunatsiaq nor will it increase the number of home owners in that riding in the future.

The major factor contributing to the small percentage of home owners is the high cost of fuel and utilities in the north. In light of this, and given the increased fuel costs faced by all Canadians, I should like to recommend that the government withdraw Bill C-20 and in its place institute a utility and home heating subsidy which would warm the hearts of all Canadians, especially those in the western and eastern Arctic. I see the hon. member for Western Arctic (Mr. Nickerson) smiling at this because he approves. The alternative would be to standardize these costs across the country, with an additional subsidy focused on targeted regions where the need is greater.

If Bill C-20 is passed, it will cost the government millions if not billions of dollars over the next three years. If the government is willing to spend such a large amount of money on housing, then it is only logical and fair to make this money available to those most in need, including low and middle income families who cannot afford to own a home and people who live in depressed areas, such as the Atlantic provinces and the northern regions of all provinces and the two territories.

According to 1971 census data, 53 per cent of Canadian households own their dwellings. As pointed out earlier, however, four out of five households with affordability problems are renters; therefore, the tax credit benefits those households that do not have a major affordability problem. Is this a fair allocation of money, Mr. Speaker? Most people would agree that it is not.

My colleagues have already mentioned that the mortgage interest tax credit is unlikely to increase home ownership possibilities, and in fact may prove to be a deterrent due to increasingly high housing prices and interest rates.

The Conservative government has a moral responsibility and an obligation to ensure that its policies benefit Canada and the Canadian people. Bill C-20 will not benefit the majority of Canadians. In these times of economic hardship, the effects of which are most severe in certain regions, certainly my own region, and which hit poor and middle income Canadians

particularly hard, the government cannot afford to appease one segment of the population at the expense of another. Money budgeted for the tax credit would be more wisely and fairly put to use in the form of a utility allowance. An effort to save face by following through on untimely election promises should not be a consideration, but saving Canadians from economic hardship certainly should.

The mortgage tax credit will not in any way benefit the people of Nunatsiaq, nor will it aid the many Canadian households that do not have mortgages.

I should like the House seriously to consider my suggestion of allocating money set aside for mortgage interest tax credit to cover instead a utility allowance which would have the universal and immediate effect of helping all Canadians face the winter ahead. Many people in the western Arctic would agree with that proposition, especially those in outlying communities beyond Yellowknife who do not have the same housing utilities as are provided to territorial employees in suburban areas like the suburbs of Edmonton, Yellowknife, Fort Smith and so on.

As a final point, Mr. Speaker, I should like to examine the proposed mortgage interest tax credit in the context of how it will stimulate the production and sale of housing. In the area north of the tree line this is simply not a possibility. As mentioned earlier, the high cost of utilities and home heating oil eliminated home ownership as an alternative in the north. Almost 99 per cent of the housing is heavily subsidized, either as public housing or government staff housing. Many people would like to own their own home but simply cannot afford the cost of maintaining or operating one. Government staff housing is generally considered to be on a par with southern standards but the quality and condition of public housing provided both under section 40 of the National Housing Act and under the northern territorial rental programs is not only inadequate but clearly inferior to southern standards.

Again, my colleague and the hon. member from Western Arctic and the hon. member responsible for the district of Labrador would agree with me about housing conditions which they have both seen in the communities in those regions. I am sure that other remote regions of Canada find themselves in much the same straits.

Attitudes toward people residing in subsidized housing dictate that they have little say in design and policy decisions which affect their housing, yet there are many design problems specific to northern housing and the production of new housing in no way meets present and projected demands. Some of the design problems associated with public housing are inadequate insulation, warping caused by mid-winter construction and shifting pads, drains and pipe freezing, lack of porches in early models—which is very important in hunting communities—doors freezing shut and all kinds of other problems. There are inadequate wind breaks and inadequate funds for maintenance and upkeep.

The preceding points were made, Mr. Speaker, in order to bring out the fact that Canadian housing problems are as diverse as the many regions which make up this country. The solutions should reflect regional disparities and differing needs.

I should like to make one further point, Mr. Speaker. While housing programs in the north have been subdued, industrial development in extracting non-renewable resources has been given an attitude of laissez-faire. The government is always saying how beneficial to the north the extractive industry can be, yet out of 3,353 houses, 15 houses were provided by one mining company for the whole region. That is just ludicrous.

On that note I complete my remarks, Mr. Speaker. The figures speak for themselves.

Some hon. Members: Hear, hear!

• (1620)

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, we have before us today an amendment to the Income Tax Act designed to provide a tax credit in respect of mortgage interest and property tax. These changes will allow the owner of a single family home to deduct 25 per cent of his mortgage up to $1,250 per year and grant him a $250 property tax credit. Mr. Speaker, I think that Bill C-22 introduced in the House includes another commitment made by the Progressive Conservatives during the last election campaign. It also represents a minimal portion of the principles advocated by the Social Credit Party of Canada for years and to which the previous government has never paid heed. On the contrary, it has poked fun at them at every opportunity, but to resort to ridicule is always a proof of weakness.

Mr. Speaker, it has always seemed impossible for the Liberals, who were elected with the millions of financiers, banks and multinational companies, to grant the same advantages to the small home owners as to the owners of large apartment buildings. I have spoken on several occasions in the House to denounce that intolerable unfairness to the small wage-earner who is anxious to own his house and who must pay five times the amount to become an owner at the end of his life.

If you figure out a 20 or 30-year mortgage at the present rate, you realize that a house assessed at $30,000 or $40,000 costs over $100,000, without any deduction possible. This is the drama and a real shame in this country. For years, all builders and owners of MURBs can deduct for income tax purposes 66 per cent of the interests paid during a year, as well as property taxes, maintenance, heating, electricity and insurance costs in addition to a 10 per cent or 15 per cent depreciation on rental housing. Needless to say that those who invest millions of dollars in these MURBs get all these advantages to such an extent that businessmen do not invest their own capital, they lend it at rates of 12 per cent to 14 per cent. No, Mr. Speaker! They borrow the money needed since they know at the outset that they may deduct 66 per cent of the interest which provides them with millions of dollars borrowed at a very low interest rate if the deduction is taken into

account. I will even say that this borrowed capital yields further interest. That must be told and explained to the people.

Mind you, Mr. Speaker, I am not against financing multiple rental units in this manner. On the contrary, we have been demanding for years that owners of multifamily dwellings get the same advantages as the owners of multiple rental units. A young head of family who wants to buy his own home could then deduct 66 per cent of his mortgage interests from his property taxes, maintenance costs and insurance premium as well as 66 per cent depreciation. Do you know, Mr. Speaker, that under these conditions, a head of family would pay for his house only once instead of five times over as is the case today, that is, four times to the finance company and once to the contractor. Were we to reach this objective, Mr. Speaker, 90 per cent of all couples could become home owners. I can hear people saying that I am exaggerating. I have been told many times in the House not to forget the owners of multiple family dwellings who did not build for themselves. Of course not, but to provide shelter for other families which otherwise could not find any. That is the reason they give for granting tax credits to big contractors only, Mr. Speaker. That is the only reason, claiming that these big contractors are working for the common good. They are social benefactors. I refute this childish argument by saying that the head of a family does not build a house for himself either. No! If he were single he would rent a room, period. He builds a house for his family, for his wife and his children. I think that his case is also important, even more than that of the big contractor who builds houses for others, because I do not know of any big contractor who is in this business for reasons other than to make money.

Profitability, that is their objective. In other words, Mr. Speaker, we are not asking for favours in the name of heads of family but we seek the most elementary justice, which has been refused to us by all former governments. I do not pretend that in its present form Bill C-20 will meet this objective because, in my opinion, it is but a small step toward the solution we have been advocating for twenty years. In fact, this measure will affect a very limited number of average home owners who have a mortgage on their house and moreover, though the maximum deduction of $250 for property taxes will reach a greater number of people, it is clearly insufficient.

During consideration of this bill in committee, we shall certainly have amendments to suggest to the government, but we immediately ask the government to take the initiative of moving these amendments so as not to lose face. Good intentions are no longer enough, Mr. Speaker; the population wants action. We have seen this in the last two byelections. The introduction of Bill C-20 is a step in the right direction, we must admit. The government has taken a step forward; it has at least broken the ice, as we say in Quebec. We feel that this government is trying to get out of the same old ruts, and we shall help it along, if necessary. We know that holding the balance of power is a heavy burden, but I hope that we shall be up to it. Future single family home owners will regain confidence. One day, they will be able to own their home without having to pay the equivalent of four times the price to finance companies, as I said earlier.

As concerns senior citizens, single parent families and all tenants, we ask the minister to grant them, in the same spirit, tax credits on rental taxes, on heating, electricity and other costs, and if necessary, to help in the case of housing handed over to the former owners on the order of the previous government.

What are we doing and what have we done in the past to help tenants? Grants have been given to MURB owners.

● (1630)

Mr. Speaker, I cannot help but refer to an article published in *Le Devoir* of November 20, 1979, and entitled: "Opposition proposes housing assistance program." This is great reading material.

The Liberals are proposing a five point housing assistance program—

I agree with them on that.

—which would help Canadians three times more and cost twice less than the Tory mortgage interest and property tax deduction scheme. In the second reading debate of Bill C-20 Liberal housing critic Lloyd Axworthy set out the five-point Liberal program as follows:

Imagine! Five points. I am going to say a word on each of them.

A housing allowance program for older people and single parent families. With $100 million, Mr. Axworthy suggests, it would be possible to help 36 per cent of older people and half of single parent families in need;

A special assistance program for needy families to offset inreases in heating and electricity prices. That kind of program would cost $500 million to $700 million and would benefit three-fifths of Canadian families;

A temporary reduction in mortgage rates for owners who renegotiate their mortgages. The Liberals feel it would be possible to reduce mortgage rates from 14 per cent to 10 per cent with $220 million;

Fantastic!

The Liberals are also proposing an assistance program to new home owners to stimulate the residential construction industry. A reduction in current mortgage rates could be made with $150 million to $180 million—

—per year. They have millions galore!

Finally, the Liberal housing assistance program includes grants for rental housing construction in metropolitan areas where the rate of occupancy is particularly low.

Mr. Speaker, after 11 years in power, the Liberals should at least have the common sense to keep quiet. They certainly have no lessons to give to the present government which has hardly been elected and is in a nice fix trying to struggle out of the financial chasm left by the Liberals. Those defeated Liberals should at least have the common sense to remain silent.

During the last 11 years of Liberal power, Mr. Speaker, the housing bills they introduced were all designed to help their friends or big owners fill their pockets. The help given by the Liberals to small owners was only designed to guarantee interest rates for the benefit of big money lenders. Imagine that in order to help tenants—now, listen to this—the best the Liberals could find was to give them from $50 to $100 on their rents. That is what they propose now. But what did they do before, Mr. Speaker? They gave big owners from $50 or $100 per month to protect those poor tenants, Mr. Speaker. Why did they not give the $50 to $100 per month directly to the tenants to lower their rents as they recommend today? This is logical but what is illogical is what they did before. Had they lost confidence in the tenants to that extent? What did they do to help elderly people, the single parent families? Nothing at all!

They are now coming back to life. They are waking up from a long period of lethargy. Now that they are in opposition, they are the most powerful group in the country. After only six months in opposition, they can solve all the problems that they left to stagnate during 11 years of apathy. In these 11 years, the former prime minister only had time to fight against Quebec authorities to establish a federal dictatorship camouflaged under the label of renewed federalism.

The former government tried to get involved in all areas exclusively under the jurisidction of Quebec by doubling its departments and agencies in this province and by creating an urban affairs department. Finally, they got scared and abolished this department because too many people objected. The same happened for Loto Canada when they knew that Quebec and all the other provinces had their own lottery. These lotteries were going well and making money. The federal government then came onto the scene to compete against the provinces and in so doing neglected all the areas where it should have been active on a national level.

Western Canada realized to what extent it was being invaded by a strong federal power. This is why the western provinces gave a lesson to the Liberals, because they also want to keep jurisdiction over their natural resources. Let us hope that Quebec will wake up before it is too late and that the mistake made in my province on May 22, 1979, will not be repeated because Quebeckers, like Westerners, must know that owning their own economy is a guarantee of their autonomy. We therefore hope, Mr. Speaker, that this bill be referred to the committee for further study and be amended to reach the goal that we have always had and for which we have been fighting for 20 years. I can assure you that if the Progressive Conservatives do this and continue in the path that they have chosen, they will remain in power for a long time and that we shall keep the Liberals in the opposition since they seem to be doing well there.

Mr. René Cousineau (Gatineau): Mr. Speaker, from the comments of the hon. member for Roberval (Mr. Gauthier), it would seem that he has forgotten the results of May 22.

[Mr. Gauthier (Roberval).]

The government is not Liberal but Progressive Conservative. His criticisms should therefore have been addressed to the other side of the House.

Mr. Speaker, before speaking about Bill C-20 itself, I would like to make a short retrospective—

Mr. Gauthier (Roberval): Mr. Speaker, I rise on a point of order.

It is because I have just been told, I think, that the meaning of my remarks about last May 22 have not been quite understood. The member who has the floor just told me that they were the Progressive Conservatives. I understand but I was referring to the province of Quebec and saying that Quebeckers should refrain from doing again what they did on May 22 when they elected mostly Liberal candidates.

Mr. Cousineau: I am sorry, Mr. Speaker, but even with my short experience as a member since last May 22, I know that his intervention has nothing to do with a point of order. It did not take me long to learn that. I will therefore go on with my speech, Mr. Speaker. I would like to go back a little and refer to the pre-electoral period and the campaign period. The Progressive Conservative Party had promised this mortgage and property tax deduction on taxable income to facilitate access to home ownership and especially help young couples buy a house. This was a very attractive proposal since Canadians attach a great deal of value to owning their home. The average Canadian has always dreamed of owning his home in his community.

• (1640)

Yet, what has been said in April 1979 about this commitment? What were the comments? It has been said that it was socially unfair because home owners would get benefits that tenants could not claim, the program would accelerate the ownership race and favour middle and upper classes rather than the underprivileged. The program would have a very different impact in some provinces and thus be unfair, inefficient and dangerous for the whole Canadian economy.

In the *Financial Post* of September 30, 1978, Mr. Arthur Drache said and I quote:

[*English*]

Clark's idea makes no sense.

He criticized the plan as being irresponsible because it encourages debt, and added that in an era where consumers are being driven to the brink by debt and carrying charges it is doubtful whether a wise government—I repeat, a wise government—would introduce a provision which would make going into debt good tax planning. Well, the wise men got together and have now spoken, and we have Bill C-20. However, let me continue with those comments of 1978. According to *The Globe and Mail* of September 26, this measure deliberately discriminates; it benefits those who own houses rather than those who do not, and it benefits those with high incomes far more than those with low incomes.

On October 3, 1978, in the same newspaper it was pointed out that the flaws of the plan of the Prime Minister (Mr. Clark) are so substantial that the implementation of this proposal could be quite harmful to the Canadian economy, that the ultimate consequences would be to reduce industrial and commercial development and weaken the long-run rate of growth and ultimately our standard of living.

[*Translation*]

This was in 1978, Mr. Speaker, and it was also said at the time that once this progam had been established it would become almost impossible to get rid of it, and my Liberal colleagues also emphasized this danger in the event this measure was passed. Nothwithstanding such advice and warnings, the Tories took power and according to the remarks and post mortem since last May 22, Mr. Speaker, this promise alone was responsible for the victory of the Conservative party plus the brilliant idea of moving our embassy to Jerusalem. We know what happened with the embassy issue and, this in spite of all the adverse opinions and warnings that this move would be bad for the Canadian economy.

Mr. Speaker, I join my Liberal colleagues in this debate in blaming government members for the discriminatory aspects of Bill C-20 in its present form. I join my Liberal colleagues in regretting that lack of common sense, Mr. Speaker, which completely ignores tenants and senior citizens. I also regret, Mr. Speaker, that the minister has excluded those who have no mortgage and who pay little or no tax except, of course, from the benefit of property tax deduction.

The Progressive Conservative Party, Mr. Speaker, divides Canadians into two classes, a society of tenants and a society of home owners. I said, Mr. Speaker, that tenants are excluded, they are completely ignored. However that group accounts for 37 per cent to 40 per cent of Canadian people. Even if the minister says that this deduction will encourage them to buy a house, it was demonstrated—everybody recognized it—that residential construction has decreased by almost 30 per cent this year compared to last year. The hope that this program would encourage tenants to buy a house did not materialize. I also mentioned that some Canadians have no mortgage, no debt at all; they represent 27 per cent of the population. These people will benefit only from the property tax credit. There are nine million families in Canada, Mr. Speaker; 4.1 million families live in rented facilities, 1.1 million are old age people who do not earn enough to pay any income tax, which means that 3.8 million families will be eligible for the tax credit. So this legislation is for a minority. I would like to point out that if the bill is passed in its present form, I will be happy for those who will benefit from it. However I owe it to myself to try to protect the rights of the poor in my province and in my country. I must speak up in order to have the bill amended or withdrawn.

We now have a deficit and government members frequently refer to it. It is the favourite subject of the Minister of Finance (Mr. Crosbie) who repeats every time he has the floor that this deficit is the former government's fault; however, the Minister of Finance and his colleagues will never admit that this accumulated deficit is due to a number of social measures introduced by a Liberal government for all Canadians without distinction, without asking whether they were home owners or renters: family allowances, medicare, old age pensions, survivors' benefits, pension supplements, indexing of veterans pensions, all sorts of benefits for young and old alike, for men and women.

Since October 9, 1979, the Minister of Finance has been saying that his aim is not to increase but to decrease the deficit. But he will have to find $2.3 billion, maybe even $3 billion. Where, Mr. Speaker? There are not 25 answers, there are only two answers, two solutions: either by raising taxes or by cutting back services. Some members are saying that taxes will not increase, so that means only one thing: cutbacks in services. We have been assured that family allowances will remain in effect for 1980, but there is no guarantee as far as 1981 is concerned. Selective medical services are often talked about, we hear that medicare will no longer be universal, and that has been shown by some Conservative provincial governments. Mr. Speaker, is that how the minister will get his $2.3 or $3 billion?

Other government members are saying that there will be no cutbacks in services in the field of social security and no tax increases. But what about this increase in oil from $4 to $4.50 or even $5 a barrel and gasoline to $1.30 or even $2 a gallon in a year or two? Who will pay the increase in heating oil? Who will have to bear higher food costs? It is a fact that food will go up because of higher heating and refrigeration costs. Not only home owners but also renters and senior citizens should benefit from the tax credit.

[*English*]

Mr. Speaker, the minister has stated many times that he would be most receptive to suggestions, that he had no immediate solutions to our problems and that in social security the government had the obligation to utilize the products of the economy in order to protect the poor, the sick and the old. These are the words of the Minister of Finance. Is that what he is doing now? What guarantees do we have that family allowances will not be cut at one time or another? What guarantees do the Canadian people have that universal medicare will remain? Will the aged be assured that they will continue receiving month after month what is now being paid without getting a cut? Will the minister make statements guaranteeing that social programs will not be reduced in any way? The minister—and he has said this many, many times—with reluctance has brought to this House a bill so as not to be accused of not keeping the electoral promises of the Conservative party and in order to maintain a little bit of credibility with the people of Canada.

[*Translation*]

Mr. Speaker, I would also like to point that the distribution of benefits under that plan is far from being fair. Ontario with 36 per cent of population will get 44 per cent to 45 per cent of the benefits. Quebec with 27 per cent of the Canadian population will get 17 per cent to 19 per cent of the benefits. In the Atlantic area, only 26.3 per cent of owners have mortgages. It can therefore be concluded that the percentage of benefits will be still less.

● (1650)

[*English*]

Remember these words, Mr. Speaker? I think the minister does. A tax credit does more for Canadians. A tax credit provides substantial benefits. A tax credit eases the burden of purchasing and meeting the costs of the home. Is that not the main reason behind the tax credit? Is not the purchasing of a house the main reason for this program? Did the Prime Minister during the election campaign not speak frequently of encouraging Canadians to acquire a personal stake in this country, which begins with what is most basic, and that is the ownership of one's own home? The Prime Minister wanted more people to realize that dream.

Is this what happened? Did more people buy homes? No, they did not. Why is that? They did not because of the high interest rate. The high interest rate is not the subject of this bill, but the fact remains that the main objective of this tax credit is not attained because of the high interest rate. What the Conservative party had in mind was: let us help those who do not have a home. Let us help those who, without some help, will never own a home. Is this not also a motto of the Conservative party, to help those who need the most? We hope to get some answers and Bill C-20 is not the answer at this time.

[*Translation*]

Mr. Speaker, the minister said in his speech last Monday evening that the program was meant above all to lessen the burden which the purchase and the maintenance of a house represents and to promote the Canadian construction industry and that such a program would create employment for those working in the construction field and related industries.

The Minister of Public Works (Mr. Nielsen) also chipped in but not in the same way. He feels that there is nothing wrong with lessening the tax burden of almost four million Canadian taxpayers. But this is not the way the Progressive Conservative Party introduced its program.

Mr. Speaker, it is shameful to hear the responsible and even well respected minister who comes to the House and begs hon. members of the opposition not to deprive the Canadian people of their Christmas gift. He is doing some blackmail before the introduction of the budget, accusing opposition members of a filibuster. However, it is our duty to warn and inform the population. If he seriously meant what he said, Mr. Speaker, we have to conclude that the election on May 22 was not earned but bought with that unfair and discriminatory program. Mr. Speaker, Bill C-20 would bring no gifts, as I say, because every Canadian will be paying one way or the other for the program.

In conclusion, let me summarize. This legislation is unfair because too many Canadians will get no benefits. The program falls short of its objectives of allowing home ownership and stimulating residential construction. Under current economic conditions, it will never fulfil the hopes of our colleagues opposite. If the minister does not want to withdraw it, if he has money to spare, could he not add such things as assistance to people who pay rent especially those in the lower income group—assistance to lower income owners who have already paid their mortgages and who pay little or no income tax. Could there be no tax incentive to energy conservation, a subsidy allowing home ownership? They could consider establishing other programs similar to the Registered Home Ownership Savings Plans introduced by the previous government. They could also consider offering some assistance to bridge the difference between the current astronomical interest rates of 14¾ per cent and a normal 10 per cent.

At home in my constituency, and especially in the city of Gatineau, the number of building permits is down 200 from last year. In terms of monetary value building permits totalled $21 million in 1978, but were down to $19 million at the end of October. This is not what we call economic stimulation at home in Gatineau.

I recognize with the Minister of Finance that although higher interest rates have had and will have an extremely unfavourable impact on Canada's economic growth, we must live with them.

[*English*]

Before I conclude, Mr. Speaker—I see some smiles opposite—let me repeat these words which have been said so many times: the plan to allow income tax credits for mortgage interest and municipal property taxes is a bad plan; it is regressive and discriminates against the renters, but is meant to please the bulk of the middle class. I wonder if the bulk of the middle class is pleased at this time, if the bulk of the middle class is not disappointed by the actions of this government. Let me just refer to the high interest rate, the reduction of powers of the federal government, the matter of the embassy, PetroCan, the possible policy of cutting family allowances in many cases by 1981, the silence of the Prime Minister in the referendum battle, and the absence of any guarantee of universal medicare.

If this bill goes through as it is now presented in the House, rest assured that I will not be unhappy because middle class Canadians will have obtained something from the government. Good for them, I say. But I will be very unhappy for the millions of Canadians who are set aside and forgotten, and I think this government should feel very uneasy because of this fact. Remember that the renters and the old also vote on election day.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, unless some of the members opposite object, I will utilize my time convincing my constituents and all Canadians to whom I am addressing myself of the validity of some of the arguments that I will put forward, and I invite hon. members opposite to listen before they disagree.

Bill C-20 is the most inequitable, inefficient and expensive package of tax credits that I have ever had to discuss here or to see, and I want to make it clear in my remarks that although, as my colleague, the hon. member for Gatineau (Mr. Cousineau) said, it addresses certain Canadians and certain problems of ownership, it certainly does not address itself to the problem of the affordability of homes, nor does it address itself in any shape or form to helping those who today have the problem of paying for their shelter and meeting expenses which sometimes go through the roof.

I find that the arguments put forward on the other side are incredibly difficult to understand. First, we were told by the Minister of Finance (Mr. Crosbie) that if we do not pass this bill, an election will be called. I say to the minister: If you want to do that, try it. But I ask the minister in all honesty how he can expect Canadians and members of parliament to vote for a measure which proposes to expend over the next few years hundreds of millions of dollars, even billions of dollars, without at the same time accounting for it in a responsible manner. Who is paying for this? Who will give the minister that flexibility in his budget to expend this money? I find it totally unacceptable that we in this House—I hear laughter on the other side—should be told not to worry about that because the government will see to it that the money is found to pay for this. It begs the question: where exactly will the money come from? Will it come from my left pocket to the right one because I am a home owner and have a mortgage? Will services suffer or will taxes be added in an already difficult economic situation? Will the government tax Canadians who will receive this money through the tax credit, or will the government cut services?

The Acting Speaker (Mr. McCain): Order, please.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. McCain): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Scarborough East (Mr. Gilchrist)—Small Loans Act—Amendments to protect borrowers against high interest rates; the hon. member for Winnipeg-Birds Hill (Mr. Blaikie)—Social security—Request family allowance program retain principle of universality; the hon. member for Laval (Mr. Roy)—Industry—Status of Canadair after sale.

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

● (1700)

PRIVATE MEMBERS' MOTIONS

[*English*]

SOCIAL SECURITY

ADVISABILITY OF IMPLEMENTING CASH ASSURANCE PROGRAM

Mr. S. J. Korchinski (Mackenzie) moved:

That, in the opinion of this House, the government should consider the advisability of implementing a cash assurance program (CAP) which would provide stability of income in the agriculture and other food industries (fish), make payouts on an individual basis, provide cash in the year of low income, replace or complement certain other programs, minimize the requirements for capital borrowing from institutions, provide equity for contributors, reinforce the family farm and minimize the exodus from the agriculture and other food industries, and avoid erratic pricing of food to the consumers.

He said: Mr. Speaker, in rising to explain the resolution, I should like first to mention that I was one of those members who was fortunate enough to sit in the House when the original grain stabilization act was presented. Over the years I have witnessed the many different approaches which have been taken to meet the requirements not only of the farm community but the primary producer as well. Primarily I will deal with the problem as it affects the grain producer, but for the purpose of explanation I should like to indicate that my plan envisages the incorporation or addition of other producers, such as cattlemen, horticultural and vegetable producers. I have acquired knowledge of the fishing industry in my own constituency. There are many shortcomings, and the cash requirement of that industry parallels that of the agricultural industry.

Because I have witnessed in certain years an abrupt drop in cash income, I have applied myself to the problem and have seen different programs spring up from time to time. I am referring to programs such as crop insurance. Also I remember the cash advance program which was initiated. At that time the argument was presented that the Wheat Board would resign, and so on and so forth. There were many arguments as to why some of these programs should not be brought forward. In 1976 we witnessed the western grain stabilization program. That is only in recent years. I felt that there were many shortfalls in the grain stabilization program. It did not necessarily meet the requirements of the producer, as I saw it at the time. Even though we have had the benefit of a few years of experience with the plan, I am convinced that we still have not met those requirements.

As most people believe, I also believe people would like some measure of security. The family wants security and employees

want security, so they group together under different unemployment schemes and so on. The primary producer wants to be able to tide himself over the lean years. In recent years the requirement for cash has been growing immensely. It does not make very much sense to provide the cash on one hand through programs such as farm loans, and then all of a sudden one day find that there is a shortfall or income shortage, and that producers are facing bankruptcy.

I have noticed it is the young, energetic producer who provides income stability and good economics for the country in the future. Not only does this provide a difficulty for that individual, but it creates problems for the government. It creates problems because there is no realized income. Over the years programs have been subsidized from time to time, which was a quick solution. Since we are indoctrinated with the idea that a subsidy is necessary, it is somewhat abrupt to change our thinking overnight and say that we will cut off all subsidies and move into a system which provides no subsidy at all. If that were done, an adjustment in attitude would be necessary. Since so many programs are in existence which incorporate the idea of subsidy, I would like to move away from the subsidy plan, at the same time providing a measure which incorporates a businesslike approach. This is not necessarily the only solution, but the primary producer could make a considerable amount of contribution into what could be regarded as an insurance plan.

I think the arguments in support of the program which I am about to explain are abundant. In order to provide an explanation as to how the plan would work, I should like to deal with the first proposal, the funding of such a scheme. Under existing proposals in western Canada such as the western grain stabilization program, the producer pays 2 per cent and the government contributes double that amount. I would envisage that the contribution by the producer would be increased from 2 per cent of his total sales to 3 per cent, and the government contribution in this case would be 6 per cent. All producer sales would have to be entered into a producer book, similar to the one that is in existence for grain.

Also my plan would envisage the incorporation of farm to farm sales. It would be to the benefit of the producer to indicate that he has a higher return for a given year. I say that because in a year when no payout would be necessary, his productivity and realized income would increase. I have in mind a plan which would take into account a five-year average. As anyone involved in the farming industry realizes, incomes can be quite erratic, and this is the case in the fishing industry as well. For that purpose the five-year averaging could be taken into account. In fact, for purposes of income tax that argument has been accepted already. In every year that his income increases, his five-year average is brought up; but we must remember, for example, that last year there were problems with loss of sales or inadequate sales. He can be faced with the results of poor farming practices, weather and other factors. We could have a situation where the quota in one area was 2.9 bushels and in other areas 7 bushels. The sales may be there and the price for grain may be increasing, but because the quota in a particular area was small the farmers would not have the benefit of an increase in realized income.

• (1710)

As I see this plan, it would provide an incentive for farmers to attain maximum production because as production increased so would income increase. For the purposes of this plan such a farmer would then be able to draw from the plan in times of need at the higher amount.

The Canadian Cattlemen's Association presented a plan in April, 1979, but after reading it briefly I came to the conclusion that it was a plan which was based on the creation of an equity fund. They would pay into the fund in better years and draw from it in bad years. That may be a good approach, but unfortunately it does not take into consideration those producers who are in their infancy, so to speak, during the early years when their cash requirements are high and they are unable to put aside funds from which they can draw in bad years. They need all the cash available immediately.

Because of the limited time available to me I will explain my plan by using examples. My plan is based on a five-year average in relation to prime producers. I think in terms of something like a maximum of $50,000, or an average of $10,000 per year. I do not think the 80 per cent or 90 per cent idea enters into this situation any more because of the inflation factor. I think we must deal with 100 per cent of the ten-year average.

Such a producer would be able to draw up to 9 per cent; that is, his 3 per cent contribution and the 6 per cent contribution by the government, or a total of 9 per cent. The forgiveable amount in this case would be $900, and that is the only portion that I suggest takes any from of subsidy. In this case if a farmer had no income at all in one year and had to fall back on this plan, he would be able to obtain a loan in the amount of $9,100. The total amount of the loan would be repayable during the production year. If the loan was not paid at the end of the production year it would immediately go into default and interest would be applied at approximately the farm credit rate.

I do not envisage a plan under which the amount that could be withdrawn would always be the $900 forgiveable and $9,100 repayable. Using the same average of $10,000, if sales in a particular year amounted to $9,800, the shortfall would be $200. In that case the amount that would be forgiveable would be $200, making up the $10,000 average.

The third example I would use in relation to the five-year average of $10,000 would be a year in which there was a shortfall of $5,000. The amount of the forgiveable portion would be $900. The loan a farmer would be eligible to take out from the fund would be $4,100. That $4,100 would be repayable in the course of the year interest free, but at the end of that production year interest would be applied to the unpaid remainder. Repayment could be made as a percentage of total deliveries or 100 per cent of deliveries. If, for example, a man took in a load of cattle on which he realized $2,000, he could

apply that total amount immediately, thereby reducing the $4,100 in the example I have given.

What are some of the features of the plan that I envisage? I suggest we could eliminate the need for crop insurance because there would be an insurance factor. We could eliminate the need for cash advances, or perhaps incorporate them into the plan. The plan could be expanded to include all grains, cattle and other products, and I think I have mentioned fish and vegetables. It would depend on the area where the plan was put into effect.

I mentioned a five-year average of $50,000 in relation to grain, but a different amount could be applied in respect of different commodities after consultation with a particular commodity group.

Under this plan an incentive would be provided to the producer to continue maximum production, because when production increases his average would increase, and rather than a five-year average of $10,000, as in the cases I cited, the average would become $11,000 and so on. In this event the farmer would be eligible to draw even more from the fund in years of need. However, if a farmer sat back and depended on this scheme, his average would drop to the point where he would realize nothing from the program.

Another advantage is that each producer would know the precise amount he could draw from the plan. He would not have to wait until the following year to make the calculation, as is now the case under the stabilization program. The individual farmer would not have to depend on the entire industry having a shortfall, as is now the case in the grain industry. The individual producer would not have to receive payments in the following year, as he does now under the stabilization program; he would receive the money immediately there was a shortfall.

If in a year following a shortfall a farmer had $6 a bushel wheat, under the stabilization program the combination of the $6 wheat and a payment would put him in a higher income bracket and he would have to turn the extra back in the form of income tax. In the meantime he would have a production year in which he could not meet expenses. In fact, in the case of a young producer this would often mean bankruptcy. As I see it, this plan would cover those contingencies, contingencies which up to date have not been met.

For those producers who make contributions over a ten-year period and do not require to draw from the plan, there should be provision to allow them to withdraw up to the amount of their contribution by way of premiums in the first year. After the plan has been in existence for ten years, each producer who has not drawn from the plan could in the 11th year withdraw the amount of his contribution in the first year. Anyone who had not drawn from the plan because he did not want to be a burden to the plan, or who was so established that he did not require the assistance, could then draw an amount equivalent to that paid normally on government bonds. If such an individual left his money in the fund he would be eligible for that kind of dividend. This would be an incentive for those who are in a position to do so to leave their money in the fund. They would receive an amount equivalent to dividends payable on a bond issue, if you like, and this would help fulfil the financing of the plan.

● (1720)

When I first introduced my plan on January 26, 1976, I welcomed suggestions from all co-ordinates. I had hoped that not only those people involved in the industry but accountants as well would come forward and either tear my plan apart and tell me why it is not possible, or add to the plan in such a way that it would meet the requirements, particularly the primary requirement for those who in the first ten years find that their cash requirement is so great. A good example of such a situation exists today with interest rates approaching between 15 per cent and 17 per cent, and I suppose that you could find an even higher interest rate. I am sure that there are those who would pay that amount. If this plan were in existence, that young producer could use this plan without having to go hat in hand to the banks for money to tide him over.

While I have briefly outlined this plan as I see it, I hope that others will make their contribution in such a way that ideas may be added and deletions made, if necessary to the plan. But in the end I hope that the government will see fit to come forward with such a plan, because I feel it is essential for the industry as it is today.

Mr. Denis Ethier (Glengarry-Prescott-Russell): Mr. Speaker, I welcome the opportunity to speak on this motion, and I commend the hon. member for Mackenzie (Mr. Korchinski) for introducing it. I say that with all sincerity. The motion reads:

> That, in the opinion of the House, the government should consider the advisability of implementing a cash assurance program (CAP) which would provide stability of income in the agriculture and other food industries (fish), make payouts on an individual basis, provide cash in the year of low income, replace or complement certain other programs, minimize the requirements for capital borrowing from institutions, provide equity for contributors, reinforce the family farm and minimize the exodus from the agriculture and other food industries, and avoid erratic pricing of food to the consumers.

This motion is almost a complete replica of the program which the previous minister of agriculture, the hon. member for Essex-Windsor (Mr. Whelan), was in the process of implementing prior to the May 22 election. Although I strongly support in principle this motion, I wish to say that I reserve my comments as to the details of the implementation of such a program.

I would commend the mover of this motion for two reasons. The first is that it is a very worth-while motion. It should attract the attention particularly of the hon. member's caucus and especially the Minister of Agriculture (Mr. Wise). As far as we on this side of the House are concerned, it has always been our preoccupation to ensure that our producers receive a just and fair return for the countless hours of hard work they devote to the production of the best food in the world.

I did say that I wanted to reserve my comments as to the implementation of this program. The motion mentions a cash assurance program which would provide stability of income in the agricultural industry. This could be interpreted in different

ways. For example, the French text refers to the "assurance of revenue". From what the hon. member has said, however, I gather that it is an insurance program.

The motion also recommends that payouts be made on an individual basis. How would they monitor the return of each individual producer in order to make these payouts on an individual basis? What mechanics would the hon. member put in place to ensure that the producers are all treated fairly, regardless of their field of production? What mechanics, for example, would be in place to ensure that the dairy producers in eastern Canada would indeed receive the same treatment as the grain producers in western Canada?

I say this because it has been rumoured that the present government would like to change the status of the Canadian Dairy Commission which, in my view, would render it almost useless. Yet it has not been rumoured that this government would reduce the powers of the Canadian Wheat Board.

[*Translation*]

Mr. Speaker, that is one of the reasons why I say I have reservations with respect to the implementation of the terms of this motion.

As I just pointed out, if this government wants to restrict the powers of the Canadian Dairy Commission, there is no talk of restricting the powers of the Canadian Wheat Board, and this, I think, is a double standard system of this government that must be viewed with distrust. If the hon. member has any influence in his caucus, he should make sure first that such is not the case.

[*English*]

Could it be that the hon. member did not or could not convince the members of his caucus nor the Minister of Agriculture of the importance of equal treatment to all producers in Canada? Or could it be that out of sheer frustration the hon. member for Mackenzie introduced this proposal by way of a private member's motion? If that is so, then that is the second reason I commend the hon. member for the presentation of this motion.

When one considers the total mess in which the Minister of Agriculture has placed the chicken producers, I can understand why the members of his own party feel frustrated today. The present Minister of Agriculture has said on numerous occasions that import quotas are too high. I would like to quote from a farm journal called *Farm and Country*:

> Import quotas for both beef and chicken are too high.

The article goes on to say:

> —John Wise said bluntly. He explained that trade department officials convinced him our negotiators got the best chicken import deal they could from the U.S.

If that was the best deal that we could get, Mr. Speaker, then what would happen to our chicken producers had they received a raw deal? This is not the end of the nightmare for our producers. It is not enough that our producers got what I call a raw and rotten deal, but we are informed that the two large importers of chicken in this country, after the minister had said that chicken and beef imports were way too high, had the gall to go back to the minister and ask for additional import quotas which, by the way, were granted.

An hon. Member: Oh, oh!

Mr. Ethier: I would like to remind the hon. member that his own minister has said that import quotas are too high. They cannot be too high if there are none. The hon. member cannot have it both ways—that when facing the producers he says it is too high, and when he is somewhere else he says there are no quotas. So far the minister has not been consistent, and that is why the hon. member for Mackenzie had to introduce the matter by way of a private member's motion. I do not think he has the support of his minister on that. Supplementary import quotas of 4.5 million pounds have been issued to a Maple Lodge firm. The same firm has made application to import 5.5 million pounds of chicken in the last three weeks, after the basic quotas were imposed. If this trend is followed, it is likely the government will give them this quota. That is why we should be very careful about the implementation of the hon. member's motion.

● (1730)

I wonder what part the Minister of Agriculture would play in all this, or would it fall to the Minister of Industry, Trade and Commerce (Mr. de Cotret) who knows nothing about farming but who apparently will have to sell farm products? The Minister of Agriculture has already told us that he would have nothing to say in this area as it falls under the authority of the Minister of Industry, Trade and Commerce.

The hon. member has presented his motion in all sincerity, but probably out of a sense of frustration because nothing can be accomplished through the minister. I hope we will be able to get the message across to his colleagues in caucus.

This motion is a replica of what we wanted to introduce when we were the government, and that is, harmonizing of stabilization programs. Perhaps the Minister of Agriculture intends to support the motion, or could it be that he is too proud to acknowledge that his predecessor had prepared a good program on the harmonizing of stabilization programs? Would pride prevent him from following up on this program? If so, I beg him to lay his pride aside and implement the program prepared by the former minister of agriculture, the hon. member for Essex-Windsor (Mr. Whelan).

I am sure the hon. member for Mackenzie is very sincere when he presents this motion. He would seem to say that all hon. members on the government side strongly support marketing boards. If that is so, I hope the Prime Minister (Mr. Clark) and the Minister of Agriculture will say so publicly, and agree that marketing boards are here to stay or until we have a stabilized or rationalized market system in this country. I hope they both will say that they support marketing boards.

It has been suggested that this motion should receive unanimous consent so that the subject could be studied further, and that is something I would endorse. In closing, Mr. Speaker, I want to commend the hon. member for his courage in bringing

this motion forward. Perhaps it will prod the very slow-moving Minister of Agriculture. If it achieves this, then it deserves the support of all hon. members, especially those from rural and farming communities. For this I would commend him.

Some hon. Members: Hear, hear!

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I should like to say a few words on this bill as well, but I shall try to be brief.

[*Translation*]

I understand the hon. member for Bellechasse (Mr. Lambert) wants a few minutes to participate in this debate, as well as the hon. member for Medicine Hat (Mr. Hargrave).

[*English*]

I hope we can make sure that the House has a chance to pass this resolution that is before us today. I also hope that we will see some of the principles and objectives put forward by the hon. member for Mackenzie (Mr. Korchinski) become legislation. I am not quite as optimistic as he is.

I have here a newspaper clipping from March of last year. It is a Canadian Press report dealing with the then government's proposal for a new income stabilization plan for cattle producers. It reads as follows:

Cattlemen are finding proposed changes to federal programs for stabilizing farm income 'too rich for their blood,' Progressive Conservative Bert Hargrave said Thursday.

The proposal to beef up farm incomes in times of low prices reminds the cattlemen of 1976 when they produced a record number of animals only to see low prices drop even further as 186 million pounds of imported meat flooded the country, he told the Commons agriculture committee.

As I said at the beginning, I should like to leave some time available so that the hon. member for Medicine Hat (Mr. Hargrave) can speak. I hope he has changed his tune and will support the intent of the resolution that is before us. Indeed, I hope the government does so as well.

The resolution covers several areas, but primarily the stabilization of farm income. I think any such plan should be based on the six principles which I will put forward.

First, payouts would be established by a cost of production figure, established once each year. It is important to have that flexibility because there are changing production costs for farmers across the country.

Second, participation should be voluntary, with federal and producer contributions.

Third, the plan should be national in scope. Various plans for different provinces could balkanize the country and make the plans less effective, as fewer farmers would be involved in each. This would make the situation worse for the producers and for the country.

Fourth, there should be limits of eligibility for each farmer. This would reduce the problem of overproduction and would encourage the maintenance of efficient family farm operations.

Fifth, producers would apply for assistance or registered contributions at the end of the year through an application form and proof of sale.

Sixth, stabilization plans should work closely with marketing boards and with import legislation to stabilize the entire industry. I do not think a farm stabilization program or an income assurance program is enough by itself.

The hon. member for Medicine Hat has done a very thorough study on beef production. I am sure he would agree that we need import legislation. We should also have marketing boards to help stabilize the production of all crops in this country. We already have national marketing boards for turkeys, eggs, broiler chickens and industrial milk, but I think we need the same kind of planning and supply management in many other areas. I should like to outline some of the reasons for this.

An article in the Ottawa *Citizen* of November 24 had the headline, "Starving Our Own—Loss of Prime Farm Land Hurting Canada's Food Output". This is a topic on which I have spoken many times in this House and outside. Many hon. members, particularly those from urban Canada, seem to believe that this country is the bread basket of the world and that we have an endless supply of food and an endless potential for the production for food.

The article reports that at a recent conference held in Ottawa, a number of scientists expressed concern that our country will soon not be able to feed itself unless there is a radical change in the way we produce food. I hope that the Minister of Agriculture (Mr. Wise) and the government will start the wheels turning toward a change in agricultural policy in this country.

I should like to quote a few excerpts from this article, Mr. Speaker. The first one reads as follows:

Canadians are now dependent on foreign farmers for all foodstuff except grain, largely as a result of the mismanagement of Ontario's prime farm land, scientists attending an Ottawa conference sponsored by Agriculture Canada said Friday.

● (1740)

Referring to Dr. Julien Dumanski, the report quoted him as saying:

—for the first time in our history, Canada appears to be losing its (agricultural) production potential.

The actual potential to produce food now appears to be lost. It is important that the political wing of the government—the minister, the cabinet, the parliamentary secretary—and members of this House, give heed to what the public servants are saying in this country. He went on to say:

If action is not taken to preserve the quality land bases to protect the farming industry, Canada could become forever dependent on foreign foodstuffs.

We still have options which can reverse the trend, but action must be taken soon.

In 1976 alone, the combined effect of losing prime farmland and opening up marginal lands reduced the country's agricultural production potential by an equivalent of 38,000 hectares.

I checked the figures, and 1976 is the most recent statistical year that we have. Evidence that I have seen indicates that the

trend has not been reversed since that time. As we know, there is not much prime agricultural land that can be developed in this country. Most of it is very marginal.

The report goes on to say that 1974 was the first time in our history that we imported more food than we sold abroad, of course excepting grain. Being a farm person yourself, Mr. Speaker, I am sure you know that crop yields in this country which had been increasing for years, indeed for generations, at an average of about 2 per cent a year, began to level off. There are many reasons for this. One reason is that good quality farmland is diminishing. Another reason is the quality of the soil. It is diminishing very rapidly in this country. I refer you to the Rennie report in Saskatchewan which talked about the decreasing quality of the soil due to erosion by wind, water, chemical fertilizer we put on the soil, improper crop use, improper crop rotation and the like.

We are producing less and less food. The quality of soil is diminishing in this country. One need only look at the province of Ontario. The Conservative government of Ontario has to be tried and found guilty for tremendous lack of foresight in planning food production. All kinds of prime farmland in the Niagara peninsula have been paved over for industrial expansion and the building of highways.

When you build a highway through prime farmland it is not only the four-lane highway but the service stations, industrialization, and housing projects that are located along that highway. There are tens of thousands of acres of farmland that are paved over that used to be prime farmland. They will never again be used for production of food for this country or other parts of the world. That is not only happening in Ontario but across the world.

I will give a statistic that is absolutely scandalous. In the province of Ontario they have lost more than one million hectares of prime agricultural land in the sixties. It has gone under pavement, concrete, subdivisions, and industrial factories in the province of Ontario. In 1976 some 3.6 per cent of the entire prime farmland of Ontario went out of production.

Despite all of this, only two provinces in Canada have tough legislation to protect and preserve farmland for the production of food. In 1975 or 1976 British Columbia passed such a piece of legislation. The province of Quebec just recently introduced legislation—

[*Translation*]

—if I remember well, during the past two or three months, to protect farm land for food production in the province of Quebec.

[*English*]

We should have a land use policy right across this country. I know that land use is primarily under provincial jurisdiction, but there are ways whereby the federal government could devise a cost-sharing program with the provinces. There is federal land in this country, and federal projects built on prime farmland that could be built elsewhere.

I hope the Minister of Agriculture will have a good talk with some of his officials and become concerned about land use and food production. If not, then we as a large country with few people and immense potential will be importing food from other countries when the whole world is having a problem in food production.

I refer to a recent United Nations study by the Food and Agricultural Organization in Rome. It states that in a few years we will have an immense crisis in the world because of a shortage of food, and that this year the people of the world will consume more food then we produce. In order to do that, we will have to dip into our reserve supplies which have been set up for emergencies.

It would be scandalous and a national disgrace if a wealthy country like Canada could not feed its own people. One way of feeding our own would be to pick up some of the ideas in the resolution now before us to stabilize farm income properly. If farmers are properly paid, they will produce. We know they are very productive. However, that by itself will not be enough. We need orderly marketing.

My friend from Ontario talked about chickens being imported into this country. Prior to 1974, 99 per cent of the chickens consumed here were raised in Canada. After 1981, 6.3 per cent of our chickens will come from the United States, despite the fact that we have the potential in this country to produce all we need. That is only one example. Food scientists and experts in the Department of Agriculture could give us many more.

I make the appeal that this resolution be allowed to go through the House so that we think of the problems in the long term. I refer to food production in this country. Let us be self-sufficient. Let us be sure we have the potential in this country to help those in other lands who cannot produce enough food. A wealthy industrialized state like Canada should not be importing food from poorer countries which should be using their prime agricultural land to feed their own.

I hope members on all sides will put pressure on the government to do something about what could be a real scandal in the years ahead. It could make the energy crisis look like a Sunday school picnic by comparison. There is nothing more serious than not having enough food. To have people dying of starvation is a real disgrace when we consider our capacity, brilliance, and technology.

I apologize for taking so long, Mr. Speaker. I hope we can still hear from the two members I mentioned at the outset of my remarks.

● (1750)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I will not take more than a few minutes so that my colleague from Medicine Hat (Mr. Hargrave) will have a chance to speak and the motion will carry because it has some very important aspects. That is why I want to give my most sincere support to my colleage from Mackenzie whom I have known for many years. I have seen him, when he was on the opposition side,

courageously defend the rights of farmers. I also had the opportunity to sit with him on the agriculture committee and I admired the dedicated and competent work he did to establish a successful farming industry that could guarantee the Canadian people all the food they will need in the future. I can see the hon. member for Mackenzie (Mr. Korchinski) has not shed his convictions. Even as a government member, he now puts before us a most sensible motion, and supports it with the same arguments he used to present when he was in opposition. That is why, Mr. Speaker, when I was listening to him, I was glad to hear him express his concern about the instability of farm income. He is right that revenue is not stable. There are ups and downs.

As recently as last Friday I received the original remittance sent to a farmer in my riding. He delivered $589.85 worth of milk. He is not a big producer but he is tenacious. He is about 60 years old and he would like to stay on his farm the rest of his life and make enough money to look after his operation and his family. Instead of receiving $589.85 for his milk, he is asked to pay $700.51. What a difference it makes when one expects to be paid $589.85 but gets a bill. There was not even enough to cover the sale. So the cheque is marked "cancelled". No company, no co-operative will finance his feed purchases. It is a disastrous situation and means must absolutely be found to allow any farmer to get enough income to stay in operation.

We wonder why many farmers quit their profession, but there lies the answer. If we, members of Parliament, received at the end of the month a cheque marked "cancelled", I think there would be a great number of motions under Standing Order 43 every day to protest the fact that we are not paid. You cannot pay until you are paid.

So, Mr. Speaker, I believe it is time to come up with a real long-term policy that would enable all farm producers to do a good job. I listened closely earlier to the hon. member for Yorkton-Melville (Mr. Nystrom) who, quoting from a newspaper, expressed his great concern about the future of this country with respect to food. He is perfectly right. This is a serious matter, a matter that must be dealt with immediately, not only to preserve our farmlands but also to enable those who work them to do so in a generous way so that the people will be well fed.

Mr. Speaker, I would have many other reasons to add but I see time is running short, and I would not want to break my word because I have always felt that, once you give your word, you have to keep it. So, I fully support the motion of the hon. member for Mackenzie, I thank him and congratulate him on having introduced it.

[*English*]

Mr. Bert Hargrave (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, first I want to thank my hon. friend from the Social Credit party for allowing me a few minutes to finish off the debate. I should like to say, as Parliamentary Secretary to the Minister of Agriculture, that I will speak only briefly and in support of the very carefully worded motion put forward by the hon. member for Mackenzie (Mr. Korchinski).

The concept he proposes, or similar concepts, were proposed during the various debates on agricultural stabilization which took place in 1975 and 1976, in particular by members on the government side and proposed by them when they sat in the Thirtieth Parliament in opposition. Some of those members I recall who took part in debates similar to the one of which the hon. member for Mackenzie reminded us tonight were the hon. member for Wetaskiwin (Mr. Schellenberger), the hon. member for Swift Current-Maple Creek (Mr. Hamilton), and myself. There is some considerable similarity to various income averaging trust account proposals. One such proposal in some detail, as the hon. member for Mackenzie pointed out, has already been submitted by the Canadian Cattlemen's Association. The hon. member for Wetaskiwin had a private member's hour on this concept during the Thirtieth Parliament and I was pleased to support him at the time. Originally that concept was put forward by the government of Alberta.

I am personally aware of the years of persistent effort the hon. member for Mackenzie has spent on behalf of western agriculture, and of his special concern for northern agriculture. He has done this for many many years. He represents the whole of the northeast corner of Saskatchewan, and his dedication in these matters cannot be questioned. It has now been continuous for 21 years. I have much personal pleasure at this time in urging unanimous support for this private member's motion moved by the hon. member for Mackenzie. On behalf of the government we are prepared to accept the concept he proposes, briefly, that the government should consider the advisability of implementing a cash assurance program which would provide stability of income in agriculture and other food industries, and so on. I would therefore ask that this motion be adopted.

Some hon. Members: Hear, hear!

Motion agreed to.

The Acting Speaker (Mr. McCain): Shall I call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. McCain): It being six o'clock I do now leave the chair until 8 p.m.

At 5.59 p.m. the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

FEDERAL BUSINESS DEVELOPMENT BANK ACT

RENUMBERING OF CERTAIN SECTIONS

The House resumed, from Wednesday, October 24, consideration of the motion of the Minister of State for Small Businesses and Industry (Mr. Huntington) that Bill C-4, to amend the Federal Business Development Bank Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): Mr. Speaker, I am very pleased that the government House leader has seen fit to bring Bill C-4 back into the House. For those hon. members who are interested in this bill, I refer them to *Hansard* of October 24 at page 586 where I introduced a summary of the Federal Business Development Bank, and just to get back into the mood I shall quickly run through a few highlights of that summary.

I pointed out that there were nearly 38,000 customers today with $2.1 billion outstanding, that the bank was approaching its $2.2 billion lending ceiling, and that was the reason for Bill C-4 being brought in with some priority at this time. I pointed out in those introductory remarks that we were currently lending $75 million per month on average and that the average loan was just over $50,000, representing some 1,500 Canadian businesses per month. One of the key points I was making in those remarks was that if this amendment is not passed by the end of the year, the Federal Business Development Bank will only be able to lend an amount equal to the repayment of existing loans. This would cause the bank's loan approvals to drop to about one-third of their current level, so that only 500 rather than 1,500 small and medium-size businesses would be assisted.

There were a few other comments which described the bank's growth, and I refer hon. members to *Hansard* at page 586 for that background on this very important government institution.

With your permission, Mr. Speaker, I will carry on with my prepared address from where I left off at page 587 of *Hansard*.

A sampling of urban versus rurally located businesses discloses that the focus of the bank's lending activities in the more remote areas is quite profound. In major metropolitan areas such as Toronto and Montreal the level of support provided by the Federal Business Development Bank is considerably below the national average, whereas in smaller communities as many as one-quarter to one-third of the business enterprises are clients of the bank.

The Federal Business Development Bank has succeeded in extending its services to small towns and rural and remote areas which might otherwise be deprived of investment capital. By injecting financing for start-ups and expansions and services to strengthen business management, the bank combines with private financial institutions and other government agencies to build a business community with greater strength and diversity all across Canada. The FBDB has thereby provided a positive federal contribution to the economies of many small areas, a contribution which is significant both in relation to private capital markets and other federal economic programs.

[The Acting Speaker (Mr. McCain).]

Hon. members should be aware that there is a changing need and role for the bank. It is entirely possible that some of its functions can be moved to chartered banks, particularly with the possibility of more competition in that field. I would therefore like to offer a few words about the bank's changing sectoral coverage and emphasis.

Up to 1961 the bank's lending activity was restricted to industrial enterprises. However, in 1961 amendments to the Industrial Development Bank Act removed all restrictions as to the type of business to which the corporation could lend. This broadening of eligible enterprises was intended to enable the bank to play an increasingly useful role in the future of assisting private enterprise to provide more employment and develop a stronger, more productive and more flexible economy.

By 1979 the bank's portfolio has evolved to a position where the manufacturing, trade and tourism sectors each receive about 25 per cent of the dollars of the new loans which the FBDB approves annually. This shifting emphasis has in no way been at the expense of manufacturing and, in fact, loans to manufacturing of some $50 million in 1970 amounted to $158 million in fiscal 1979.

● (2010)

For a variety of reasons, it is not surprising that the trade and service sectors would absorb a larger share of FBDB financing. Since 1961 these sectors have accounted for almost all of the growth in employment in the Canadian economy and have consequently demanded a greater share of business financing than manufacturing. The expansion of the bank's delivery mechanism has mainly taken place in areas which do not have a strong manufacturing base and whose business enterprises are service oriented. Many of these types of businesses, because of their remote location, seasonal nature, and the character of the assets offered as security, etc., are not attractive to conventional sources of financing.

Changes in legislation and the bank's organization, combined with economic developments in recent decades, as well as the manufacturing and bricks and mortar bias of provincial agencies and institutional lenders respectively, have all contributed to the shift in the composition of FBDB's clientele.

In addition to giving equal consideration to all approaches for financing regardless of the amount, there is also implicit in the bank's role the concept of a willingness to entertain greater risks. As the bank gained experience and more conventional sources have moved into the term lending field, it was logical that the character of the FBDB's business would become more and more venturesome.

A comparison of a significant sample of loans made in 1973 to those authorized in 1978 reveals the following shift in the bank's lending characteristics. In 1973, 52 per cent of loan approvals appeared to be covered dollar for dollar or better by

the value of the security pledged in support of the loan. In 1978, only 31 per cent of authorizations met this test. In addition, back in 1973, 56 per cent of the bank's borrowers did not have a proven track record, and, by 1978, the fact was that 65 per cent of the bank's borrowers did not have a proven track record.

Another survey—one which is analysing incorporated business—is under way to compare FBDB customers to all firms in the same industry. It is apparent that the greater risk-taking of the bank produces a clientele which exhibits much less profitability than the average, well established firms, which presumably satisfy their financing requirements internally or from private lenders. In most sectors, the profit margins on sales by FBDB clients are less than half the industry average.

Of course the bank must be convinced that any business proposals for which FBDB is approached for financing must have a reasonable prospect for commercial success. This is not only a requirement of the legislation, but also a moral obligation of the bank to the prospective borrower. I believe that is a very important attitude that the bank has to carry.

Dealing with losses is a matter of course for a lender. However, a loss for the majority of the bank's clients who have already invested virtually all of their savings in their business, is a major calamity. The bank, therefore, would not knowingly finance a proposal that did not have a reasonable prospect for success. This is another reason why the bank tolerates arrears and devotes extensive efforts to save businesses that encounter reversals.

Perhaps a word or two about the allegations of undue competition would be of assistance to my colleagues in the House. Upon taking office I examined this complaint with the president, and from studies given to me I can report that most private financial institutions are growing faster than FBDB, both in terms of lending without any government involvement and loans guaranteed under the federal Small Businesses Loans Act. FBDB provides term financing for new businesses or investment projects of existing businesses which are generally of a higher risk or a smaller size than the private lenders are prepared to accept.

Probably one of the main areas where lending is unprofitable for private financial institutions is in small size loans. These loans provide relatively little revenue compared to the administration costs, and they also carry a high risk of default arising from a failure of the small firm. If we compare FBDB with one of the private institutions which many regard as comparable because of its concentration in term loans, the differences are quite striking. For example, last year FBDB's average loan authorized was for $54,000. RoyNat's average loan was over $280,000. In addition, the industry distribution was quite different. Many bankers observe that manufacturing loans are better secured than those in the trade and service sector. RoyNat has nearly 40 per cent of its lending in manufacturing compared to 22 per cent for FBDB. RoyNat has only 15 per cent of its outstanding funds loaned to firms in wholesale and retail trade, whereas this sector receives 25 per cent of FBDB lending.

From time to time there has been concern that FBDB's interest rates are overly attractive compared to private lenders. I am advised that FBDB's board of directors has always attempted to maintain the bank's rates in the mainstream of long-term interest rates, but its decision last week to increase rates significantly should allay any fears of undue competition on interest rate grounds. The bank is now charging 16 per cent on new loans up to $50,000 and at least 16.5 per cent above $50,000.

It must be borne in mind that almost all of FBDB's borrowers are also customers of chartered banks, credit unions, and other private financial institutions. FBDB's loans and equity investments provide leverage enabling the firm to get additional financing elsewhere and, particularly, in larger deals, FBDB and other lenders enter *pari passu*, sharing the financing requirement and the risk equally.

In some instances, FBDB receives approaches for financing packages which have been turned down by private lenders, but after FBDB's intervention and negotiation of an acceptable project plan and an offer of a loan from FBDB, the private bank may reconsider and make the loan itself. In such cases, the firm and the local economy obtain the benefit, even though these deals do not appear in FBDB's loan statistics. In other words, FBDB can act as a catalyst in getting the job done. An example of this is the Lundigram-Comstock deal.

Last year, the bank only earned $600,000 profit on $2.1 billion of outstanding paper. Its retained earnings are $46 million. The size of loans outstanding, the number of unsecured loans in the total portfolio, the extent of rural coverage and service, the venture and risk nature of loans and guarantees, the non-earning economic services delivered to the Canadian business community at large, all this has been managed by a team that has kept this Crown corporation shallowly in the black.

I proudly say to you all that this country is being well served by the president and personnel of the FBDB. In that regard, of the four major activities I would point out that three are really financed as a term lending function of the bank. The balance of their activities carries a very important social work program to the small and medium-size business enterprise sector of the country.

I urge the House to give full and prompt attention to this bill so that the vital services rendered by the bank will not have to be curtailed. I believe it is important to all of us that this bill pass through all stages well before the end of the year. The official opposition encouraged me to shorten my remarks tonight so that their speakers could get on, as they are as anxious as I am to see that this bill gets through to committee and that we not interfere with the service of this important institution to the small and medium-size enterprise sector of the country.

● (2020)

Some hon. Members: Hear, hear!

Federal Business Development Bank

Mr. Arthur Phillips (Vancouver Centre): Mr. Speaker, I should like to congratulate the hon. Minister of State for Small Businesses and Industry (Mr. Huntington) on bringing this bill back. I, too, had made representations to the government House leader asking him to bring it back because the Federal Business Development Bank is critically important to small business in this country. Unless this bill were passed, as the minister has said, it would have meant a reduction in the number of loans that the FBDB was able to give from a rate of 1,500 a month to a rate of approximately 500 a month, and great many small businesses would have suffered as a result.

These are difficult times for small businesses because of the high interest rates, high fuel prices and so on. It is no time for us to be letting down small business by failing to pass a bill such as this one. On listening to the minister's remarks this evening, I should like to congratulate him on his strong support for the Federal Business Development Bank. It has been an extremely successful institution. It has helped many thousands of small businesses. It has a very fine track record, in spite of the fact that it is not a highly profitable Crown corporation. It does not intend to be a highly profitable Crown corporation. Merely it intends to be roughly a "break even" Crown corporation performing a service for small businessmen in Canada.

There has been a very dramatic increase in some of the aspects of the Federal Business Development Bank in the last couple of years. They have a program called the "Counselling Assistance to Small Enterprise", which is commonly known as CASE. For example, the number of businesses counselled in just the last two years has risen from 1,660 in 1977 to 5,400 in 1978, to 9,700 in the current year. That is a very dramatic growth in a very important service which helps educate small business people on how to run their businesses better. It encourages more small business people to start up in business, to expand their business, and prevents a lot of unnecessary bankruptcies due to lack of knowledge.

There has been a dramatic increase in the number of jobs provided as a result of the FBDB. They break them down into three categories: those jobs started, which in just two years have risen from 3,000 to 18,000; jobs increased, which in three years have risen from 2,500 to 14,400; and jobs maintained, which they show as rising from 690 to about 4,000. This is very commendable work by the Federal Business Development Bank. We want to see that kind of thing continued.

The great majority of small businesses in Canada are Canadian-owned. They pay taxes, they provide jobs, and they provide management know-how in future expansion. We wish to see them continue to have the services of the Federal Business Development Bank. We wish to see that done as promptly as possible.

If I may, I should like to say to the minister that in his first comments on this act, when he introduced it on October 24, 1979, he referred to the advantage of changing the ratio, as we are doing in this bill, so as to allow more loans to be made by the Federal Business Development Bank. He said the following:

[Mr. Huntington.]

The advantage that this would have is that no additional federal budgetary expenditure for paid-in capital would be required.

He indicated that no such additional expenditure would be required and instead they could use more leverage, as it is known in the financial community. This is absolutely true and we hope that it will carry us through the balance of the fiscal year. I would urge the minister, in looking ahead, to use his influence on the Minister of Finance (Mr. Crosbie) in the coming budget to provide additional paid-in equity capital, because the future work of the Federal Business Development Bank will depend on additional budgetary outlays. To cut back on these sorts of budgetary outlays indeed would be a very false economy when we want to see the country growing, new jobs provided, and particularly to encourage small and medium-size Canadian-owned businesses.

Also in committee the minister said that he favoured continual growth in the loans of the FBDB, and we applaud that. He said that he favoured a continued growth in the CASE program, and we applaud that too. As I have said, we urge the minister to use his influence. Certainly we will back him up to the extent we can. We urge him to use his influence with the Minister of Finance in the coming budget to make sure that the Federal Business Development Bank is financed properly for both the CASE program and an adequate equity base, so that the loan program can continue as well.

These are tough times for small businesses. We want to see small business getting every break it can. One of its best friends is the Federal Business Development Bank. We urge the passage of this bill as promptly as possible and future budgetary increases for this valuable institution for small business in Canada.

Mr. Jim Fulton (Skeena): Mr. Speaker, I find it very interesting that the hon. member for Vancouver Centre (Mr. Phillips) kept his comments so brief. When I outline some of the increases in interest rates which have been effected through the Federal Business Development Bank, perhaps we might have some idea why his remarks were kept rather brief in relation to the small business community.

If we look to January 1, 1978, we find the FBDB charging roughly 9.5 per cent on loans at that time which were running around $50,000. If one calculates it out, one can see that the average per annum cost on that would be around $4,750. Under the previous administration we saw a number of rather rapid increases in the interest rate. On January 4, 1979, roughly a year later, it went up to $6,625, an increase from 9.5 per cent to 13.25 per cent. I am sure a lot of small businessmen took a look at that increase in interest costs and noted that it was a $1,875 increase in that one 12-month period.

As we know, there was a change of administration in May of this year, and by this fall—as a matter of fact today—we see that the interest rate is around 16 per cent. The costs in terms of interest rates alone on a $50,000 loan now would be about $8,000. That is an increase from January, 1978, of $4,750, to about $8,000 now. The increase from January of this year to now was roughly $1,400. That is an increase of a

considerable amount, if one looks at a small businessman and knows that that probably is not the only loan he carries.

One thing which I think is important in looking at a riding such as Skeena is that there were roughly 350 customers serviced by the Terrace branch of the FBDB. Their loans averaged almost exactly $50,000. Roughly $17.5 million is out at this time. If we look at the increases from January, 1978, to January, 1979, their increase in interest rates was $650,000. Their increases from January until now have been close to another $500,000, in terms of interest rates alone coming from small businesses within a large riding with a relatively small number of customers. An increase of roughly $1 million is a considerable amount to take out of a small local economy.

It is important to look at the bill itself. I notice the hon. member for Vancouver Centre has left already, but the hon. minister is still here. It increases the equity from ten times to 12 times, in terms of the aggregate liability in the first section of the act. Then I noticed the little sleeper in there, which is the authority to increase the lending factor to 15 times. Perhaps in his wind-up remarks the minister could touch on why the first section of the act only asks for it to be increased to 12 times and the little sleeper asks for it simply to come before the governor in council to be increased to 15 times, rather than coming back before the House.

● (2030)

One of the interesting things I noticed, when doing some background work before speaking tonight, was a question put to the minister as reported in last month's issue of the *Financial Times*. The questioner asked:

I gather that the government is considering turning the Federal Business Development Bank over to the private sector. What is your position on this?

I have run down part way in the article there, and I find the minister saying this:

If the Federal Business Development Bank was privatized it would lose some of the services it's performing to the marginal borrowing needs of the business community. If you privatized it, there would have to be a form of guarantee available to any private bottom-line operator in that area.

I am glad to note that the minister went on to say:

I don't find a lot of complaints from the banking community on FBDB activities.

However, the questioner goes on to ask:

Why is it being considered for privatization?

The minister goes on to say:

I think everything should be considered on a sunset basis—entitled to review to find out how well that agency or that corporation is serving the objectives which caused it to be formed and put in place in the first place.

This is a question the minister will have to address himself to: exactly what is going to happen to the function of the FBDB? The same amount of capital is still in there that the government has put in, but we have seen a very dramatic request for an increase in the amount to be loaned out from ten to 12, with the possibility of it increasing to about 15.

We should look carefully at the small business community in this country. This is a vital sector of the economy. About one-third of Canadians are employed there directly, and 90 per cent of these small companies employ fewer than 200 people. The major difference between small businesses and large corporations in this country is that the small businesses, be it one or two employees, or up to 200, must respond very, very quickly to any market changes within our economy. They are extremely labour intensive, particularly as compared to large resource companies. I think there is a point to be made there when we look at the broad scale of taxation legislation, and the types of tax shelters and everything else that exist for the large resource companies which have a tendency to be much greater machinery oriented as compared to the labour intensity of the small companies.

If we look, for example, at the mining sector, which gets a 100 per cent write-off of costs, and compare that to small businesses, which run generally in the one-third taxation ratio, we see that small business does not have the same sort of opportunity to get large quantities of new machinery, even such items as a Xerox machine, in order to develop and get into the market.

If we look at bankruptcies which have taken place in the last number of years, particularly under the previous administration, we see that the greatest level of bankruptcy is among small businesses, and I suggest among the very small businesses and those that have been in operation less than six years.

Big businesses such as oil companies have been systematically eliminating small businesses. A classic example of this has been in relation to the small independent service stations and regional suppliers of energy within this country. We have seen the very large oil companies, Exxon, Imperial, Gulf, Texaco, all of them, moving very quickly to get their hands on the small gas stations.

I think we all remember not too many years ago when the gas pumps were only part of what we expected at a gas station. There was always a good mechanic on hand, and it was one of the most vigorous and competitive parts of our small business sector because there was an attempt always to have someone who was good at a number of things available on-site, as well as to pump gas. We have seen almost the complete elimination of that by the large petroleum corporations. I think that is a very sad thing, and something to which the Minister of State for Small Businesses and Industry (Mr. Huntington) has not addressed himself, to this point in this House.

The needs of small business in this country are really two. The first is money, and the second is information. As we know, and I am sure the minister knows, cash flow, particularly during the start-up period, is one of the most crucial matters from small businesses.

If we look at one of the reasons for capital intensive corporations getting the sort of tax breaks they get, we will see that the economy of this country has typically been one of advantage to them. I know speakers on that side of the House and also to my right have frequently suggested that we are hewers of wood and drawers of water. I think this is becoming even more true under the present regimes we have seen, particularly in relation to high interest rates.

If we look at the FBDB in relation to the Small Businesses Loans Act, we see that it has not proven to be much more congenial to businessmen trying to start up than have been the traditional private sector lenders. I put it to the minister that the FBDB should be instructed to increase the amount it lends to small businesses and companies without the traditional forms of collateral. If the minister looks carefully at the kind of capital that is being loaned out through the FBDB to this point, and particularly in relation to the various banking institutions, he will see that the businessmen tend to use it as a lending institution of last resort. They also find it extremely difficult in terms of getting capital because of the limit of $50,000, and again the interest rate jumps another half per cent.

I trust and hope the minister in his wind-up remarks will address the Bank Act, and that he will be pushing very strongly, within either the outer or the inner cabinet, wherever he has the most voice, asking that a certain proportion of the funds under the federal Bank Act will be set aside for loans directly to small business.

Bill C-4 increases the lending authority of the Federal Business Development Bank, and is painted by the minister as being a major support for small businesses. It is the first section of any act that the minister has brought before the House, and certainly our party is supporting the increase in terms of making the capital available for small business, but I think we have to address ourselves to some of the more important questions that are facing the small business community, and certainly high interest rates are the key in that area. Let me make two points in relation to that.

First, the FBDB is only a lender of last resort and does not have that great an impact on lending to business. Second, the government's high interest policy, which is intended to restrict credit in this country, will have a much greater impact on small businesses; rather than assisting them it will have the effect of driving many of them out of business.

According to the FBDB's latest annual report for 1978-79, published in June of this year, fiscal 1979 was a good year for the bank. A total of 12,271 loans were made, providing $668 million to business. To put this in perspective, the amount of loans outstanding increased over the fiscal year by $239 million. In contrast, the Bank of Canada reports that over the same period the chartered banks increased their business loans outstanding by $5.3 billion. The FBDB makes small loans, generally under $500,000, averaging in the neighbourhood of—

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. the hon. member for Vancouver Centre (Mr. Phillips) on a point of order.

Mr. Phillips: Mr. Speaker, I understand the hon. member wished to ask me something. He indicated that I had left the room. I simply wish to say that I was answering a telephone call, but if there is some question directed to me I would be glad to answer.

Mr. Fulton: Mr. Speaker, the chartered banks increased loans under $1 million by over $2 billion, ten times the activity of the FBDB.

Three times since coming to office the Conservatives have increased interest rates. The banks' prime rate for their best customers is now at 14 per cent, with the rate for small business even higher. Only one chartered bank, the Bank of British Columbia, has a preferential small business rate half a point below the prime.

Why should there be a high interest rate policy? I suggest it is because the Bank of Canada, supported by the Minister of Finance (Mr. Crosbie), believes that excess private spending and public spending are causing inflation. In fact, as a number of economists have pointed out, it is supply problems which are causing inflation, particularly increases in the cost of food and energy. As we saw last month with the release of the September CPI figures, which recorded an increase in the inflation rate from 8.4 per cent to 9.6 per cent, it was oil, electricity, beef, dairy products, and coffee that were the main contributors to inflation.

• (2040)

The high interest rate policy will make it more difficult for small business to expand. For those who can afford to take out a loan, it will increase the cost of doing business. The FBDB pointed out in its annual report that many of its customers are exporters. The increased cost of producing goods for export will make our goods less competitive. The latest trade figures for August recorded a deficit of $141 million in merchandise trade, our first monthly deficit in over a year.

With high interest rates, we may see more monthly trade deficits this year. Prior to the release of the August trade figures, the Minister of Finance was predicting that our international balance of payments deficit on goods and services would total $7 billion. This is a substantial increase from last year's $4.3 billion deficit. With a continuing tight money policy, this deficit may go even higher.

The effect of high interest rates also shows up in bankruptcies. The latest figures show a total of 1,762 bankruptcies in September, which is up 8.6 per cent from September, 1978.

In addition to its restrictive monetary policy, the government is following a restrictive fiscal policy. For example, Clark and Crosbie—

Mr. Baker (Nepean-Carleton): Order.

Mr. Fulton: Sorry, Mr. Speaker. The Prime Minister (Mr. Clark) and the Minister of Finance have indicated that they will not make good on their election promise of a $2 billion tax cut for Canadians. Such a move will have an adverse effect on small businesses, many of which are retailers. Statistics Canada has reported that for two years in a row, 1977 and 1978, family income in this country has fallen behind increases in inflation. Looking at statistics for this year, we see that weekly wages are continuing to decline in real terms. The effect of this erosion of income has been a decline in consumer

spending, particularly for durables such as appliances, furniture, etc. Even spending on non-durables like food is stagnating. More money is being saved, which is a prudent move for families who may be facing unemployment as a result of the government's restrictive policies.

A third policy of the federal government which will have a greater impact on small business than this increase in FBDB lending is its energy policy. It has been estimated that a $1 a barrel increase in oil prices will lead to a loss of 20,000 jobs. The Conservatives are talking of a $4 a barrel increase. Where will those 80,000 jobs be lost? While it is impossible to be precise, we can assume that energy-intensive industries will be hardest hit by the price increase. Down the line, their suppliers, including small manufacturers, will lose contracts and jobs.

The government has said that inflation is the number one problem to be overcome. Through the Bank of Canada it has said that it must increase interest rates in order to avoid the inflationary impact of a further fall in the dollar. Certainly the cost of imports increases when the dollar falls, and this causes inflation to increase. But there are other ways to combat the effects of a falling dollar than to keep raising interest rates. The government could embark on a program of import substitution. It could encourage Canadians to buy goods manufactured in this country. It could assist manufacturers, especially small businesses, struggling to compete against low cost imports. Certainly we cannot turn around Canadian buying patterns overnight, but we have to start sometime.

If the government continues its shortsighted policy of raising interest rates time and time again, we will not only lose jobs in the short run, but we will make ourselves more dependent on foreign capital to bail us out of our balance of payments difficulties. This, in turn, will tie us more closely to international interest rate trends, whether or not they are harmful to Canadian businesses. If the government wants to do something for small business in this country, it should first abandon its current interest rate policy.

I trust that the minister will turn his mind to dealing with the high interest rate problem, hopefully through the Bank Act, to encouraging his cabinet colleagues to do something in that order and, in fact, to dealing with the FBDB by other means such as, for example, in terms of collateral or in terms of dealing directly with the interest rates at their source.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, I welcome this opportunity to take part in the present debate on the Federal Business Development Bank.

I am in a position to appreciate the job done by this bank since it was originally established to help small and medium-size businesses, and particularly those located in remote areas such as the one I represent, namely, the lower St. Lawrence, the Gaspé peninsula, the North Shore of the St. Lawrence and the maritimes. Many businessmen never would have prospered and developed that region were it not for the help granted by the Federal Business Development Bank. All in all the bank accomplished its task well. It is normal and logical that the provision of the act which created it be revised to allow it to continue its work and offer the same services to small business in our country.

Mr. Speaker, we support this bill because it has always been our view that the banking system should serve the people and not the other way around. The Federal Business Development Bank came into being because chartered banks refused to take their responsibilities and extend loans to small and medium-size business. Chartered banks serve big business with our money and have never been concerned with their responsibilities towards the economy in general and small business in particular. Last year, some of them increased their profits by 35 per cent over previous years.

I recall quite well having asked, a number of times, the former minister of finance in the previous government to have an inquiry made into this. The report of the bank superintendent had then been submitted to the finance minister and stated there was no abnormal situation. It certainly was not abnormal for the chartered banks which were raking in huge profits, but it was certainly totally unacceptable for those of us who have to struggle in a world that is ever more uncertain. And small enterprises are not excluded from this situation. They are the ones which are most likely to meet with difficulties in unfavourable economic circumstances since bank credit is less easily accessible to them.

That is why I welcome this new legislation which will enable the FBDB to raise the amount and the number of loans it grants to businesses. Moreover, it will probably continue to help a number of small enterprises get started and set up shop in the economic world. Our less developed regions are relying heavily on this bank for their development. As I said earlier, the chartered banks are not those which have helped us or will help us in the future.

Mr. Speaker, I dare hope that the government will persevere in its intention to present a global study which would reassess the whole financial assistance it is now offering to our small and medium-size businesses, which are the hope of our far away regions and which will make it possible for our unemployed to find a worthy and honest job. To conclude, Mr. Speaker, I should like to emphasize that if the financial requirements of the Federal Business Development Bank were to exceed the ceiling of $2.6 billion, which is the maximum the bank may lend, this bill would authorize the governor in council to allow a new increase, as follows:

> On the recommendation of the Minister of Finance, the governor in council may, by order, increase the factor referred to in subsection (1) by which the aggregate of the direct and contingent liabilities of the corporation referred to in that subsection may exceed the capital of the corporation to a factor not exceeding fifteen.

Those, Mr. Speaker, were the few remarks I wanted to make concerning the Federal Business Development Bank, which

makes it possible for our small businesses to develop on a level which is acceptable in our modern times.

● (2050)

Mr. Robert Gourd (Argenteuil): Mr. Speaker, I want to join with my colleague, the hon. member from Vancouver, in congratulating the bank for the liberal philosophy it seems to be pursuing. On the other hand, I sympathize a lot with the minister who is working to improve small and medium-size businesses while his colleague, the Minister of Consumer and Corporate Affairs (Mr. Lawrence), tries to destroy certain small businesses. The bottlers are an example, Mr. Speaker. It is inconceivable that while the minister wants to develop small and medium-size businesses, the Minister of Consumer and Corporate Affairs should do everything to break up a sector of our economy which is very important and on which a great many people rely to earn a living.

Small and medium-size businesses, Mr. Speaker, benefit from the FBDB, and I think we should go a lot further. I think that bank should also become an instrument of regional economic expansion. Several sectors, several ridings in Canada cannot benefit from the Department of Regional Economic Expansion and must rather turn to the FBDB. It is unfortunate that the bank management should be somewhat congested and that some of our small entrepreneurs should not have the chance to avail themselves entirely of its services.

In this difficult year, Mr. Speaker, where the government has decided to raise interest rates, I think all small entrepreneurs, and certainly those in my riding, in Argenteuil, are having enormous difficulties surviving. It is very important that the minister take that into consideration and that he use his power to expand the bank's capacities to help the small entrepreneurs in Argenteuil. The small entrepreneur, Mr. Speaker, has no chance against the heavy bureaucracy and all that paperwork he must fill out to get information.

So I repeat for the information of the minister it would seem if we could bring about a stronger regionalization of the FDBD, the services the bank can make available to small entrepreneurs would be more justified. Often in Quebec we see businesses get off the ground, stay in business for a while, and then disappear. Why? In Quebec we had the recreational vehicles, like skidoos and other pleasure vehicles—we had several in the Drummondville area—and it is sad to see, Mr. Speaker, that 90 per cent of those industries have now closed their doors or have been sold to U.S. multinationals. The only one we have left which is a tribute to the country is Bombardier which also had, of course, to branch off into other fields to be able to survive.

Mr. Speaker, this was a case where ingenious people decided to create jobs and businesses and were unable to remain solvent because of a lack of capital. In my opinion, this is where the Federal Business Development Bank could play a role. It is very important for Canada to have some type of risk capital to help the founders of industries create new businesses, especially in the secondary and tertiary sectors. We know that the primary sector has no problem in developing. Why should some group in the Federal Business Development Bank not get involved especially with industry, tourist services and hotel services, of course?

I am convinced that if the bank took this type of action, we could create many jobs in this difficult period brought about by our friends opposite. With interest rates at the present level, I believe it is important for the minister to think seriously about instructing the bank to open up its purse and provide a greater chance for small Quebec entrepreneurs, especially those in my constituency of Argenteuil who, as you know, Mr. Speaker, have great difficulty in creating job opportunities.

Unemployment has reached 33 per cent in certain areas of my constituency. The few cents that the Minister of Labour (Mr. Alexander) was good enough to grant us through the Canada Works program will not be enough to help a constituency with so much unemployment, but if we could have an even more liberal policy through the Federal Business Development Bank, as I said earlier, we could really create permanent jobs.

This is why I urge the minister to consider these sectors. Since the constituency of Argenteuil is not an area designated by the Department of Regional Economic Expansion, we must find another formula to help small and medium-size businesses of the area.

I have already spoken about a new system, perhaps for Mirabel, and about tax-free zones. Mr. Speaker, I am convinced that this would be in the same context. If a tax-free zone were created around Mirabel, and through the policies of the Federal Business Development Bank, I am convinced that we would launch new businesses and at the same time create jobs.

In concluding I would say that I agree with the amendments to this legislation. I wanted to stress those points and I hope the minister has taken notice of the few suggestions I have made, particularly on the problem of bottlers in Canada. They are all small or medium-size businesses that his colleague, the Minister of Consumer and Corporate Affairs appears bent on destroying, which would hurt consumers who would have to pay higher prices for those products. It seems to be the policy of our Tory friends to do such things.

I do sympathize with the minister because I know his duty is not easy, but I am convinced that with his good will he will find ways to help small and medium-size businesses and to enable the Federal Business Development Bank to play a greater role in that field about which we are so much concerned.

Mr. Pierre Deniger (Laprairie): Mr. Speaker, my remarks will be short, first because I support Bill C-4 before us tonight, second because I lost my voice at the Olympic Stadium during

the fourth quarter yesterday afternoon while cheering up my poor Alouettes who did not quite make it.

Mr. Speaker, before I agreed to run as a Liberal candidate, I was secretary of the Federal Business Development Bank so, as I was listening to the minister praising the bank and particularly its staff, I felt it necessary to support it completely. At the outset it was of course the Industrial Development Bank under the umbrella of the Bank of Canada and it was only five years ago or so that it became the FBDB, a separate legal entity, and it appointed then as its president an excellent administrator, Mr. Richard Murray. During his two and a half years at the bank, during that difficult transition period, Mr. Murray was able to make it into a first-class financial institution. And after that difficult transition period he was succeeded by another excellent administrator, a former civil servant in Ottawa whom I had met in the Department of Transport, Mr. Guy Lavigueur. And hon. members will certainly recognize unanimously that Mr. Guy Lavigueur is one of the best administrators of our Crown corporations in Canada.

I must admit, Mr. Speaker, that I am pleased to say tonight that the too short period I spent with the Federal Business Development Bank was one of the best times in my life. My only regret is that I did not stay longer because today it is difficult to be a businessman, live with current interest rates and meet one's monthly payments.

The minister said in the House last Friday that in spite of the high interest rates, the bank never received so many loan requests from Canadian businessmen. Mr. Speaker, what the minister said is true because in my riding, as the former secretary of the bank, the people called me regularly to ask for my advice. To conclude, I wish to give some friendly advice to the minister. He said last Friday in the House as reported on page 1639 of *Hansard*:

—there is an increase in categories 3 and 4—

I would like to tell him in a friendly way that when I was working in the bank, there were also great difficulties experienced with those kinds of loans and that we must be more patient today, because times are hard. I have seen cases where loans in category 3, which are dangerous for a bank or a financial institution, were fully reimbursed and where enough trust was given to those people to grant them new loans.

In conclusion, Mr. Speaker, I would also like to mention a specific loan made by the bank, perhaps one of the historic loans where the bank intervened in the case of an almost defunct company in Peterborough, Pioneer Chain Saws, one of the main employers in the area which had closed down. The bank invested in that company and granted a loan and since then it has reopened. The company has expanded and the bank even sold its shares and made huge profits. I think that it was beneficial to all Canadians.

Federal Business Development Bank

● (2100)

[*English*]

Mr. Simon de Jong (Regina East): Mr. Speaker, my intervention in this debate will be very brief. The measure before us is a small step in the right direction. However, as with the mortgage tax credit scheme, it does not compensate for the large difficulties faced by small business people.

I come from an immigrant family. For a number of years my parents operated a small business. I was involved in small business as well. While it is very gratifying to be a small businessman, there are major problems a small businessman faces, especially in the economic milieu. We exist in an economic system with great fluctuations of booms and busts. Every time there is a boom it is like the mushroom season. Many small businesses crop up. People invest their life savings in a small enterprise. Then by forces totally beyond their control, the season is over, and thousands of these small businesses are wiped out. Everything the family worked for and invested in is wiped off the map. No wonder we have one of the highest business failures in this country. I understand it is roughly 8 per cent.

Having a viable sector of the economy controlled and operated by small business people is essential to the well-being of this country. It is able to supply services that larger businesses and government operations often are not able to supply. It has a flexibility and a sensitivity to the needs of the particular community and neighbourhood.

In order to make a viable small business environment we, as a country, first have to stabilize our economy. We need economic planning. There must be economic certainty so that when an individual invests in a small business venture, often his life savings, he can be guaranteed that the need for that service will be there ten, 20 years down the road.

What we now see is the opposite. Large chains and multinational corporations which can withstand losses come into a community and wipe out the small entrepreneur. That has been done in many areas; food, housing construction, and retail outlets. Those are but examples. There used to be many small businesses in Regina. A number of these have disappeared over the years.

An hon. Member: What about service stations?

Mr. de Jong: My colleague mentions service stations. They have changed drastically in the last decade. Many neighbourhood grocery stores have been wiped out. We used to have different contractors building homes. Many of these have become sub-contractors, if they were lucky. Most homes are now built by large development corporations.

There may be some argument in terms of scale and efficiency, but that is a very small and narrow argument. When you take the larger perspective of the community good and social good, very often the larger corporations and chains contribute very little to the local community. They use the local community as a way of sucking out money and resources, and very often put very little back.

• (2110)

I suggest also that in the dealings the federal government has with small entrepreneurs, the bureaucracy and the complexity of the many forms the entrepreneurs have to fill out, are obvious stumbling blocks. The Income Tax Act requires a lawyer to take advantage of all the loopholes and all the corners in that particular act, and only large corporations with corporate lawyers are able to take advantage fully of the act. Most small business people are not able to take advantage of all the sections of that act. Even with the bank itself, the application forms and the requirements are often so cumbersome that it is very hard to get loans through in a fast, efficient, and easy manner.

In addition, I urge another step that the federal government could take in encouraging small business people, and that is that the Department of Supply and Services accept as a policy that it will buy its needed goods and services from small operators, small business people and people from local communities, rather than taking a very narrow point of view in terms of what is economic. I suggest that, when the government defines what is economic, it use a larger measuring stick and determine what is economic and good for the community as a whole. I think if the government, in view of the amount of buying the government does, would use that economic power it has to help small business operators in this country, it would do much to strengthen that sector of the economy.

Contrary to what members of the two old-line parties repeatedly say, members of the New Democratic Party are not opposed to the small businessman. In fact in many ways we are indeed the champions of the small businessman. We realize that when working people have decent wages, it is the small business people who benefit. We realize that when farmers have a decent return on their investment and their labour, it is the small business people who benefit. We realize that when income falls back and does not keep up with the cost of living, it is the small business people who get mowed down first. In order to have a strong economy we need a strong small business sector. We need decent incomes, decent wages, and a decent return to farmers.

An hon. Member: We will never get it with a high interest rate.

Mr. de Jong: Of course, as my hon. colleague has mentioned, all these things are not possible with a program of high interest rates.

An hon. Member: Just spend more.

Mr. de Jong: An hon. member suggests we should spend more. Of course it is spending which allows the small business person in this economy to keep going. If we are to follow the advice of the hon. member opposite, it will be the small business people who will go down because they cannot afford to borrow the money to keep themselves afloat until the next boom in our industrial period. The system of booms and busts is the basic enemy of small business people because they do not have the power and the ability to see themselves through the bust period into the next boom period. Ultimately it is economic planning and controlling economic forces which will benefit small business people and give them the stability they need to thrive and grow in our economy.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I want to say a word or two in connection with small business, mostly because throughout my constituency as I knock on doors and visit, people are very concerned about a number of things regarding small business.

This government is creating a climate in which people will be happy to invest their money. One of the things during the last few years was that it became very, very difficult for anyone to invest money in Canada, to the extent that many people decided to invest their money in other countries. We have become so bound up with regulations, red tape, and environmental concerns that many times small businesses get so frustrated that they just simply give up. I think one of the things we are going to have to do, if we are going to get small business to the point where it can do the job it can do in this country, is to cut some of the red tape and unshackle free enterprise so that it can have a chance to work.

I have known people who have submitted plans to planning boards for subdivisions two, three, and four times. They simply get them sent back without even any suggestion as to what is wrong with them. People become fed up when it takes two years to get a plan approved. That is too much red tape and too much regulation.

People do require money. I was very happy the other day to hear that the Alberta Opportunity Company is stabilizing its interest rate at 12 per cent and that, in smaller centres, they will go even below that. In larger cities they may go slightly above that, but that gives the businessman some stabilization factors. He knows that he is not suddenly going to be hounded by an increase because the rate in the country increases, and then finds that instead of the rate that he signed for he is going to have to pay two, three, four or five cents more on the dollar, which is enough to ruin many businesses.

I think we should endeavour to encourage our banks to stabilize bank rates and not put in contracts which, if the rate increases, then they will change the contracts. This is ruining some businesses in this country today. One motel operator told me that if there is one more increase in interest, he is ruined. He just cannot stand it.

An hon. Member: Tell that to your finance minister.

Mr. Taylor (Bow River): It is due to the fact that he took his loan out at a rate of 11 per cent, and then it goes up and up every time there is an increase in the country. This is not fair to the person who takes out a loan, and I just question this banking practice.

Another thing which irritates me and many, many other people is that the International Development Bank or other banking institutions provide money only on a first refusal basis. I realize that we do not want to put commercial banks out of business, but when we do it on a first refusal basis, it

leads to all types of conniving. Banks themselves write notes of refusal simply to help the entrepreneur get a loan. But when a person makes an application and if a bank says, "Yes, we will give you the money", at some exorbitant interest rate such as 15 per cent or 18 per cent and refuses to write a first refusal, then of course the man is left in a terrible position because he does not have the refusal and therefore government banks will not even consider his application. I think there has to be something done so that if we are going to insist on a first refusal, that first refusal has to be based on a reasonable rate of interest or, if we refuse to give a refusal but say, "We will lend the money at an exorbitant rate of interest", a rate that a business could never repay, then it should be considered a first refusal.

One of the other things mentioned by an hon. member a moment or so ago is the paper work which people object to greatly, but one of the major items which has discouraged initiative in this country has been the capital gains tax. This was brought in by the former administration, and it is killing initiative throughout this country.

An hon. Member: What are you doing about it?

Mr. Taylor (Bow River): When people pay their income tax on what they earn year after year, and when they finally get to the place where they want to sell their businesses, the government should not be taking another bite out of it so they do not have enough left to live on during their retirement the way they had planned.

● (2120)

I met a man on a street of one of the towns in my riding. He pointed to the store that he owned where he employed seven people, and he told me he also owned the lot next to that store. He said, "If there were no capital gains tax, I would expand my business and hire another five or six people. The opportunity is here and I would like to do it, but I will not build up a tremendous estate for the government to chop up when I want to sell the business. If they take away the capital gains tax, I will work 18 hours a day to build up an estate for my children and my children's children, but I am not prepared to do it for any government." This tax has killed initiative in this country, the initiative in all businesses, including farming. It is hurting this country and keeping investment down.

I do not know how many other hundreds of people are not expanding because they have arrived at the stage where they do not want to expand. They can sell the business but they are afraid of the big chunk, of the lump, that will be taken out in the capital gains tax, and that they will not have enough on which to live. So the capital gains tax is an excellent means of killing initiative among our entrepreneurs, farmers, and other businessmen.

Mr. Deputy Speaker: Order, please. I have to inform the House that if the minister speaks at this time, he will be closing the debate.

Mr. Huntington: Thank you, Mr. Speaker, and I thank hon. members for many of their comments tonight. My life has been an energetic one, full of hard work. I have come through the depression and I know the value of a job. I have never wanted to be without one, and I have tried to pass that desire on to my progeny. So I become very troubled when I hear people with the apperance and bearing of the hon. member for Regina East (Mr. de Jong) who lash out at large corporations and say that these large chains suck the life-blood out of communities. He startles me with that kind of lack of understanding of the present age, of the present society, with his lack of understanding of the very components of a free enterprise society.

I should like to point out to the hon. member that the large chains in this country and many of the largest businesses, from the biggest steel companies to the large grocery chain stores, provide the most opportunities and create the base for small and medium-size enterprises. It is these large corporations that create the most jobs, and it is their efficiency in the distribution and movement of goods to consumers that creates opportunities. Business after business has started, has innovated, and has supplied the exciting, vibrant type of marketplace. To say that these large organizations suck out the life-blood of communities is a statement that I never thought I would hear in this chamber.

An hon. Member: Where have you been all this time?

Mr. Huntington: I should like to pay tribute to the hon. member for Laprairie (Mr. Deniger) who spoke earlier, who had a career in the Federal Business Development Bank, and who knows full well the qualities, the leadership, and the management skills that the incumbent president brought to that organization, the president who has built the FBDB up to be a frontier of service for the entrepreneur who is starting out, or for the one who has started out and has a cash flow need or a working capital need which is beyond the normal restrictions of chartered banks.

We have also heard tonight from a few members who want the bank to loosen up its pocket book and to let money out without proper analysis and examination. I do not agree with such a stance because the bank, particularly since it is a Crown corporation, has a responsibility to the borrower. It spends a great deal of its resources in its CASE organization, where they have retired businessmen who act as counsellors at a very low fee and who use their experience to give assistance, aid, and advice to allow an enterprise to have an opportunity to survive. A banker who lends money carelessly to a borrower is not doing that borrower a service, because there is tragedy in borrowing money and not sustaining sufficient cash flow to pay it back. That is something that no person wants to carry the rest of his life, because it takes energy out of the individual and sets him aside for almost a decade while he is recovering. I do not think a good banker wants to see that happen.

Staying power seems to be the greatest need in the Canadian business community today. What do we mean by staying power? It does not mean spending wildly, nor does it mean

borrowing recklessly. It means managing and conserving a cash flow resource. It means saving. It does not mean buying a big car or spending needlessly. It means protecting the working capital, it means putting some strength aside in the bank for unforeseen events, because the world of business is a very exciting world for those who have the right mentality and the courage to stay in that world. You are dealing with all of the disciplines. You are dealing with computers, engineers, accountants, and lawyers. You have all these disciplines serving the person who has developed the skill or the staying power in the business community.

I myself come from the small business community, and I have built four or five businesses. But those businesses have survived alongside very large businesses. I learned many years ago that if I was going to survive, I would not try to do business with the giants but rather would try to match my own size and my own abilities. However, it is the large chains and department stores that offer opportunities of doing things better. What I would like to say to hon. members here tonight, particularly to those who sit with the hon. member for Regina East, is that there are tremendous opportunities in finding something that is sloppy or soft out there in our community. Any time you find something that is not being done effectively or where there is some room for productivity, hard work, a good mind, the ability to work, some dollars and the courage to borrow properly, there is an opportunity there. Let me tell you that to have created one of those opportunities, to have given it staying power, to have created jobs, is a pretty comfortable thing to carry forward through life, and I commend it to anybody with the strength to do it.

There is another aspect to the job in which I find myself, having come from that small business sector and having had a great and exciting life in it. When the former leader of the opposition in the last parliament appointed a small business critic, I wondered what it was all about. I was told that that is politics and, being a businessman, I am not credited with having too much political savvy. However, since I have been in this job I have wanted to point out how good the small business community was.

Under the previous government, the small business secretariat consisted of a team of six persons with a staff of eight, who played an advocacy role within the government and dealt with different departments of government on behalf of the small business community. They had a definition of the small business: in the manufacturing sector, 100 employees or less, and in the service sector, 50 employees or less. Then I had to scratch my head and say, "Well, here we have a department which is playing an advocacy role, and we have the Federal Business Development Bank playing a front line role in a very high calibre way, providing much social purpose to its thrust and the part it plays in the business community". But we started to find a very interesting picture in the small and medium enterprise sector in Canada.

[Mr. Huntington.]

• (2130)

We looked down at the United States with its small business act. They built a massive bureaucracy to feed the small business world. They have a full-time committee, the Congress, the Senate, a big bureaucracy, and definitions for small business in each of 52 sectors. They have put in regulation and legislation on top of legislation. There are probably more people working in the bureaucracy than in the small business community, for all I know. I did not want to go that route. I have rationalized the route that perhaps we should be looking at here.

I looked at a survey done by the small business secretariat on the tax returns of 1976. This was all done in a very confidential manner, but the figures which came out of it were not part of the added paper burden in another Statistics Canada study. The figures in 1976 showed that there were 1,075,000 businesses in Canada. Of those businesses, 325,000 were incorporated. That leaves unincorporated some 750,000 businesses, 429,000 of which were involved in the self-employed professional salesmen, farmer, and fishermen categories.

It is interesting that 99 per cent of the total number of businesses in Canada had annual sales of less than $2 million. The total sales for all of those businesses in 1976 were $392.2 billion. The incorporated businesses did some $347.6 billion of that, leaving $44.6 billion for the unincorporated businesses. Those figures in themselves show some of the power which is in that community.

Another interesting statistic which came out of this study was that in 1976 total employment by business in Canada was 6.6 million people. Businesses which had sales of less than $2 million per year employed 2.5 million people. If one added the finance sector into that figure, with $2 million and less in sales a year, there were 2.8 million people employed, or 42 per cent of all business employment was in the small business category doing $2 million or less in sales per year. If one moves up into the medium sector category of $20 million or less in sales, there were 4.1 million people employed in that sector, or 66 per cent of the total employment in Canada. That shows why in Canada, France, Germany, and the United States so much emphasis is put on the small and medium sector by governments.

Over a year ago the President of France announced a whole policy for the small business sector in France. I think that is some of the awareness I would like to create as I come out of the early gestation period of this ministry in which I find myself. We should know that 25 per cent of the total sales from businesses in Canada originate with businesses doing less than $2 million a year in Canada, and that 52 per cent of the total sales done in Canada originate in the medium and small sector doing less than $20 million in sales a year.

Another interesting figure is that the business contribution to the gross national product in Canada is 42 per cent, and 30 per cent of the business contribution to the gross national product originates from firms doing less than $2 million in annual sales a year. Also 55 per cent of the business gross

national product originates from firms doing less than $20 million in annual sales a year. I am very pleased tonight to have a few minutes of the time of the House to put this perspective on the record and in place for members, to illustrate the growing importance which this part of Canadian life has, this part of life which any industrial nation has.

We have heard quite a few comments tonight about high interest rates. Nobody, believe me, nobody likes high interest rates. I lived through a monetary crisis back in 1956 and very nearly lost a business. There was another crisis which I and others survived in 1972, but some fell. At that time they restricted the ratio of lendings to deposits. In other words, they retrenched or restricted the supply of money. They did not increase the cost of money. They just dried up and tightened up the supply. I have asked bankers, "Why did you not go that route again?" The gentleman who is the president of the Federal Business Development Bank explained in some detail the problem of going that retrenchment route.

One thing we must do today is create good jobs and provide good work. When one restricts the supply of money to businesses which have a legitimate expansion going in the marketplace, one restricts the creation of legitimate work and growth. The bankers told me that that is what they did not want to repeat, and that is why they tried another route.

It does not matter what we do or what we put in place in the way of law, minds will find little angles in the wording to find a way around it. In this particular case the monetary community down in Washington, rather than restrict supply and dampen down legitimate growth in the global and domestic marketplace, decided to increase the cost of money. When they increased the cost of money, they started to put pressure on all the loose leverage, loose fringe borrowing and stock market activities going on which created and added to inflation. When they increased the cost of money, all of that had to fall out and start to wring out.

I said to an executive vice-president of a bank whom I met at a reception here in town about one or two weeks ago, "Did you really have to increase the cost of money the way you did? How serious is the drain of dollars out of the country?" He said, "Ron, if we did not match the short-term interest rates, we have in short-term deposits maturing in our bank alone today $340 million". That is one day, one bank. If that money cannot be held at home, what is the other alternative? One can retrench supply and dampen down everything, all the good creation in legitimate business.

● (2140)

The other alternative to high interest rates is to keep interest rates down and watch the dollar fall. We found out that we could sell more goods in the global marketplace by allowing our dollar to slip from $1.03 to 95 cents and all the way down to 85 cents. We saw hundreds of millions of dollars, even billions, being poured out into reserves to stabilize it at that place. Then those manufacturers and resource companies which could sell in the marketplace all of a sudden came up to capacity and started delivering their goods out to the world. They tell me now that there is no more manufacturing capacity which can take advantage of a dollar lower in value than 85 cents, and therein lies the dilemma in which we find ourselves.

The president of the Federal Business Development Bank reports to me at least once a week. He is a most attentive person and wants his minister to be as informed as he can be on a subject as complicated as this. He and I have talked this over, rationalized it, and have asked: Can I increase the rate of the bank? As I have said several times in the House, loans of $50,000 are at 16 per cent and loans over $50,000 are at 16.5 per cent. The small business person is getting a break from the bank.

We have a bill here tonight, C-4, whereby we are widening from one to ten the ratio of lending to one to 12, the difference the bank has to go to the marketplace for, and in going from one to ten to one to 15 before we get the new act through we are increasing the cost of money to that bank, this Crown corporation, by three tenths of one per cent on what we are doing tonight.

If we change the agency status and do a few other things to the bank, each one of those moves will increase the burden of cost on that bank. At the moment the bank's cost of service is 4.25 per cent over the cost of money. I just cannot agree or go along with the hon. member for Argenteuil (Mr. Gourd) when he suggests that we loosen up, give cheaper rates and everything else. That bank is on a teeter-totter performing tremendous social services.

We have talked about category three and four loans. Those are loans that get into trouble and you need a postponement, interest has to be postponed, principal has to be postponed, or both, and then you have to put them to rest. As the hon. member for Laprairie suggests, give them a little patience, a little staying power, and sometimes you will get winners from that little group and they will go on, having learned their lesson.

An hon. Member: Do you think you will make it until ten o'clock.

Mr. Huntington: I am going to do my best. Applaud me if I do.

Some hon. Members: Hear, hear!

Mr. Huntington: I am just trying to keep it interesting for you. I want to return to the hon. member for Regina East who was lashing and thrashing out against the large corporations and chains. I forgot about him over there for a minute or two. As I have walked through life I have seen a lot of altruism in people in the business world. They work hard. Sure, they sharp pencil and they must have some self-interest or they cannot survive. There are great sectors of our community that attack the old self-interest motive. Believe me, the self-interest motive builds things, creates things, and does create jobs.

As I have gone down through the years, coming upon one Red Cross drive after another, one big community effort after another, and as I have watched the Kiwanis Club and the

Rotary Club making their efforts, and have come across campaigns for the crippled children's hospitals, I have wondered where all that effort has come from. Who supports all that effort? I have seen presidents of the large chains and corporations give half a year just to the chairing of one of these altruistic activities in the community. I really do get disturbed when that part of altruism, and that part of being part of the community are not given true justice or respect just because an individual comes out of the business community. Not all people can stand the rugged nature of the small and medium-size enterprise sector. Some would rather be working for the government or for large corporations because it is more exciting and more stable. As I said in Quebec City at a seminar the Federal Business Development Bank had on down there—

An hon. Member: MacMillan Bloedel has had four presidents during the last half dozen years.

Mr. Huntington: What does that have to do with it? Look at all the jobs that MacMillan Bloedel provides. Look at all the pension schemes, the machinery, the development, the infrastructure, and look at the new pulp mill that is going up at Powell River; look at all of this growth and I will tell you something. The small and medium-size enterprise sector cannot provide the benefit package that large corporations can provide. There is a great mix out there. I guess one of the challenges I have is to get that small and medium-size enterprise sector of this country up to a standard of health whereby their benefit package can match that of government employees or that of the employees of MacMillan Bloedel. I have watched MacMillan Bloedel and other large corporations put on funding drives that made possible Simon Fraser University. Can you imagine that?

Some hon. Members: Hear, hear!

Mr. Huntington: Can you imagine that hotbed of socialism out there on the west coast up on that beautiful mountain which was made possible by the executives of large corporations in western Canada? It was very tolerant about what happened to it, and it is a very pleasant surprise to see Simon Fraser University maturing at long last. My God, what a youth it has had; what a binge! My good friend behind me says it has had a change of management and there has been a big improvement.

Mr. Knowles: Thirteen minutes to go.

Mr. Huntington: Stanley, I wish I had your staying power. While I am gathering my thoughts for the next 13 minutes, I would just like to say this. We have some great challenges ahead of us in this country. This free enterprise system can survive. A consciousness has to exist in the business community. I think I have seen in the last decade a great awareness on the part of people in that community for what we now call good corporate citizenship.

Since I have been in office for the past six months I have seen presidents of large corporations come in and very carefully explain how their procurement policies and everything else assist the small and medium-size enterprise sector. We have come a long way down the road toward stabilizing a lot of the injustices and irrational decisions which have been hard on people. We are not going to get rid of it all.

Let me say this, sir. In the small business community there are behavioral problems. This is also the community that fights hard, is used to competition, and is used to eating a lot of beans. I do not know of too many people in that sector who can survive and get staying power unless they are very careful with their savings. They cannot spend all they make.

There are some major questions today that will have to be addressed. The questions which face us in respect of the economy in the 1980s include the following: will Canada be able to maintain the productivity level and the productivity growth necessary to maintain competitiveness with other countries? That is an essential thing, and it is one of the great challenges we are facing over in the Department of Industry, Trade and Commerce today.

We have in place protective mechanisms that are protecting industries which cannot compete globally. I think those industries have an obligation behind that curtain to bring themselves up to the optimum level of productivity. We need the difference in that resource in other areas whereby we can lift emerging industries up to global competing standards, and today this is a big challenge.

Another question is: will the development of entrepreneurship in the country be strengthened? That is one of the challenges which the provinces face today, and which I face in my ministry of small business. That commodity was once grown in abundance in the farming communities of Canada where people learned the value of adding to things, the value of trading something, and the value of needing a better way of doing something. Much of the innovation in our country came from these farm blacksmith shops, but as the population moved out of the farming communities into the urban centres, that natural crop of entrepreneurial ability was just not plentiful enough.

• (2150)

So today one of the challenges we have are the small business seminars. We find the Federal Business Development Bank needing CASE, this council advisory service that is so important in the community today. We find colleges now talking about entrepreneurial schools. All of this is part of urban life and constitutes an effort to replace that natural product which used to come from our farms.

Another question is: how can we maintain a balance of social programs so that we will help individual Canadians in need, while at the same time maintaining a strong work ethic and an incentive to work? I see that as I raise this subject my colleague, the hon. member for Hamilton West (Mr. Alexander), rises to leave.

Mr. Alexander: I am just changing chairs, sir.

Mr. Huntington: Well I am glad to see you resting again. Here is what has happened as we try to provide for all. This country has gone through two decades of wealth distribution and it has now come to the point where we find that we are not creating enough wealth to sustain the programs which we put in place. We were told years ago that a demand economy would be inflationary. The friend of the hon. Leader of the Opposition (Mr. Trudeau) warned us that the continuation of the demand economy would be inflationary. And what are we facing today? Public enemy No. 1 is inflation. If we continue with a demand type of economy, we will not address the problems of inflation, and that is one of the reasons why we have needed high interest rates today, rather than a retrenchment of supply of credit.

If we discipline ourselves, have some staying power, and eat beans for probably six months, we will find these interest rates coming down.

Mr. Kempling: Beans?

Mr. Huntington: Sure, I am an optimist.

Another question is: how shall we keep the cost of social programs in government in total from becoming such a large burden to business in general and small business in particular? I have been addressing this question. The cost of government is just too great for business. It is a case of wealth creation will support wealth distribution, but I remind hon. members that today we are borrowing $1 billion a month to pay the bills. That is not wealth creation, that is just sucking the strength out of the nation. That is the challenge which this government must face, and that is the challenge with which it was left. The answers to this problem are not easy, and high interest rates is a tough answer for us to take right now.

Another question is: will we be able to produce settlements in the collective bargaining process which will avoid our country pricing itself out of international markets? I think that each segment of our community should address itself to this problem. We do need leadership in this area. There is no way that we can protect or sustain jobs if there is featherbedding underneath. If those jobs are working at a productivity level which allows us to generate wealth and take a truthful place in the domestic and global marketplace, then we can afford the programs which we have in place. If we fail to address some of those questions which I have put on the record tonight, we will miss the hour of challenge.

Mr. Kempling: That's enough time.

Mr. Huntington: Can I go now? I move, Mr. Speaker, that Bil C-4 be given second reading.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Knowles: Ten o'clock.

Mr. Deputy Speaker: Is it agreed that we call it ten o'clock?

Some hon. Members: Agreed.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

SMALL LOANS ACT—AMENDMENTS TO PROTECT BORROWERS AGAINST HIGH INTEREST RATES

Mr. Gordon Gilchrist (Scarborough East): Mr. Speaker, this has been a fascinating evening for me, to sit and listen to philosophical arguments both pro and con respecting the business community. The Minister of State for Small Businesses and Industry (Mr. Huntington) has expounded on what I believe to be the basic truth known to every homemaker in Canada, that if you do not have enough money when you go into the supermarket, you do not come out with enough groceries.

I have listened attentively and watched the expressions on the faces of hon. members on the other side, whom, I guess, we could call the disciples of the magic poke, who feel you can put your hand in that magic poke and dispense cash right, left, and centre, and that some time in the middle of the night the magic tooth fairy will come along and replace it. I have never understood that philosophy.

I think that the minister is to be congratulated for a clear dissertation on how the economy works and how the nation's affairs turn. I hope that the minister is successful not only with this piece of legislation but with any legislation which will help overcome the staggering deficit that we have inherited, and get us back on the true trail of free enterprise.

It is on this subject that I wish to speak tonight. Another influence on the small business community is the Small Loans Act. The Small Loans Act is a responsibility which is shared by the Minister of Consumer and Corporate Affairs (Mr. Lawrence) and the Minister of Finance (Mr. Crosbie). Since mandated to do so, the Department of Consumer and Corporate Affairs has undertaken a policy review of all such legislation coming under federal jurisdiction. This, of course, includes the Small Loans Act, which has come under close scrutiny.

In the course of review, representations have been received from industry urging quick action by the government to alleviate the impossible conditions which the lending company and customer members alike must endure. In fact, I am not sure that endure is the correct word. In many cases it should more properly be described as, "cease to function due to the number of loans being turned down because of high cost and lack of funds".

We recognize that the Small Loans Act was not designed to help the business side of the equation directly but, rather, to help the borrower. However, considering that co-operative credit unions and caisses populaires are usually member owned and operated, if they cannot operate profitably or effectively because of the restrictions of the act, they not only suffer

themselves but also cause their clients distress and financial loss, while not providing the public with the protection and service intended in the act. This may be a decidedly convoluted argument, Mr. Speaker, but is clear and factual, nevertheless.

• (2200)

The overriding feature of the Small Loans Act is the graduated limit it imposes on loans of value less than $1,500. The upper limit for such loans is about 15 per cent interest, on a graduated scale. The purpose of such a ceiling was to protect small borrowers, high risk borrowers in many cases, from higher interest rates than could be enjoyed by more regular borrowers. The act was brought in at a time when the chartered banks, for reasons of prestige or security, did not encourage or accept consumer loans of this type, and at a time when other available sources of funds were not as plentiful and as reputable as many institutions which make up the small loans industry today.

The chartered banks are exempt from the provisions of the act. Other lenders, however, such as trust companies, finance companies and, of course, the co-operative credit unions and caisses populaires, must operate under the restriction and handicap to which the chartered banks are not exposed. As a result, there is a great lessening of competition in the small loans market, and a substantial falling off in the number of loans sought and issued.

High interest rates have made it unprofitable for small loans companies to serve the small loan borrower, as the interest ceilings make it impossible for the lenders to recover the costs of lending transactions and bad debts which attend these kinds of high risk loans. Thus, while the companies are suffering, so too are the borrowers. Their request for small loans under $1,500 are being refused because there just are no sub 15 per cent funds available. The result in many cases, especially where loans of $1,200 or $1,300 are desired, is that borrowers are forced to borrow more than $1,500—more than they need or want, thus incurring an increased debt burden and still having to pay the higher than 15 per cent interest rate, the very thing from which the act was supposed to protect them.

If, on the other hand, the borrower decides to go to another lending institution, he must still pay the higher interest rates to such institutions which are not restricted by the act. An even more sinister scenario is where the borrower, being unable to qualify for a loan from institutions which do not cater to higher risk requests, is forced to resort to a loan shark, with all the ugly consequences that conjures up.

You can see, Mr. Speaker, that this is a "no win" situation. When well-intentioned government restriction interferes with the free market forces, everybody suffers. In this case, the company cannot lend, the consumer cannot borrow, the money is not cheaply available, the job does not get done, the bill cannot be paid, the recreation room is not built, the plumbing is not fixed, the economy is not stimulated, and the whole high cost recession cycle is boosted a little further on its way.

For all these reasons, the Small Loans Act is a classic example of government regulation which has outlived its usefulness and now harms the very element of society it was designed to protect. Any other benefits incorporated in the Small Loans Act, such as the right of the borrower to prepay loans before maturity, without penalty, or to provide an instrument for the prosecuting and penalizing of loan sharks, could and should be incorporated in the Bank Act and/or Criminal Code.

The urgency occasioned by the imported high interest rate problem of recent weeks has imposed an impossible burden on the member owned co-operatives, small loan companies, and caisses populaires. Speedy repeal of the Small Loans Act would provide the vitally needed relief which, I am certain, would be wished by all members of this House for the benefit of the small loan borrower.

Mr. Ron Ritchie (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am delighted to be able to bring some assurance to the hon. member which I hope he will find encouraging.

As the Minister of Finance (Mr. Crosbie) indicated in this chamber on November 14, he is well aware that the Small Loans Act is in need of revision and, in particular, that the interest rate ceilings in the act are inappropriate under today's conditions. The Minister of Consumer and Corporate Affairs (Mr. Lawrence), whose department has in recent years been charged with the responsibility for generating policy relating to consumer credit generally, is also aware of the problem. He shares the view that this is definitely an area that requires early action. Officials of his department and of the Department of Insurance, which has continued to carry out the day to day administration of the act under the direction of the Minister of Finance pending clarification of the status of the act as an element of consumer credit protection, have been actively discussing possible changes.

• (2205)

Legislative proposals relating to the matter will be brought forward as soon as reasonably possible. It may be determined that the act no longer serves a useful purpose in today's environment. As a minimum, it can be expected that the interest rate ceilings will be revised and that the position under the act of financial institutions such as credit unions and caisses populaires will be dealt with. There is good reason to believe that it was never intended that such financial institutions should be subject to all of the provisions of the act. When the act was last revised in 1956, credit unions and caisses populaires were not nearly as large as they are now. Moreover, until quite recently, they were limited by provincial law to a maximum interest rate of 1 per cent per month. Thus, at the last revision the act was designed primarily to deal with the activities of those financial intermediaries that were then active in the field.

A somewhat anomalous situation, as just described by the hon. member, has arisen as a result of the general upturn in interest rates in recent years, since money lenders such as credit unions and caisses populaires must now obtain licensed status under the act if they wish to charge rates greater than 1

per cent per month. The licensing of thousands of such lenders and inspection of their affairs present an enormous administrative workload for the Department of Insurance. Nevertheless, licensing is available and the department is prepared to use its best efforts in processing any such requests as quickly as possible. This would provide interim relief for such institutions pending adoption of the legislative proposals to which I have alluded.

SOCIAL SECURITY—REQUEST FAMILY ALLOWANCE PROGRAM RETAIN PRINCIPLE OF UNIVERSALITY

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, following up on my question of November 5 concerning the government's intentions with regard to the universality of the family allowance program, I would like at this point to give several reasons why we believe it is so important to maintain universality, and then invite the parliamentary secretary's response to my arguments.

Universal programs such as those we now have in education, pensions, health care, and family support, that is, family allowances, are not just techniques for distributing benefits to individuals in our society. They are a statement about what kind of society we are. Universality states that, as a society, we put a high priority on some benefits such as education, health, support for our elders and family life, and that we are prepared to support these things out of the general wealth of the community because it is as important to the so-called poor that the so-called rich have their health, for example, as it is to the so-called rich that the so-called poor are looked after. This is a view which reinforces our view of Canadian society as a community and not just a collection of wealthy and needy individuals.

People should receive benefits simply because they are people, and because we belong to each other. Universal programs as such are not to be seen as welfare programs or as ways of redistributing wealth per se. This is why the government's apparent intention to de-universalize the family allowance program, or to do away with it altogether in order to make for more effective income redistribution, is such a serious, practical and conceptual error.

It is a dangerous conceptual error because it sets up all universal programs for the same criticism, although from another angle in other cases. For instance, in the case of universal education programs, these could be criticized for redistributing wealth upwards, as it is the children of the affluent who use the education system more than others. However, we still say that education should be universally available.

The fact that the gap between rich and poor has become even wider rather than narrower cannot be blamed on universal programs but, rather, on the fact that we still have not seen a fair tax system come into being in this country.

● (2210)

Third, the government's apparent intention is a dangerous practical error, as in practice there would be very little likelihood that those who would supposedly benefit from these changes would see any net improvements in their general welfare. The open agenda of this government is to save money. Therefore, money received through increased child tax credits, for instance, is likely to be lost or reduced through eliminated family allowances or through some other re-shuffling of the same money. Money may simply be redistributed, for instance, from women to men, as many women depend on the family allowance program for their sole source of income.

There are those, I realize, who are hard-pressed to criticize the government's apparent move toward selectivity in social programs, as the argument about targeting money more effectively to those who need it most appeals to our charitable instincts, but this assumes that funds available for social programs have reached their limit and that the status quo is it. We in the New Democratic Party do not accept this argument.

It is the counsel of despair, and we advise the minister to count upon the good will, the generosity, and the sense of the common good which Canadians have in abundance, and seek ways of closing the gap between the rich and the poor, which actually increase government revenue in this vital area of programming, and not just play around with the limits of the budget given him by his colleagues at the Treasury Board. I challenge him—in this case the parliamentary secretary on his behalf—to commit the department to this end and to guarantee, should the government go ahead with this bad mistake, that at the very least all money saved on the one hand will be put back into social programs on the other, whatever they may be, and I do not mean expensive campaign promises.

Mr. Stan Schellenberger (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the hon. member for Winnipeg-Birds Hill (Mr. Blaikie) has obviously researched his argument very well, and he puts forward a very interesting argument.

Hon. members from both opposition parties are often pressing the minister for a response that the minister does not really want to give at this time, because he has said a number of times that the government is interested in considering potential improvements to the child benefit system, and in that regard we are looking at all the elements: family allowance payments, the child tax credit, and income tax exemptions under the income tax system. If a decision that we want to bring legislation forward to the House is reached, then we will let the House know immediately upon that decision.

I can advise the House that the family allowance and child tax credit programs will continue in 1980 on the same basis they have been applied in 1979, and that the amounts of the benefits will be duly escalated in accordance with increases in the cost of living.

As for the longer term, the minister has already told the House that he is giving serious consideration to improving the child benefit system. Whether or not we conclude that we

should move further along the lines agreed to in Parliament last year and give more emphasis to this approach, remains to be seen.

I would like to emphasize, however, that the minister does not regard himself as an instrument of restraint in this matter. His motivation is to ensure that we have the best possible system of social policies in effect in this country, and by "the best possible system" he means a system which makes available as much help as we can afford to those people who really need it.

As was indicated in the House the other day, the government is particularly concerned about the needs of older Canadians, single pensioners below the poverty line, most of whom are women—as the hon. member for Winnipeg North Centre (Mr. Knowles) often points out—mother-led families, the disabled, and the handicapped.

Having said that, it would be irresponsible of me or of any other member, for that matter, to suggest that we can simply ignore the difficult financial situation in which the Government of Canada currently finds itself. In such a situation it is obvious that to the extent that we can make our programs more efficient in meeting real need we must have more financial flexibility in seeking other policy improvements to meet needs which are not adequately taken care of in the country at this present time.

● (2215)

[*Translation*]

INDUSTRY—STATUS OF CANADAIR AFTER SALE

Mr. Marcel Roy (Laval): Mr. Speaker, ever since the government announced before the opening of the new Parliament its intention to privatize a number of Crown corporations, I have tried to find out what will be the privatization process for these Crown corporations so that hon. members may be advised of the reasons behind and the benefits of such a process. On October 11, I moved a motion under Standing Order 43 on the future of Canadair and asked whether the new government meant to ensure that the objectives set out by the former government concerning Canadair, namely, Canadian control, technological development and job creation are maintained, and that such transaction, if it is deemed necessary, serve the interests of the present shareholders, who are the Canadian taxpayers.

On October 15, I continued this line of questioning, because Canadians are worried about the pace at which the government wants to privatize the Crown corporations, and the employees are anxious about the future status of their industry. On October 15, I asked the right hon. Prime Minister (Mr. Clark) whether, during the negotiations for the transfer of Canadair, the eventual purchaser would guarantee that the funds for research, design, development and planning would be maintained and not transferred outside Quebec in the case of Canadair. And on October 16 when I asked a question during the adjournment debate—I have no intention of going back over this except to state that I was asking the government once more why, on the occasion of the possible sale, they would not consider establishing an avionics corporation, a joint government-industry owned corporation merging de Havilland in Toronto, now in the red, and Canadair in Montreal. Why not merge both corporations into a mixed avionics company to develop that industry in Canada?

I pursued the matter further on November 12, and I am here tonight once more to question the Minister of State for Small Businesses and Industry (Mr. Huntington), who deserves commendation for the splendid way he concluded the debate on second reading of the legislation now before the committee. I also thank him for being here tonight to comment on the concern and anxiety of Canadians in general and employees of Canadair in particular. I ask the minister whether, when that corporation is sold—because the right hon. Prime Minister suggested to me this was to the benefit of Canadians—whether a Canadian corporation will be deemed to be a corporation under the Income Tax Act, or whether it will be deemed to be a corporation made up of groups of Canadian residents or entities residing in Canada? Certainly there should be a difference between a Canadian corporation established under the Income Tax Act and a Canadian corporation made up of residents, partnerships or entities living or established in Canada.

I believe it is essential to know the intentions of the government. If it is considering selling to Canadian residents or entities, I would ask the government to take into account the fact that Canadair employees will be interested in purchasing shares in the company. I believe that this would contribute to develop pride in Canadian ownership. The *Challenger* has had fantastic results throughout the world. The directors and employees of Canadair are proud of this, and I believe, Mr. Speaker, that if this option is given to the Canadair employees, the same principle could apply to de Havilland. I believe that the employees of this company could become shareholders if a share savings plan can be created. Such plans already exist. During the budget speech in Quebec, a suggestion was made to this effect. In my opinion, such an initiative by the Canadian government on behalf of the employees of this company would continue to promote pride in Canadian ownership.

Mr. Speaker, I do not intend to speak much longer as I have already spoken on this subject several times. However, the Canadian people are anxious to know the intentions of the Canadian government.

When I asked this question of the minister on November 12, he said that cabinet was considering privatizing Canadair. There is therefore still a chance that this company will not be handed over to the private sector. The government may have reviewed its decision and decided to leave it as it is. I believe that this is another matter that should be cleared up.

● (2220)

[*English*]

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): Mr. Speaker, may I first congratulate the hon. member for Laval (Mr. Roy) for one of the finest adjournment debate questions which I have heard. I accept his complete sincerity, and I thank him for the constructive nature of his remarks on this privatization issue concerning Canadair and de Havilland.

First may I point out that these corporations originally got into trouble under foreign ownership, which is one of the serious issues we have in Canada today. They were taken over by the Canadian government with the full intent of lifting them up to an operating status, once again giving them the infusion of capital and risk money for research, development, and innovation which was needed to stabilize them as an industry. It was even the former government's original intent that, once in a healthy condition, they should be returned to the private sector and to Canadian ownership.

I cannot always speak for the President of the Treasury Board (Mr. Stevens). I admire greatly much of the work he is doing. I should like to refer to a few quotes which I think answer in part some of the questions asked by the hon. member tonight. I am sure in the three minutes which I have that I cannot answer all of them, but I could do it privately. The President of the Treasury Board said:

> It is not intended that control of any company be sold to foreign interests and no sale will be finalized until and unless we are satisfied that the findings of certain studies now under way are compatible with such sales.

There is no intent to jeopardize the health or the ongoing nature of those corporations.

I am not at liberty to announce a potential Canadian buyer with widely held shares in Canada, but such is in the offing. If that falls into place, I believe it will be a rather exciting and substantial move which even the hon. member for Laval will applaud.

Before my three minutes are up, I should like to compliment the hon. member on the suggestion that the employees of those corporations be allowed to buy shares as Canadian citizens, particularly as workers. I personally believe that each Canadian worker is entitled to something in addition to his take home pay package and benefits. There is a certain excitement in owning that to which he goes daily or at night with his lunch bucket, does his work, and returns home. If he can give the industry that little bit extra which can be given only through ownership or feeling a part of it, there is great wealth to be had there which dollars cannot buy.

The corporation had a debt to equity ratio of about 3.5 to one. In its present state it will not be the easiest thing in the world to privatize. However, the proper package and balance, the proper management and as suggested by the hon. member, the involvement of employees in its ownership, could make those two corporations grow from the plateau upon which they have been put.

The privatization process in the Treasury Board is a very careful one. There is a task force. Its study will be finished in February, 1980. The Comptroller General is involved, and a special appointee is in charge of the privatization sector. Any assets which is viable and can be sold to reduce the debt of the country, that is the nature of the process. The process also gives us an opportunity to review agencies and Crown corporations that are in place and say, "This one is not ready; this one is ready and there is a market for its product."

● (2225)

I can assure you that de Havilland and Canadair, if and when returned, will be returned in good, solid shape. In the meantime, the programs in place that are allowing them to function as viable and growing entities are not being interfered with. Let me just point out that Mr. Stevens also pointed out that the corporations involved would be treated as fully ongoing concerns in the interim period in terms of the provision of assistance through government support programs.

I know how anxious the employees are, and I know what uncertainty does to people. If they will just calm down, this could be a very solid situation for them.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow afternoon at two o'clock.

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

HOUSE OF COMMONS

Tuesday, November 27, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

INTERIM REGULATIONS RESPECTING CARRIAGE OF DANGEROUS COMMODITIES—MOTION UNDER S.O. 43

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, I should like to move a motion on a matter of urgent and pressing necessity, under the terms of Standing Order 43. Today it was reported that a commissioner of the Canadian Transport Commission had made an incredible statement, that with so many freight movements, the occasional accident was necessary.

In view of the fact that the CTC has yet to issue any orders for interim changes in the regulations during the inquiry period governing the transportation of dangerous goods, and since in every major city in Canada hazardous products are being transported in substantial quantities every day, I would move, seconded by the hon. member for Laprairie (Mr. Deniger):

That the Minister of Transport use his discretionary power to issue interim regulations with respect to the transportation of dangerous commodities, such as the reduction in speed of trains carrying such products through densely populated areas, and the assurance that explosive materials will not be carried on the same train as toxic gases.

Mr. Speaker: Pursuant to Standing Order 43, the motion can be presented for debate only by unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SOCIAL SECURITY

IMPROVED PENSIONS FOR OLDER AND UNATTACHED WOMEN—MOTION UNDER S.O. 43

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

That this House warmly welcomes the recognition by the Minister of National Health and Welfare that older women, particularly those of single status, are having a difficult time trying to cope with seriously inadequate levels of income, and this House calls on the government not to make this group wait for years while reviews take place, but to introduce at this session amendments to our pension legislation which will provide pension levels for older and unattached women that will give them the dignity and security they so clearly deserve.

Mr. Speaker: Such a motion can be put forward for debate at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HEALTH

REQUEST THAT REVIEW OF PROGRAMS BE CARRIED OUT UNDER INQUIRIES ACT—MOTION UNDER S.O. 43

Mr. Ray Chenier (Timmins-Chapleau): Mr. Speaker, I rise, under the provisions of Standing Order 43, to ask that the House consider a matter of urgent and pressing necessity. The Minister of National Health and Welfare (Mr. Crombie) has initiated a review of health programs in Canada under the esteemed Mr. Justice Emmett Hall.

In view of the fact that Mr. Justice Hall has been assigned to the review on a contract basis under very restrictive terms of reference, and since a commission legally constituted under the Inquiries Act can be the only effective forum to get at the realities of the medical health situation in Canada, I would move, seconded by the hon. member for London West (Mr. Buchanan):

That the Minister of National Health and Welfare modify the terms of Mr. Justice Hall's review and place it under the Inquiries Act so as to allow witnesses to be called, thereby assisting Mr. Justice Hall in the thorough study of this area of most critical interest to Canadians.

Mr. Speaker: This motion can be accepted for debate, under the terms of Standing Order 43, only by unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

[*Translation*]

SOCIAL SECURITY

REQUEST OLD AGE PENSION BE INCREASED TO MEET MINIMUM STANDARD OF LIVING—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, I rise under the provisions of Standing Order 43 and ask the unanimous consent of the House to discuss a motion relating to a matter of urgent and pressing necessity.

Given the fact that, according to a study of the Economic Council of Canada, 60 per cent of persons over 65 years of age and living alone are under the poverty line and that most of these people are women, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the House instruct the Minister of National Health and Welfare to take all necessary steps to increase old age pensions to meet the minimum standard of living as defined by the central government.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*English*]

HOUSE OF COMMONS

CHANGE IN NAMES OF STANDING COMMITTEES—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, under the provisions of Standing Order 43, I seek the unanimous consent of the House to deal with a matter of urgent and pressing necessity, namely, the change of antiquated names of two standing committees of this House.

I propose that the name of the Standing Committee on Broadcasting, Films and Assistance to the Arts be changed to Communications and Culture, and that the name of the Standing Committee on Transport and Communications be changed to Transport. After further consultations with House leaders and those directly involved on both committees, I move, seconded by the hon. member for Stormont-Dundas (Mr. Lumley):

That Standing Order 65(1)(b) be deleted and the following substituted therefor:

"65(1)(b) Communications and Culture, to consist of not more than 20 members;"

and that Standing Order 65(1)(l) be deleted and the following substituted therefor:

"65(1)(l) Transport, to consist of not more than 20 members."

[Mr. Speaker.]

Mr. Speaker: This motion can be presented for discussion at this time, pursuant to Standing Order 43, only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

EMPLOYMENT

PROPOSED ESTABLISHMENT OF PROGRAM TO CREATE JOBS IN MANICOUAGAN REGION—MOTION UNDER S.O. 43

Mr. André Maltais (Manicouagan): Mr. Speaker, pursuant to Standing Order 43, I ask the unanimous consent of the House to move a motion dealing with an urgent matter of pressing necessity.

In view of the fact that the Rayonier-Québec Company in Port Cartier in the constituency of Manicouagan, definitely closed down over two months ago, and considering that the company, by ending its business, leaves an entire area in a very precarious economic situation forcing the population to depend on public welfare, I move, seconded by the hon. member for Chicoutimi (Mr. Dionne):

That the Minister of Employment and Immigration take all necessary steps, either by earmarking supplementary funds in the Canada Works program or through other government employment programs, to develop projects which will immediately create employment.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

AIR TRANSPORT

PWA-TRANSAIR SERVICE TO KEEWATIN, N.W.T.—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. In view of the fact that PWA-Transair has negotiated a deal with Calm Air Ltd. which will result in inferior and inadequate air services for the Keewatin district of the Northwest Territories, and in view of the fact that there is strong opposition to this move from people who live in the

Keewatin and who are dependent on the services for food, medical care and transportation, I move, seconded by the hon. member for Nunatsiaq (Mr. Ittinuar):

That the Minister of Transport intervene to ensure that PWA-Transair be required to fulfil the terms of their licence by continuing to provide full air services in the Keewatin.

Mr. Speaker: This motion can be presented for debate only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INCOME TAX ACT

SUGGESTED AMENDMENT TO BILL C-20—MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I rise to move a motion under Standing Order 43 in a case of urgent and pressing necessity based upon existing public disappointment and frustration that this Parliament appears bogged down. I would move, if consent is given:

That this House urges the government House leader to discuss with his counterparts the expediting of second reading of Bill C-20 by considering an amendment to provide that after the first year, subsequent operation of the act will be subject to a parliamentary negative resolution.

Mr. Speaker: This motion can be introduced only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

CONSUMER AFFAIRS

COCA-COLA COMPANY—PROPOSED MEASURES TO SETTLE BOTTLERS' DISPUTE—MOTION UNDER S.O. 43

Mr. Robert Gourd (Argenteuil): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

In view of the fact that the Minister of Consumer and Corporate Affairs (Mr. Lawrence) is wilfully jeopardizing hundreds of jobs in Canada, that a number of small bottlers are running the risk of going bankrupt, and that the minister is also penalizing Canadian consumers by forcing them to use containers which are smaller and therefore more expensive for middle-income families, I move, seconded by the hon. member for Chicoutimi (Mr. Dionne):

That the minister reverse his decision and seriously consider with various firms such as Coca-Cola a sure and effective way to settle his conflict with the bottlers.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1415)

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DELEGATES OF CANADIAN AND EUROPEAN PARLIAMENTS

Mr. Speaker: Before beginning the oral question period, may I ask all hon. members to join me in recognizing the presence in our gallery of distinguished visitors in the form of a delegation from the seventh interparliamentary meeting of delegations from European and Canadian Parliaments.

The co-leaders of the delegation from the European Parliament include the vice-chairman, Mr. Carlo Ripa di Meana, from Italy, Mr. Kai Uwe von Hassel, from the German Republic, as well as the leader of the delegation, Sir John Stewart-Clark, of the United Kingdom Parliament.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

SOCIAL SECURITY

POLICY VIS-À-VIS PENSIONS—REPORT OF ECONOMIC COUNCIL OF CANADA

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, in view of the fact that the Economic Council of Canada stated yesterday that many Canadian pensioners are living below the poverty line, I should like to ask the Minister of National Health and Welfare if he could tell us what are his priorities. What is he trying to achieve vis-à-vis Canadian pensioners? Does he want to upgrade private pensions first, or is he ready, now, to move to increase benefits under the Canada Pension Plan?

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, the report of the Economic Council of Canada made public the other day is, indeed, a good one and I recommend to all members that they take the opportunity to read it. As the hon. member is aware, in this House in the Speech from the Throne and, indeed, on two other occasions I have mentioned that with this report, when it is available—which it is now—as well as with a variety of other reports which have come from other sources, I will be going to the

pension review committee of which the hon. member is a member.

We asked that committee—and I hope it will do so—to deal with both private and public pensions together, so for the first time this country will have an integrated approach to pensions and it will not be ad hoc as it was in the past.

Miss Bégin: Mr. Speaker, may I say, by way of a supplementary, that the answer of the minister is kind of cute but he is daydreaming; he thinks he has invented the world.

[*Translation*]

On the French channel, there is a program called "Parle, parle, jase, jase". I am sure the minister could find a job on this program without the least difficulty. Now, my question is a simple one. Everybody has received a copy of the report, and I am directing my question to the present government which is supposed to have been leading this country for the past six months. Did the minister consult the provincial ministers of welfare when he met with them in Toronto on November 13, if my memory is serving me right, about the pensions plans in the private sector and the Canada Pension Plan; has he asked this issue to be placed on the agenda and, if not, what is he waiting for?

[*English*]

Mr. Crombie: Mr. Speaker, as I indicated before—and I am sure most hon. members would agree—the problem of those people who are between the ages of 55 and 64 and, indeed, those over the age of 65 who are below the poverty line, is not one that was created in the last six months. Everyone understands that it is absolutely essential that we get on with the matter and that we deal with both public and private pensions together. Otherwise, people simply get whipsawed. That is why we are approaching the matter this way.

With respect to whether or not it will be on the agenda of the federal-provincial ministers conference in January, my answer is yes, it will be.

[*Translation*]

Miss Bégin: We now know that the minister will put this question on the agenda. My third question is for the Minister of Finance, but in his absence I will put it to the President of the Treasury Board.

[*English*]

Mr. Speaker, is the President of the Treasury Board, now that the Minister of National Health and Welfare pledged yesterday in Toronto help against inflation for pensioners, ready to move amendments to the law? He does not need any committee to do that; he just has to consult the work already done in his department. He just has to move amendments to the Pension Benefits Standards Act to preserve the real value of private pensions in the face of inflation. Will he do so?

● (1420)

Hon. Sinclair Stevens (President of Treasury Board): Mr. Speaker, the question to which the hon. member has referred, of course, has been of great concern to this government. It is presently under review, and in due course we will be making a suitable announcement.

[Mr. Crombie.]

IMPROVED PENSIONS FOR OLDER AND UNATTACHED WOMEN

Hon. Roméo LeBlanc (Westmorland-Kent): Mr. Speaker, now that the minister has recognized there is a problem in particular for older and unattached women, will he not subject them to another study but, in fact, convince his colleagues in the inner cabinet—to put their priorities where they should be and to move immediately to help this group, instead of helping the group which is being assisted by the tax credit plan of the Minister of Finance?

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, as I am sure the hon. member is aware, the request and, indeed, the requirement for the pension review by the standing committee was made by the Prime Minister in the Speech from the Throne.

Miss Bégin: Which committee?

Mr. Crombie: Indeed, it enjoys the support entirely of the government and all caucus members on this side.

Mr. LeBlanc: Mr. Speaker, again we will get reviews and studies. Since the Prime Minister—probably at this very moment—is arguing over, not whether oil prices should or should not be increased but by how much, will the minister say that he will move immediately to help those who will be negatively affected by heating oil price increases and gasoline price increases—consumers, including a lot of poor people? Will he move to improve immediately the level of the guaranteed income supplement for those living under the poverty line?

Mr. Crombie: Mr. Speaker, with regard to the first point, already the Prime Minister has spoken positively on that matter. With respect to the GIS, I have indicated that certainly it is a priority of mine. The committee of which the hon. member is a member will be dealing with that matter.

Miss Bégin: Which committee?

Mr. Crombie: Certainly, I hope that all the interest we now find from the last two questioners will be found with some haste when it comes before the committee, because this problem with respect to people aged 55 and over has been with us for a long time and should have been dealt with before.

Some hon. Members: Hear, hear!

Mr. LeBlanc: Another study.

Some hon. Members: Oh, oh!

NORTHERN AFFAIRS

SETTLEMENT OF NATIVE LAND CLAIMS—GOVERNMENT POLICY

Mr. Rod Murphy (Churchill): Mr. Speaker, before I begin my question I should like to make an announcement to the House.

Mr. Speaker: Order.

Mr. Murphy: My question is to the Minister of Indian Affairs and Northern Development. In view of the fact that in the last two years his department has not completed one successful negotiation with any group across this country in order to settle land claims or land entitlements, could the minister explain to the House what his policy will be and what presentation he will make to cabinet to settle this very important issue?

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, I answer the hon. member for Churchill by indicating to him that this has been the situation for some time and not only for the last two years. The matter of land claims is one facing the people of Canada and also the government which cannot just be put aside flippantly by saying that there have been no negotiations or settlements in two years.

I want to indicate to the hon. member what is happening. In fact, negotiations are going on: for example, they are going on with the Council of Yukon Indians. Also, in terms of the COPE agreement, after our meeting of last week we agreed to meet within the next ten days to look at the areas which are outstanding and are creating difficulty. In terms of presentation to cabinet, cabinet will have to address the entire question of most specific and comprehensive land claims. When cabinet has made a decision, it will be available to the hon. member.

Mr. Murphy: Mr. Speaker, I recognize the fact that negotiations are taking place, but what kind of negotiations can take place when cabinet does not have a position? In view of the fact that in 1976 the federal government agreed to the Saskatchewan formula to settle land claims in that province, and in view of the fact that last night the minister indicated that formula was too rich, will the minister indicate to this House that his government still stands behind that formula in respect of Saskatchewan Indian claims?

● (1425)

Mr. Epp: Mr. Speaker, when the hon. member refers to the so-called land entitlement or treaty entitlement on the prairies, I should indicate that I had a meeting yesterday in Winnipeg with my counterparts from the four western provinces and Ontario, at which time we discussed various land entitlements as well as other outstanding treaties that have not been completed.

I would indicate that at that time we did discuss the so-called Saskatchewan formula, that being that entitlement be taken as at December 31, 1976. Saskatchewan is ready to use that formula, but it is not acceptable to some of the other provinces. As a result, we had discussions on what formula might be acceptable, and we have not reached a conclusion on a formula that we might present.

Mr. Murphy: Mr. Speaker, I am still wondering whether the minister is willing to live up to that agreement. Is he still willing to live up to that formula in the province of Saskatchewan? Why does he think it is too rich? Those people have been waiting for the land for 100 years, and it is about time something was done.

Mr. Epp: Mr. Speaker, I really do not know where the hon. member got the quotation that I feel it is too rich. What I want is a formula that is equitable. The Saskatchewan formula in some cases would be fair and equitable, but there are other reserves in respect of which it would not be fair and equitable. Before a final formula is agreed upon, obviously the principles of fairness and equitability have to be in place.

I would say to the hon. member that we are ready and, in fact, we have been meeting with the 15 entitlement chiefs in Saskatchewan. However, I say to him quite frankly that this is part of the negotiation and we will do it at the table rather than here.

* * *

EXTERNAL AFFAIRS

SITUATION IN IRAN—NEED FOR INDUSTRIALIZED COUNTRIES TO MAKE COMMON DECLARATION OF CONDEMNATION

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, in the absence of the Prime Minister, I have a question for the Secretary of State for External Affairs. I continue to be disturbed at what I regard as lack of solidarity, indeed, a possible cop-out on the part of leaders of free democratic nations in the face of an atrocious assault on human rights and the breakdown of international order as evidenced in Iran.

Yesterday, the Prime Minister, after we had pressed him to take the initiative in seeking from summit leaders a common declaration, a common front, said that all the summit nations have made their position unmistakably clear. If they have, their position has been totally unnoticed. I ask the minister, in the interests of advancing our information, to tell us where these summit nations have made their position clear—to whom, and by whom? Was their position made clear by the head of the government, or by some third secretary buried down in the foreign office so deep that his comments would be unnoticed?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, I would advise the hon. member that the leaders of four summit nations have, through their individual Parliaments, through the European Parliament and through the European Community, made their positions known in that way to the United States, indicating their common front with the United States in this deplorable situation. Japan has, as well, made its views and comments known

to the United States. That, too, is public knowledge. I am sure the hon. member is aware of the way in which the Canadian government, the Canadian people and the Canadian Parliament feel.

● (1430)

I would further inform the hon. member that in other fora throughout the Commonwealth, as well as through *La Francophonie*, some of the members of the summit are making their views known. There are a variety of ways in which the summit countries have been communicating their very real concern about this situation.

Mr. MacEachen: Mr. Speaker, the reply of the minister has fully justified my concern, because she has not been able to say that the leaders of these free democratic nations have personally said anything. The minister has not been able to say that Prime Minister Thatcher, President Giscard d'Estaing, Chancellor Helmut Schmidt, or the Prime Minister of Japan have individually or collectively stood up and condemned the atrocious situation in Iran. That is why we are still asking the Prime Minister to take a lead and to get these people to come together to speak out on this issue.

Some hon. Members: Hear, hear!

Miss MacDonald: Mr. Speaker, I am not sure whether the hon. member is more anxious to condemn the leaders of the countries in the free world than he is to condemn the actions of the ayatollah.

Some hon. Members: Hear, hear!

Miss MacDonald: It may be that the hon. member does not recognize the European Community or the European Parliament as a just voice to express the concerns of those countries. It may be that the hon. member does not recognize their Parliament as the just voice to recognize their concern, but we on this side of the House do.

Mr. MacEachen: Where are the leaders?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, I have a supplementary question. I must say that I find it inconceivable that the minister would suggest, when we are asking the leaders of the industrialized nations to stand up publicly and to take a stand collectively, that we would be suspected of attacking them rather than the ayatollah.

Some hon. Members: Oh, oh!

Mr. MacEachen: Shame. Apologize.

Mr. Trudeau: Mr. Speaker, in all our questions it has been clear that we are condemning the actions of the government of Iran in not taking firm steps to set free the hostages, but we will soon be condemning this government if it continues to take such stand-offish attitudes.

Mr. Baker (Nepean-Carleton): Question.

[Mr. MacDonald (Secretary of State for External).]

Mr. Trudeau: I have a question. I am distressed at the indifference on the other side, and the applause for such a comment.

Some hon. Members: Hear, hear!

Mr. Trudeau: The United States is our closest friend and ally: we have always said that when we have needed their help. Will this government, in the next 24 hours, get in contact with the other six summit leaders, ask them collectively to make a statement of solidarity with the United States and to make it publicly at the head of state level, as Mr. Clark should be making a statement?

Some hon. Members: Hear, hear!

Miss MacDonald: Mr. Speaker, I am sure that the former prime minister recognizes that the Prime Minister has made statements on this subject, and that he has been staunch in his support of the United States throughout the last 24 long days through actions many of which cannot be publicly conveyed, and of which the hon. member should be aware are taking place in everything that we do.

I would say to the Leader of the Opposition that we have on numerous occasions reiterated our support to the United States. We have opened new channels where there would be much broader support for the actions, through the Commonwealth countries—which we think is a very representative group of countries embodying different countries, creeds and cultures. We have approached the countries of *La Francophonie*, and we have taken into consideration the stand that has already been put forward by the leaders of the summit countries to which the hon. member has referred.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, yesterday the Prime Minister constantly—and, I am beginning to believe, deliberately—missed the point. It is not enough for Canada, France or Germany to tell the United States, "We feel for you, brother, and we are your friends."

Some hon. Members: Oh, oh!

Mr. Trudeau: It is important that the governments which are allies of the United States indicate that they are prepared to take collective action, and that they will be collectively affronted if any harm comes to any of the hostages from the United States. That is what we are asking of the government, not vague statements by European parliamentarians.

Some hon. Members: Hear, hear!

Miss MacDonald: Mr. Speaker, I apologize to my friends in the gallery.

Some hon. Members: Oh, oh!

Mr. Speaker: Order.

Miss MacDonald: I would like to say to the former prime minister that this is no time for grandstanding by him or anyone else.

Some hon. Members: Hear, hear!

Miss MacDonald: This question is much too serious because it involves, not just the breaking of the Vienna Convention, but it involves the lives of human beings.

Mr. MacEachen: It is about time you understood that.

Miss MacDonald: It involves the lives of the American human beings who are hostages in Iran. It involves, as well, the lives of Canadians who are in Iran—and that is something which we must never forget.

Mr. MacEachen: Why don't you answer the question?

SITUATION IN IRAN—PRIME MINISTER TO INITIATE COLLECTIVE REPRESENTATION

Hon. John C. Munro (Hamilton East): Mr. Speaker, could I ask a supplementary question of the Secretary of State for External Affairs? Is she prepared to answer the question? Is she prepared to talk to the Prime Minister and approach all these nations, requesting them to make a collective representation regarding the atrocities in Iran? Yes or no?

Some hon. Members: Hear, hear!

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, perhaps the hon. member was not here yesterday when the answer to that question was given by the Prime Minister.

Mr. MacEachen: It was not.

Miss MacDonald: The Prime Minister said that he would consider the matter. I would be only too happy to talk to the Prime Minister, as I would be to talk to the hon. member or to any hon. member.

Mr. Munro (Hamilton East): Yes or no, Flora?

POLITICAL PRISONERS IN ARGENTINA—GOVERNMENT ACTION TO BRING ABOUT RELEASE

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is to the Secretary of State for External Affairs. It also concerns the lives of human beings. Inasmuch as over 100 prisoners who are being held in Argentinian jails without charges being laid were approved some time ago to come to Canada, and since the Argentinian government refuses to release these prisoners as promised, will the minister tell us what government action has been taken on this very urgent matter, and will she use economic pressures or other pressures to expedite the release of these political prisoners?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, I share with the hon. member the concern she has expressed about the plight of these persons who are being detained in Argentina. We have on a number of occasions approached officials of Argentina through our ambassador in that country. We have made our views strongly known, and we have urged through every possible means that these people be released.

As the hon. member knows, only two people of the 100 prisoners have been released to come to Canada. A few others have been released to other countries. We are continuing by every means possible, through our embassy and our representations to the Argentine government, to effect their release.

* * *

IMMIGRATION

POLICY ON ACCEPTING LATIN AMERICAN REFUGEES

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, my supplementary question is to the Minister of Employment and Immigration. It takes over six months for Canadian immigration officials to process political refugees in Latin America, and in Brazil this delay forces Argentinians to return home to face torture and execution.

● (1440)

Since Canada has greatly speeded up the process respecting refugees from Southeast Asia, will the minister tell this House if it is the deliberate policy of his government to favour Southeast Asian refugees while refusing asylum to Latin Americans; and, in particular, is the eight-month processing period in Brazil which involves his government officials a deliberate slowdown to avoid helping Argentinians to come to Canada?

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, the answer is clearly no. In fact, to the contrary. We have interviewed a number of persons in Brazil. We have received a total of 159 applications in Buenos Aires. We have received permission from authorities there to interview 146, and 63 such interviews will be proceeding. I think—as was indicated by the minister who spoke previously—the problem is not with the Canadian immigration process; the problem is elsewhere. We are doing our best to accommodate those refugees as rapidly as possible.

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[*Translation*]

UNEMPLOYMENT INSURANCE

INQUIRY WHETHER QUEBEC ASKED GOVERNMENT TO ASSUME FULL RESPONSIBILITY

Hon. André Ouellet (Papineau): Mr. Speaker, my question is for the Minister of Employment and Immigration. A recent study conducted by the Quebec government apparently shows that it would have cost the Quebec treasury some $512 million

in 1976 to take over the unemployment insurance program. Can the minister tell us, first, whether the conclusions of that study are well-founded and, second, whether the present Quebec government has asked the new federal government to hand over this program?

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, obviously I have not had the opportunity to see this report. The unemployment insurance program quite clearly favours Quebec. An in-depth study conducted for the Employment and Immigration Commission shows that in 1977 the net total of benefits paid in Quebec was $551.7 million. Ontario, on the other hand, contributed in the same year $612.9 million more that it received in benefits.

Mr. Ouellet: I thank the minister for his answer. But I wonder if he could tell us whether his government has been asked by the Quebec government to hand over to that province total responsibility for unemployment insurance. Has such a request been made to the new government of Canada?

[*English*]

Mr. Atkey: Mr. Speaker, to my knowledge, there has been no formal or direct request, although one would have to believe—if there is substance to the report, which I have not seen, and it is truly a report of the government of Quebec—that in the near future such a request would be forthcoming.

As I have indicated to the hon. member, the cost to Quebeckers of such a transfer would be considerable. I may indicate, for example, that if a program similar to that which we now have at the federal level were to be transferred, the increase in premiums for the average Quebecker would go up something in the order of three or four times, from $1.35 per $100 of insurable earnings to something in the order of $3.50; or, for the average person making $15,000 a year, an increase of something from $300 per person to $1,000 per year. That would be a substantial additional cost if such transfer were to be made and the same program continued.

* * *

FISHERIES

STATUS QUO OF WEST COAST FISHING REGULATIONS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Because of the uncertainty on the west coast about the status of two sets of fishing regulations, one concerned with the proposed limit of 20 inches for Chinooks in the sports salmon catch, and another one connected with gill netters in the herring fishery, could the minister tell us what the status is of these regulations? Are they proposed; are they firmly there? If they are not firmly there, will he say when he is planning to clarify the situation?

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, with respect to the sports fishing question, I am looking forward to having discussions with the new minister of the environment for British Columbia. To that end, I am hoping to be in a position to make a statement on new sports fishing regulations for British Columbia early in December.

With regard to the other aspect of the question, this is a matter of serious concern because it speaks to the preservation of a very important fishery, namely, the herring fishery on the west coast. To that end, we will have to bring in regulations which will ensure the survival of the species and at the same time protect a very important and lucrative fishery, namely, the herring roe fishery.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

REQUEST FOR REPORT ON NEGOTIATIONS CONCERNING POSSIBLE $50 MILLION FOR INDUSTRIAL DEVELOPMENT IN HULL

Mr. Gaston Isabelle (Hull): Mr. Speaker, my question is for the Minister of Regional Economic Expansion.

As the minister is aware, the Ottawa area daily newspapers announce today in their headlines that an agreement is about to be reached concerning the designation of Hull for industrial purposes. My question is this: could the minister indicate what is the present status of negotiations with the government of Quebec concerning the allocation of at least $50 million in federal funds for industrial development in Hull?

[*English*]

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, I can recognize the concern of my hon. friend opposite. But I want to tell him that the newspaper reports to which he refers are based, as far as I can tell, on a mixture of fact and speculation involving two proposed initiatives by DREE, one for Quebec and one for Ontario. I can tell him that when matters are finalized, they will be announced in due course.

[*Translation*]

INQUIRY WHETHER INDUSTRIALIZATION PROGRAM IN HULL WILL BE EXTENSION OF MONTREAL PROGRAM

Mr. Gaston Isabelle (Hull): I have a supplementary, Mr. Speaker.

Since his colleague the Minister of Supply and Services stated a few weeks ago in Buckingham, with a big smile on his face, that a major allocation of funds to the Hull area would be announced in January, could the minister indicate whether the $50 million grant mentioned today is part of that program or whether it will merely be an extension of the Montreal area program?

[*English*]

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, about all I can usefully tell my hon. friend at this time is that it appears that it will likely be connected with an extension of the Montreal special region.

Some hon. Members: Oh, oh!

Mr. MacKay: However, I do not think it would be useful for me to speculate at this time until I have something tangible to announce.

[*Translation*]

REQUEST FOR TRANSFER OF BUDGET TO QUEBEC

Hon. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, I would like to ask the Minister of Regional Economic Expansion whether he can confirm his position to the effect that he rejected the request put to him by the Quebec minister, Mr. Léonard, to transfer the entire DREE budget to the province of Quebec. What was the minister's answer to this request from the provincial government when they met in Montreal yesterday?

[*English*]

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, it is a pleasure for me to tell my hon. friend that we had useful discussions. But I could not agree to any substantial change in the existing practice for the allocation of DREE funding at this point.

Some hon. Members: Hear, hear!

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CONSUMER AFFAIRS

BILINGUAL LABELLING—RESULTS OF REVIEW

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, yesterday the hon. member for Ottawa-Vanier and the hon. member for Vaudreuil asked questions of the Prime Minister regarding the entrenchment of language rights in the constitution, to which they did not get very satisfactory answers.

I have some questions for the Minister of Consumer and Corporate Affairs. In British Columbia, during the election campaign, the Prime Minister said he would take steps to lessen the requirements for bilingual labelling—

Some hon. Members: Hear, hear!

Mr. Allmand: —and after the election the minister said he was undertaking a review to pursue the Prime Minister's statement. Would the minister tell us if he has completed the review of bilingual labelling requirements and, if so, when will he announce them to the House?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, the review has been completed; that is the actual work of obtaining opinions of people in public life, from people in industry and from people across the country has been completed. These opinions, comments and suggestions relate to the policy of the previous administration and where the new administration should go, and they are presently being collated for me. I have not yet received them. However, as soon as I do, the matter will be discussed with my cabinet colleagues and an announcement as to future policy changes, if any, will be made in the House.

* * *

EMPLOYMENT

TAX INCENTIVE PROGRAMS TO CREATE JOBS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a question for the Minister of Employment and Immigration arising out of a speech he made yesterday. What steps will his department take to ensure that the tax incentive programs he announced will create the objective of 105,000 jobs for young people next year?

● (1450)

What steps will his department take to ensure that those incentives will not be used simply to subsidize employers in paying low, near-minimum wages and, indeed, will lead after a year to permanent and better paying jobs.

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, there will be basically two requirements to ensure what the hon. member is after. One is that the job must, in fact, be a new job: the employer must so declare and prove that it is a new job. The other requirement, of course, is that it is a tax credit. The company claiming the tax incentive must be in a tax payable position in the year of claim or in the five-year period carried forward, as the case may be. Therefore, there are some precautions. In addition, there will be precautions which I will deal with more fully during the course of the budget debate after the details of the program are announced.

Mr. Orlikow: Given that his department has been spending hundreds of millions of dollars over the past ten or more years on Manpower training programs, and that our shortage of skilled workers is still so great that the minister now proposes to encourage people with special job skills to come to Canada, what new steps, if any, is his department taking, in co-operation with the provincial departments which deal with apprenticeship training, so that future needs for skilled workers in Canada can be met by Canadian workers, rather than by further immigration of skilled people from outside Canada?

Mr. Atkey: Mr. Speaker, we must be clear on this. The demand for skilled labour in Canada will be met, first and foremost, by Canadians. Canadians will be given an opportunity for the training positions. I may say that my department will give a new emphasis, which the previous government was

unwilling or unable to give, to critical trade skills to meet the very important labour market demand that we know will come from various parts of Canada, particularly from the large mega projects in western Canada.

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EXTERNAL AFFAIRS

OWNERSHIP OF GEORGES BANK—LEASES FOR OFFSHORE DRILLING

Mr. J. P. Nowlan (Annapolis Valley-Hants): Mr. Speaker, I have a question for the Secretary of State for External Affairs of which I have given very brief general notice. The reason I have given very brief notice is partly because of the serious questions that came earlier today with regard to Iran, and also the very serious question involving our external affairs position, particularly and specifically with relation to Georges Bank, because of the preoccupation, understandably, of the United States and other countries with the Iranian situation—

Some hon. Members: Oh, oh!

Mr. Nowlan: If members opposite do not care about the Georges Bank situation, they had better leave this House.

Some hon. Members: Oh, oh!

Mr. Nowlan: This is just taking time away from you.

Mr. Speaker: Order.

Mr. Nowlan: Can the minister please advise the House with regard to this situation very soon, definitely before December 17 when leases will be auctioned off in the United States for drilling rights on Georges Bank, where we do not even have an agreement as to who owns Georges Bank? Will our protest be made very clear to the American government regarding leasing rights and drilling rights before we clear up the jurisdictional problem of who owns it, because of danger to the fish and the question of jurisdiction?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, I should make it clear that the leases for drilling which are under discussion all lie within the United States jurisdiction of the Georges Bank. They are in the United States area. The leases were first supposed to be let on November 5, but were held up for a 40-day period as a result of court action initiated by the state of Maine and the state of Massachusetts.

My officials and officials of my colleague, the Minister of Fisheries and Oceans, are in constant communication with our American counterparts to ensure that there are adequate safeguards as far as conservation and any damage to the environment is concerned in this drilling area. At the present time, we are satisfied that such safeguards exist. However, if we are led to believe that there should be further examination, we will very definitely be expressing our concern to the American officials.

[Mr. Atkey.]

[*Translation*]

REGIONAL ECONOMIC EXPANSION

INQUIRY WHETHER GOVERNMENT WILL ESTABLISH SAWMILL IN PORT CARTIER

Mr. André Maltais (Manicouagan): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion and deals with the situation in Port Cartier. I would like to know whether the minister has received a letter from a group of citizens of the region who have decided to invest $100,000 to open a sawmill in that town to try to replace the Rayonier-Québec Company. People responsible for that project have asked to meet the minister and some of his officials to make a technical study of the briefs. So my question to the minister is this: Does he intend to follow up the suggestions made by the developers of this sawmill in Port Cartier and when does he intend to answer the letter sent to him on November 19 by people from Port Cartier.

[*English*]

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, I will give the assurance to my colleague that I will be pleased to follow up the suggestions. If anyone seeks a meeting, I will arrange that. The hon. member would certainly be most welcome at the meeting.

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CONSUMER AFFAIRS

DISCREPANCY IN SOLUTION OF DANGER INHERENT IN 1.5 LITRE BOTTLES

Mr. Gary F. McCauley (Moncton): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs concerning a solution to the problem of 1.5 litre bottles. My question arises from a conflict which I detect between the minister and his deputy.

The minister informed me that one of the Japanese coating techniques has been found to be most suitable in terms of film performance and cost factors. However, the minister added in his letter to me that before making a final decision on the adoption of an offshore product, a Canadian process which recently surfaced is presently being considered. This morning, at a meeting of the Standing Committee on Health, Welfare and Social Affairs—

Mr. Speaker: Order. If the hon. member has a question, he should put it.

Mr. McCauley: —deputy minister informed me that there is, in fact, no Canadian process being considered. I ask the minister if he can explain this discrepancy.

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, in any case of a dispute between a minister and a deputy, the minister is right. The hon. member knows that.

Some hon. Members: Oh, oh!

Mr. Lawrence: Seriously, Mr. Speaker, I say in full confidence that there is no dispute between the minister and the deputy minister on this issue. Believe me. Certainly as far as coating or any covering of 1.5 litre bottles is concerned, we are willing to look at any process the industry comes up with. To my knowledge, there are at least three Japanese processes and at least one Canadian process. There are other means of containing the shattering of the glass when a large, awkward bottle such as that slips, falls and breaks. We are willing to look at any reasonable proposition the industry may come up with.

Mr. McCauley: Mr. Speaker, I believe the industry has come up with a solution—a two-bottle package which was submitted for testing and found to be satisfactory. Can the minister confirm that this is so, and advise what action he proposes to take concerning this? Also, what are the details of the two-bottle proposal?

Mr. Lawrence: Mr. Speaker, I can confirm to the hon. member that the question of putting two 1.5 litre bottles in a single cardboard container is no answer to the problem, as far as the minister is concerned. Those bottles would still have to be taken out of the carton to be cooled. They would still have to be taken out to be poured. That type of solution smacks more of a merchandising gimmick than an answer to safety problems.

* * *

[*Translation*]

LABOUR RELATIONS

OFFER OF $10 MILLION TO UNIONS FOR LABOUR EDUCATION—USE OF FUNDS

Mr. Jacques Olivier (Longueuil): Mr. Speaker, my question is directed to the Minister of Labour. As both the minister and the House know, a $10 million program has been offered to trade unions for labour education. Can the minister tell us whether he has received a report on the use of those funds and if so does the report explicitly indicate that the funds were used for labour education?

● (1500)

[*English*]

Hon. Lincoln M. Alexander (Minister of Labour): I heard part of that question only, Mr. Speaker. I heard "employment and immigration" and I heard the hon. member mention the utilization of funds.

The hon. member asks, "Why don't you listen?" Well, it was difficult to hear because of the—

An hon. Member: Noise on the other side.

Mr. Alexander: —mechanism. Not having the answer, I will look into the hon. member's question and give him a reply as soon as possible.

[*Translation*]

Mr. Olivier: Mr. Speaker, the minister will only have to read my first question. My supplementary question deals with the same subject and is addressed to the Solicitor General. Can he confirm to the House that RCMP agents are now investigating the use of funds set aside for labour education, namely, the $10 million which has been the subject of an agreement among unions. Is the Solicitor General aware that several RCMP agents are carrying out an investigation regarding these funds? If it is not true, I would like him to deny it before the House.

[*English*]

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): The Solicitor General is not aware of that, no.

* * *

PETRO-CANADA

ABILITY OF CORPORATION TO ALONE CARRY OUT ALSANDS PROJECT—REMARKS OF PRESIDENT

Mr. Edward Broadbent (Oshawa): Mr. Speaker, in the absence of the Prime Minister I have a question for the Acting Prime Minister. At a committee meeting this morning, the president of Petro-Canada demonstrated in an unequivocal way the great success Petro-Canada has had in carrying out its mandate.

Some hon. Members: Oh, oh!

Mr. Broadbent: Mr. Hopper confirmed in his testimony this morning not only that the company is capable of carrying out on its own the Alsands project, but he also indicated that if oil were brought in by his company at cost instead of cost plus guaranteed profits as demanded by Shell, the people of Canada could save hundreds of millions of dollars. I should like to ask the Acting Prime Minister whether the government has any reason at all to doubt those claims by Mr. Hopper.

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): I am sure Mr. Hopper was explaining things as he saw them, but if I understand the gist of the hon. member's question, he is still on his crusade for Petro-Canada, something he is entitled to do. I should inform him that the government has the whole question of Petro-Canada under review. When that review is completed, an appropriate announcement will be made in the House of Commons. Naturally, in the course of this review we shall take into account opinions expressed by people like Mr. Hopper.

Mr. Broadbent: I am not now dealing with the survival of Petro-Canada as such; I am asking a question about the government's policy for the development of the tar sands

resources. Considering that Mr. Hopper made the claim, unchallenged, that hundreds of millions of dollars could be saved if these resources were developed on a non-profit basis by this public agency, and considering there are likely to be four tar sands projects in which case the cumulative savings could run into billions of dollars, will the government assure the House that before proceeding to dispense the kind of hand-outs it is proposing to give to the multinationals, it will consult directly with Mr. Hopper concerning his plan to save the taxpayers hundreds of millions of dollars?

Mr. Baker (Nepean-Carleton): There are two or three issues which the hon. gentleman is trying to raise in his question: at least, I think there are. On the most important aspect, whether the government will give consideration to the testimony of Mr. Hopper, let me say that of course the government will give consideration to the testimony of Mr. Hopper. That was the answer to the first question the hon. member put.

* * *

[*Translation*]

PRIVILEGE

MISS BÉGIN—INQUIRY AS TO DELAY IN TABLING LAZAR REPORT ON PENSIONS

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, I rise on a question of privilege of which I gave you notice. Last October 22, in answer to a question, the Minister of National Health and Welfare (Mr. Crombie) stated that the Lazar report on pensions would soon be tabled—

Mr. Speaker: Order. The hon. member for Saint-Léonard-Anjou has the floor.

Miss Bégin: Thank you, Mr. Speaker. On October 24, two days after that question, by virtue of a motion presented under the provisions of Standing Order 43 and carried unanimously by the House, the government was required—

[*English*]

Mr. Speaker: Order. I wonder if hon. members realize how difficult they are making it for the minister to hear the point which is being raised.

Miss Bégin: And for the member concerned to raise it.

[*Translation*]

Further to a motion presented on October 24 under the provisions of Standing Order 43 and passed unanimously, the government was ordered to table immediately the Lazar report on pensions. Several questions have been put since then. We know the report was sent for translation by the former government at the end of March. In other words, the new Conservative government has now had that report for six months. My question of privilege, Mr. Speaker, is one which, I believe, concerns the rights of all hon. members and may perhaps even jeopardize the integrity of the government. I should therefore like to advise you of what I have heard said, namely that the government is in the process of editing the report and screening an important part of the document from the public, more specifically the part that deals with pensions, the recommendations on what is needed to bring private pensions up to date. In any event, the government has been ordered to table the report. A month and three days have now elapsed since the House passed a motion under Standing Order 43 to that effect. If, as I do, you consider that this constitutes a breach of the respect in which this House must be held and of the right of all hon. members to information, I reserve the right to table the appropriate motion in due course.

[Mr. Broadbent.]

[*English*]

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, I thank the hon. member. In an endeavour to be helpful, let me say two things; first, that when the motion under Standing Order 43 was passed by this House the report itself was already out of my hands. I had assumed the matter had been proceeding in its normal fashion. I can only assume there must be some mechanical cause for delay. I will undertake to investigate the matter and report to the hon. member and to the Speaker tomorrow.

[*Translation*]

Mr. Yvon Pinard (Drummond): In light of the explanation of the minister, and the fact that the matter brought up by the hon. member for Saint-Léonard-Anjou (Miss Bégin) seems indeed to be justified, I wonder if the House leader could promise, on behalf of the government, because we are dealing here with a resolution passed unanimously by the House of Commons, to consult his colleague, the minister, and table the report involved without further delay since the House ordered the government to do so several days ago and no one has yet taken upon himself to table it. Mr. Speaker, in view of the circumstances, it is up to the House leader to act and see to it that whatever resolutions are passed unanimously are acted upon.

[*English*]

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): The hon. gentleman's point is well taken. As I understand the exchange, particularly the comment by the Minister of National Health and Welfare (Mr. Crombie), if there has been any delay it is only a mechanical delay rather than an attempt not to produce the report. I undertake to look into the question of the mechanical delay and perhaps I might speak with the hon. member.

Mr. Stanley Knowles (Winnipeg North Centre): On the same question of privilege, Mr. Speaker, it happens that the motion under Standing Order 43 which was passed on October 24 was in my name. I would remind the government House leader that on at least two occasions I asked him when that report would be brought down and he said, "Soon". When is "Soon"?

NATIONAL DEFENCE

RENT INCREASES FOR SERVICEMEN—CORRECTION OF REPLY BY MINISTER

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I should like to correct a statement I made in the House yesterday concerning the capping of rental charges. I have since been informed by my staff that the break between the $35 a month cap and the $50 a month cap does not come at a certain rank but at a certain income, which is $1,300 a month, that being the income of the corporals. The corporals will be capped at $50 and not at $35, as I said yesterday.

• (1510)

ROUTINE PROCEEDINGS

[*English*]

REGIONAL DEVELOPMENT

First report of Standing Committee on Regional Development—Mr. Brisco.

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

* * *

INCOME TAX

TABLING OF INDEXING PROVISIONS FOR PERSONAL INCOME TAX FOR 1980 TAXATION YEAR

Hon. Sinclair Stevens (Acting Minister of Finance): Mr. Speaker, as Acting Minister of Finance, and pursuant to Standing Order 41(2), I now table a document in both official languages showing indexing provisions for personal income tax deductions for the taxation year 1980.

* * *

PROCEDURE AND ORGANIZATION

REFERENCE TO STANDING COMMITTEE OF "POSITION PAPER: THE REFORM OF PARLIAMENT"

On the Order: Government Notices of Motions:

That the Standing Committee on Procedure and Organization be authorized to consider the standing orders and practice of the House and its committees, and without restricting the generality of the foregoing, the proposals contained in the document entitled "Position Paper: The Reform of Parliament" tabled Friday, November 23, 1979, (Sessional Paper No. 311-4/47), and to recommend such changes as the committee considers necessary.

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, there is a motion standing in my name which you were about to call. Would it be appropriate to transfer that now to government orders?

Order Paper Questions

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

* * *

[*Translation*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN SECOND REPORT OF STANDING JOINT COMMITTEE

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore) moved that the second report of the Standing Joint Committee on Regulations and Other Statutory Instruments, presented to the House on Tuesday, November 20, 1979, be concurred in.

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

Motion agreed to.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 49, 408 and 411.

[*Text*]

NATIONAL RESEARCH COUNCIL—EXECUTIVE

Question No. 49—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice-presidents of the National Research Council of Canada?

2. What is the annual salary in each case?

Hon. Heward Grafftey (Minister of State for Science and Technology): In so far as the National Research Council is concerned, the reply is as follows:

1. (a) Dr. W. G. Schneider

   (b) Mr. P. J. Choquette

   Mr. W. A. Cumming

   Dr. B. A. Gingras

   Mr. K. Glegg

2. (a) DM2—equivalent salary range—$55,600—$72,400

   (b) V.P. salary range—$45,500—$60,300

Order Paper Questions

POPULATION OF CANADA

Question No. 408—**Mr. Lambert (Bellechasse):**

What was the total population of Canada on March 31, 1979 and (a) how many were (i) female (ii) male (b) how many (i) female (ii) male persons were there between the ages of 60 to 65 years?

Hon. Sinclair Stevens (President of Treasury Board): (a) According to Statistics Canada's most recent preliminary post-censal estimates, the size of the total population of Canada as of April 1, 1979, was 23,644,800. As for population estimates by age, the most recent estimates available are those for June 1, 1978:

(a) Total Population:	23,482,600
(i) Total females (all ages):	11,808,500
(ii) Total males (all ages):	11,674,100
(b) (i) Females (aged 60-65):	567,900
(ii) Males (aged 60-65):	515,500

STATISTICS—MARRIED WOMEN

Question No. 411—**Mr. Lambert (Bellechasse):**

On March 31, 1979, what was the total number of married women in Canada?

Hon. Sinclair Stevens (President of Treasury Board): Statistics Canada reports the following: This information is not available for the March 31, 1979, reference date. Statistics Canada's most recent population estimates by marital status are those for June 1, 1978, which indicate that there were 5,525,100 married females in Canada as of that date.

* * *

[*English*]

STARRED QUESTION

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Would you be so kind, Mr. Speaker, as to call starred question No. 384?

[*Text*]

*CIDA—BUDGET

Question No. 384—**Mr. Evans:**

1. What is the annual budget for the office of the Minister of State responsible for CIDA for (a) staff (b) furnishings (c) others?

2. (a) What is the source of such funds (b) did such funds come from the Departmental budget of CIDA, from aid funds or from other budgetary sources associated with the department?

Hon. Flora MacDonald (Secretary of State for External Affairs): The annual budget for the office of the Minister of State for CIDA for a full fiscal year is as follows:

1. Exempt staff	$125,000
Regular staff	$ 77,500
Other	$200,000

Expenses included under "other" include professional services and consultants, hospitality, postage, printing, travel, telephones, duplicating, and materials and supplies.

[Mr. Grafftey.]

The one time only set-up costs of the office of the Minister of State for CIDA for the 1979-80 fiscal year are as follows:

Construction costs	$ 44,000
Furnishings and equipment	$ 32,400
	$ 76,400

The construction costs have been approved by Treasury Board but no work has yet begun but completion is expected by March 31, 1980.

2. The source of funds is from the CIDA administration budget.

[*English*]

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

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

AMENDMENT TO PROVIDE TAX CREDIT IN RESPECT OF MORTGAGE INTEREST AND PROPERTY TAX

The House resumed from Monday, November 26, consideration of the motion of the Minister of Finance (Mr. Crosbie) that Bill C-20, to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax, be read the second time and referred to Committee of the Whole.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, as I was saying yesterday in this debate, in my opinion Bill C-20 is the most inequitable, inefficient and expensive package of tax credits we have ever had to discuss in this House. I want to make it clear in my remarks that although it favours certain Canadians and certain problems of ownership, it certainly does not address itself to the problem of affordability of homes. Nor does it address itself in any shape or form to helping those who today have the problem of paying for their shelter and meeting expenses which sometimes go through the roof.

We are told by the Minister of Finance (Mr. Crosbie) that if we do not pass this bill by Christmas, an election will be called. I ask the minister in all honesty how he can expect Canadians and members of Parliament to support a measure which proposes to expend hundreds of millions, indeed billions of dollars from here to eternity, dollars which will come from somebody's pocket, and yet not tell members of Parliament or the Canadian public where he is getting that money and who is going to pay for the tax credit proposal which we have before us. This is a tax reduction for certain people.

There are two aspects to the bill, the tax credit proposals for mortgage interest deductibility and the support given by this bill to home owners so that they may have some relief in coping with increasing municipal taxes, and on those two questions I have different positions.

I was saying yesterday afternoon that the provisions of this bill must be paid for in some manner. It is of some concern to me that this program, designed for the benefit of a few, will be paid for by all. I assume that the government has not changed its mind and that it is still set on controlling and possibly on setting ceilings on federal expenditures, and I ask, how can the government do that? Therefore, I must conclude that this very expensive program of benefits will be paid for by savings in other areas, most probably in the area of social services, increased direct or indirect taxes, a reduction in programs and possibly cutting government services.

If I may be allowed to paraphrase Winston Churchill, never before have so many been called upon to pay so much on behalf of so few.

[*Translation*]

As I was saying, Bill C-20 to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax is an inequitable measure for most Canadians. As a tax measure, it is unfair because of its selective application and its indifference to the true needs of Canadians in housing. Generally, it does not deal with the great problems of property, the great problems of housing that confront all Canadians, be it potential home owners who want to buy a house for their family or renters who must pay higher and higher prices for shelter. This measure does not help old age citizens, young households or widows or, in fact, the majority of Canadians, to support financially their housing needs in this inflation period.

[*English*]

This bill will fool no one in my riding. First of all, it is obvious that one must own a home in order to benefit from this bill. Statistics gathered during the last census in my riding demonstrate, and conclusively, the inherent inequities which would result from the passing of this bill. In my riding of Ottawa-Vanier almost two-thirds of the households are rental accommodations. Thus, this proposed act would discriminate against most of the people in my riding.

The inequities are even worse when we look at the situation in detail. Where males are heads of households 59 per cent own their own homes. Where females are heads of households in Ottawa, Hull and Vanier only 29 per cent own their own homes. Of female single parents, only 19 per cent own their homes. It is quite obvious that the fundamental inequities in this bill fall hardest on female heads of households.

Even owning a home does not provide any guarantee of benefits under this plan. If one has already paid for one's home, or for those home owners who are lower income earners, this bill will provide absolutely no benefits. This particular inequity will hit hardest the oldest and the poorest elements of our population.

To provide some perspective as to the extent of this inequity, it is estimated that only 32 per cent of all Canadian home owners will be able to take full advantage of this program. In my particular riding this means that only 10 per cent to 15 per cent of all households would receive any benefits from the mortgage interest tax credit.

• (1520)

[*Translation*]

The Minister of Finance (Mr. Crosbie), who is sponsoring this bill, is of course supported by all the Progressive Conservative members and with the forthcoming holiday season they are trying to trick Canadians into believing that they will play Santa Claus. They are trying to make Canadians believe that everyone should be happy about this bill. Like a true Father Christmas, the Minister of Finance takes great pleasure in congratulating and praising this government for this measure which is supposed to be a big Christmas gift for the Canadian taxpayer. He has conveniently forgotten to say that 5.5 million Canadian families will receive absolutely nothing for Christmas. Moreover, he is threatening us with elections if the official opposition does not agree to pass this bill before the holidays.

An hon. Member: What arrogance!

Mr. Gauthier (Ottawa-Vanier): It certainly is! Unfortunately, this type of arrogance and blackmail is not acceptable for those of us who have the duty to bring back down to earth the Minister of Finance who seems lost in the clouds, who is regarded as a buffoon rather than as a serious man by the voters, who is beginning to lose the confidence of many Canadians and whose credibility remains to be proven if it is not too late already.

Mr. Speaker, underprivileged Canadians are adamantly opposed to the Progressive Conservative bill proposed by the Minister of Finance as it is basically wrong, politically opportunistic, socially unjust and extravagantly costly for the country.

An hon. Member: Typically conservative!

Mr. Gauthier (Ottawa-Vanier): They are not alone in rejecting this measure since housing experts have warned the minister against such action.

[*English*]

It is a phony election promise which was changed after the election, flip-flop, flip-flop, from a mortgage interest and home owner property tax deductibility to a mortgage interest and property tax credit plan. They are two completely different things.

The mortgage interest and property tax credit plan—and I will explain it—calls for a mortgage interest tax credit of 25 per cent of the first $5,000 of mortgage interest paid up to a maximum of $1,250, over four years. In addition, a $250

property tax credit will be available. The credit plan will be phased in, as I said, over a period of four years, and then for eternity. The maximum tax credit in the first year of the plan will be $302.50 for mortgage interest and $62.50 for property taxes. The credit will increase in four years, as I said.

The tax credit plan which we have before us is somewhat better than the original tax deduction proposal discussed by the Conservatives during the election campaign which, in my view, was the most regressive fiscal measure I have ever heard. Under the deduction proposal, benefits would have been in proportion to mortgage interest and property tax paid and, more important, at the taxpayer's marginal rate of taxation. Under the credit plan, mortgage interest paid and the amount of federal income tax paid are the principal determinants of eligibility and of benefit.

The property tax credit is available at a flat rate to all home owners if they pay federal income tax. It is simpler than the deduction mechanism proposed during the election by the Conservatives; it places no direct stress on federal-provincial tax agreements. In my own province of Ontario, for example, if the Conservatives had not done their flip-flop, Ontario would have lost $300,000 a year in revenue. This loss of revenue would have forced the province of Ontario to cut its spending further or increase its taxes. The proposal during the election would have reduced the provincial revenue by reducing the taxable income on which the provincial tax is based.

When faced with provincial resistance and opposition, the Conservative party and its leader flip-flopped on it and came in with this new proposal as the House began sitting in October. The stated objectives of this new plan, so far as I understand them, are that it will ease the burden of purchasing and of meeting the cost of a home and, secondly, it will stimulate the Canadian construction and home furnishings industries. I question those objectives and I want to explain why.

It is interesting to note that these objectives are considerably scaled down from the objectives set out during the election campaign when the Conservatives were telling us that their mortgage deductibility plan would assist families to purchase their own homes and make the Canadian income tax system at least as attractive as that of the United States, while at the same time they did not tell Canadians that the Canadian tax system is indexed to the cost of living whereas the American system is not. Third, it was to stimulate economic activity by increasing the after-tax incomes of home owners, and it was supposed to stimulate activity in residential construction and the home furnishing industries by an increase in demand for ownership of housing.

[*Translation*]

The mortgage and property tax credits may be more efficient but it is not the best policy in the present situation. It is true that the tax credit will reduce home ownership costs and help families to buy a home. However, this plan is an inefficient mechanism as the tax credit applies to every household regardless of the size of the mortgage. In most regions, Mr. Speaker, the major obstacle to home ownership is still a prohibitive mortgage interest rate and there is nothing in this bill that might reduce the mortgage rate which now stands at 14¾ per cent.

[*English*]

The impact of mortgage interest rates on affordability can be illustrated by the recent rise in rates from about 11 per cent last July to the present rate of 14¾ per cent. In 1978, the average value of an NHA house was $44,844. With a mortgage rate of 11 per cent, a household with a reasonably secure income of $20,731 could afford to buy this house at a 25 per cent carrying cost, gross income ratio. With mortgage rates reaching close to 15 per cent, the household would now need an income of over $26,000. During the election, and subsequently, we were told repeatedly that this measure will stimulate the construction industry. I find it ironic that even this potential benefit has been negated by the recent exorbitant increases in interest rates. Did this contradiction in actions arise from a problem of communications between the inner and outer cabinet, or is it more a case of the left ear of the Minister of Finance not comprehending what his right ear has heard? Is this all part of some grand design, or merely the lack of any design whatsoever?

The point of this argument, Mr. Speaker, is that if the Tories want to do something about easing the burden of purchasing a home, it would make sense to target the plan at the major reason for the slippage in affordability, and that is rising mortgage interest rates.

[*Translation*]

As far as incentive is concerned, you just need to look at the residential housing market this year and our housing needs in Canada to realize that the Progressive Conservative government is totally insensitive to this particular and very important sector of our economy.

The residential construction market is in serious trouble and if the present government does not amend the bill in committee by adopting concrete and urgent measures to bring down sky-rocketing interest rates, it will go on record as having destroyed in less than six months any hope young families may have entertained of ever owning their own homes. It will discourage many Canadians from buying property and will also bear the awesome responsibility for an unacceptably high mortgage interest rate that will force many Canadians into foreclosure and personal bankruptcy.

Mr. Speaker, a cursory examination of Bill C-20 is all that is needed to realize that it is basically a discriminatory measure from which nearly 60 per cent of the people will suffer and which will allow unwise and inefficient use of our funds to deal with our economic and our housing problems. I remind you that five and a half million Canadians and households will get absolutely nothing from this Tory measure. This bill is discriminatory and represents bad economic management in an inflationary period with interest rates hovering around 15 per cent. Since May 22, Mr. Speaker, with an increase of nearly 4

per cent in interest rates, one million households have been taken out of the real estate market.

● (1530)

[*English*]

With mortgage interest rates running at about 14 per cent to 14.75 per cent, families will not buy homes. This is partly because of higher carrying costs which have eliminated 900,000 families from the ownership market, and partly because of expectations that mortgage rates will come down when this government is kicked out of office and replaced by sound managers. The additional carrying costs on a 25-year $55,000 mortgage taken at 14.75 per cent over one taken at 11 per cent for the same period of time, are $106 a month or $1,752 per year. This amount is added to the housing bill.

The result of these high rates is that the housing industry is experiencing a severe slump. Unemployment will be high in the construction industry, bankruptcies will increase, and the residential construction industries such as forestry products also will experience difficulties. Since residential construction multipliers are relatively high, the shock to the economy will be severe.

It is predicted that housing starts in 1980 will be at the lowest level since 1967. I think that is shameful. In the short term, there will be serious sectoral and economywide problems brought on by the fall of housing starts. In the long term, house prices may be higher than they otherwise should be, as builders who stay in the industry will have to recoup their losses and charge a higher risk premium for continuing in the industry.

[*Translation*]

In short, Mr. Speaker, the Progressive Conservatives offer no assistance to those who must renew their mortgages at outrageous rates except to tell them that they have nothing for them and they will do absolutely nothing to help them. The rental market will also feel the effects as it is already showing a decrease of about 30 per cent in housing starts. Tenants will get nothing from this program.

As I suggested earlier, in my riding there are very serious disparities and very serious discrimination against older people, women and single-parent families. This bill discriminates against those who live in downtown areas because 60 per cent to 70 per cent of them are tenants. It is a fact, Mr. Speaker, that this program neither meets the urgent need to lower interest rates nor the housing needs of Canadian families. Bill C-20 represents an expenditure of $2.5 billion after four years and for every year after that. This bill represents for this year, 1979, an expenditure of $575 million.

As I asked at the outset, Mr. Speaker, where is that money coming from? This bill proposes to reduce federal taxes for maybe 30 per cent of the people. The question that needs to be asked is, who is going to pay for those lost revenues? There is no Santa Claus in Canada as far as I know. Are the people who benefited from the tax credit going to pay in some other way either through a tax increase or the loss of services or a reduction in federal programs? Or is it rather to be all Canadians, whoever they are, including tenants, senior citizens, those who paid for their houses and do not have mortgages, the poor in society? They will have to pay for the deficit. They will have to make up for lost revenues.

In all good faith, Mr. Speaker, we cannot support that plan before we get an answer from the Minister of Finance (Mr. Crosbie) who has the duty to give us a final answer as to how he is going to arrange the public moneys in order to make such a tremendous expense of $2.5 billion in four years.

Several people think, Mr. Speaker, that this government was probably elected on that famous election promise, this government that changes its mind like a weathercock in the wind depending on whether it is convenient or not. This government threatens the country with an election every time it is asked for some explanations and details on its policies and it expects that all members, who are answerable to their constituents, will remain quiet about a bill which contains so much inequity and injustice.

Indeed not, Mr. Speaker! We shall not expect jokes and antics from the Minister of Finance in the House, we want answers to our questions. We are going to ask a lot of good questions in committee, and we hope the minister will then be a little more serious.

[*English*]

The Liberal alternative would seek to achieve objectives which would reduce the affordability problems experienced by low income Canadians, reduce the short-term hardships caused by high mortgage interest rates for those who must renegotiate their mortgages, cushion rapidly increasing home operating costs caused primarily by energy price increases, and finally stimulate where needed the residential industry.

We must address ourselves to the real equity measures which are required, such as a national rental assistance program so as to afford relief to renters in our cities who pay up to 40 per cent of their gross income on rent. Approximately 65 per cent of elderly non-family renters are in need. A national rental assistance program for the elderly and single parent families would do much to reduce affordability problems. The government is silent on the needs of those who cry out for help and assistance at this time, yet it has the audacity to threaten to impose this bill, without amendments, upon the Canadian public. I personally favour the tax credit approach, but certainly I do not think the deductibility or tax credit allowed for mortgage interest is a favourable or very good measure.

In my riding of Ottawa-Vanier, we carry the third highest per household residential tax load in Ontario. This may come as a surprise to many members in the House, but the source I am using is a table prepared by the municipal finance branch, treasury and economics, of the province of Ontario in which households in Ontario are weighted according to the residential taxes per household. Ottawa comes third after Mississauga and Burlington. The tax per household is $720 per year. This

measure of affording our municipalities and our home owners some relief, in support of tax—

An hon. Member: Oh, oh!

Mr. Gauthier (Ottawa-Vanier): Does the hon. member have a question?

Mr. Stollery: No. He is just a guy who has nothing else to do but shout at you.

Mr. Gauthier (Ottawa-Vanier): Thank you. I thought the hon. member had a question. If he has a question, I would be glad to answer it.

When this bill is in committee, I know it will receive close scrutiny by members of this House. If anything, I think a sunset clause should be considered if we are not to have this kind of bad legislation for the rest of our lives. We must look at taking some measures which at least give some hope that some day this inequity will be terminated.

There are more important alternatives to this kind of fiscal approach. It is absolutely irresponsible for anybody to entertain the thought or to try to tell us on this side of the House that this is a housing measure. It is not a housing measure. It will not build one house. It may be a tax measure. It reduces the taxes for some people, but the question begs itself: who is paying for this? I maintain that at this time in our economy we cannot afford this kind of tax credit bill.

• (1540)

Mr. Peter Stollery (Spadina): Mr. Speaker, I certainly appreciate this opportunity to speak on Bill C-20. This is a particularly unattractive and, I might say, pretty madcap proposal in the current economic conditions of this country. It is a plan that is presented to the House of Commons as a sort of rehash of a totally inoperable program or proposal put forward by the Conservatives about a year ago. I must say it was particularly difficult to take this crazy scheme of a year ago, when it was first put forward, very seriously because it seems to have come from the tortured brains of the former and, I guess, current economic adviser to the Prime Minister, Mr. Jim Gillies, and his other tortured friend, formerly from Ottawa Centre, Mr. "de Cutback", who I think worked for the disgraced President Nixon as an economic adviser. He proved so inept here as a Canadian MP that his electors wisely threw him out after six months. These are the kinds of tortured, perplexed individuals who have given us this tax scheme which we all know is totally inequitable, unfair and uneconomic. This is a policy that will put into the Canadian tax system the inequities we all know are glaringly evident in the U.S. tax system.

Many of us resent the kind of nonsense that goes on over on the other side when they try to fool the Canadian population into thinking we have the U.S. tax system. They have taken a few little parts out of a tax system from another country and implied that that is the system we have in this country. Those people opposite think that if you take the attractive bits and pieces out of a bunch of tax systems and present them to a population made up of people who are not, after all, tax experts, they will accept them. That is what they think.

I read the speech by the Minister of Finance (Mr. Crosbie) when he proposed this bill last week. I noticed at the time he made that speech that he was reading from an article by David Greenspan. That was an article written last year on the original proposal which the government has now withdrawn. The Minister of Finance did not mention that the article he was reading referred to a proposal that is not before the House of Commons but one that the government has withdrawn.

I noticed also that the minister did not mention, and maybe he did not know, that our friend "de Cutback", before he was so wisely turned out by his electorate here in the city of Ottawa, worked with another Greenspan. I remember when the other Greenspan was made president of the council of advisers to the President of the United States. I remember that Greenspan and I would recommend to the Minister of Finance that he look into his background because it is very interesting. He is the only person I have ever come across—this is the other Greenspan—who in the 1970s was a friend and supporter of Ayn Rand. He was a close personal friend of Ayn Rand and a proponent of her theories on how nations should be run. He was actually made the president of the council of economic advisers to the then U.S. president, Mr. Nixon. I think it would be interesting for the Minister of Finance to read some of the comments of the New York *Times* at that time. I was pretty shocked that this could happen in a country like the United States with the economic problems it faces.

Here we have another attempt by the Minister of Finance, who seems to be a reasonable fellow. He must have had a terrible time trying to stop the government from doing some of the more goofy things it seems intent on doing. One can only credit the Minister of Finance, or possibly the officials in the Department of Finance who saw the inequities and the impossibilities of the unfair system proposed a year ago.

The government has now come up with Bill C-20 which is really a pretty short bill. The minister has actually attempted to persuade us that Bill C-20 is consistent with a plank in the Tory platform during the last election. I am sure that for many years Canadians will be reflecting on the convolutions and the contortions of this government. Plasticman could not have invented some of the devious and manipulative schemes this government has come up with over the last few months. After six weeks or two months we have yet to see any kind of an economic program for Canada, but we have these convoluted, plastic proposals which are totally inconsistent with the times we live in, and they are supposed to hoodwink the Canadian electorate into thinking this government is consistently giving them what they were promised during the election campaign. I recommend to hon. members when they are addressing themselves to these kinds of programs that they look up the definition of "nostrum" in the Oxford dictionary. It is, "a medicine prepared by a person recommending it, a quack remedy, patent medicine, a pet scheme for political or social reform, or a panacea". I like "quack scheme" the best, because if ever there was a quack scheme presented in my time this

certainly is it, and the minister presents it to us with the crazy hope that we will actually go along with it. He hopes we will just say: "Gee, we certainly do not want to vote against that. We will just go along with it. We cannot understand the possible implications of an unfair tax system in Canada so we will just vote it in." Then the minister threatens us. He threatens those of us who had the dubious distinction of listening to members of the then opposition telling us how we were throttling Parliament. They have the dubious distinction of telling us now that if we do not accept this bill right away we are going to have an election. I guess that is the kind of attitude we will have to learn to live with around here for the next while.

Again we note the totally different attitude taken by this group of characters who have become the government. I remember in the last Parliament filibusters on Petro-Canada. I remember how they viciously opposed Petro-Canada as an instrument of Canadian energy policy. For three months we could not get the bill through the House of Commons. Now they present a major tax measure without giving us a budget, without giving us any indication of what kind of economic programs they are offering this country, and with no idea as to what approach to economic circumstances is required. We have an energy crisis with the Prime Minister (Mr. Clark) caving in to the provinces, as reported in every newspaper we pick up, with a gradually quickening dissolution of the central government.

In these circumstances what do we get? The government gets us involved in municipal tax cuts. Talk about the community of communities! Do Canadians really understand—I point out that half a million fewer Candians voted for this scheme than those who voted for it—that this government would not only preside over the dissolution of the central government of Canada, but actually involve itself in municipal taxes? Does the government have any idea what this policy has led to in the United States? It is worse than a tax measure which takes from the poor, or from older people who have bought and paid for their houses and who pay taxes. These people will be paying for this scheme. People who live in apartments and who happen to like apartment living will not be able to make a claim, but they will be paying for this scheme. There are people across this country whose economic conditions are such that they will not be able to take advantage of this scheme, but they will be paying for it.

● (1550)

This scheme is already bad enough for the reasons I have just mentioned, but it is actually worse than that. It is a particularly evil tax measure because it alters the Canadian tax system fundamentally. It takes the worst elements of the U.S. tax system and instils them into the Canadian tax system. It take the worst distortion and puts it into the Canadian tax system. I hope that the finance minister and his government do not think that I will vote for this proposal. If the only way that I could win an election would be to go out and tell people that I was going to give them something that is the worst or the greatest evil that could possibly be taken out of the U.S. tax system, and in particular the municipal tax elements, then I would not run.

There are people who live 100 miles from any major city in the state of New York, on a practically empty lot with no proper sewage, no electricity, nothing but a fire engine, and who pay $2,200 in municipal taxes because they can write a percentage of it off. The municipality raises the taxes and the people write the taxes off. This is a government that has talked of creating efficiency in government, but is that what they call efficiency? They have given us a scheme which encourages every municipal council in Canada not to be efficient.

I hope that the government will reconsider and realize what they are doing. This policy will have a very serious long-term effect on the Canadian economy. This is not a tax incentive to an industry or some sector of the economy in order to create jobs. Everybody knows that not one job will be created by this tax measure. Interest rates are so high in this country that the construction industry has come to a complete halt. It will not create one job.

If one asks for the information from the Toronto Real Estate Board he will find that in that city, which has a great deal of excellent housing, house prices are going up, not in areas which have the least expensive housing but in the parts of the city which have the most expensive housing. This is because people are moving to the centre of the city due to the cost of transportation and energy, and are paying more to live near their work place. In terms of economic effect and job creation, this scheme is an absolute zero.

It can be argued that this scheme is inflationary. This government talks about fighting inflation, yet they pass an inflationary tax measure.

Mr. Chenier: They rob the poor.

Mr. Stollery: They rob the poor, as my colleague has pointed out. I would like to take a moment to go over the figures on who will benefit from this scheme which the Minister of Finance provided a week ago Monday. The figures are being disputed, but the minister says that 3.8 million households will benefit from this program. With regard to the mortgage interest aspect of the plan, 2.3 million people will benefit and 1.5 million people will benefit from the property tax credit. In terms of Canadian economic history, this proposal is the worst thing that the government could bring forward at this time.

The minister skips over the fact that 6.6 million families in Canada will not be eligible for the program. He dismisses these people by saying that renters are students and that sort of thing. The largest apartment building in Canada, I believe, is in my constituency in central Toronto and it has 1,000 people living in it. Many of these people have lived there for some time, and they are not necessarily waiting to buy a home. I would say that many of them are there because of marital problems. When a marriage breaks up, the two parties often move into apartments in the central part of the city. They have experienced a difficult adjustment period. What does the government do for these people? It taxes them, penalizes them

and leans on them for having dared to move to the centre of the city, for whatever the reason may be.

Mr. Chenier: Punished them.

Mr. Stollery: Yes, they are being punished by this government. This government is not good at very many things, and I cannot at the moment think of anything nice that they are good at. They are certainly very good at punishing people who, for reasons beyond their control, find themselves in some form of difficulty. For example, older people whose incomes are not high enough are told by the Prime Minister to tighten their belts. This government penalizes the people who can least defend themselves.

It is worth pointing out to Canadians that while this government is in power they should never put themselves in a weak position or be a member of a group that cannot defend itself vigorously. This government operates more or less as a public relations firm which identifies certain little groups and says, "If we give them some money, we don't have to worry about the other people because they can't defend thenselves". That is the kind of approach which this government takes.

Two months after Parliament has reconvened, we still do not have a budget. We have a proposal made in total isolation from the broader economic scene in this country, a proposal that will probably be, as I have said, inflationary and which is copied from the U.S. tax scheme.

Mr. Chenier: A bad copy.

● (1600)

Mr. Stollery: A bad copy. I know that other members have brought up the question of fairness and the fact that this scheme is inequitable. I just want to go over it very briefly once more. This scheme will not create one job. It is probably inflationary. This scheme is a fine, a penalty against people who have paid for their homes and who will pay for the scheme. It is a penalty, a fine, against older people who have for some reason sold their homes because they were too large to keep. It is a penalty against widows in large centres many of whom, if not most, decided at some point to sell their houses because they were too much trouble to keep up and who then moved into apartments. These people are going to be penalized and fined by the government. This is a fine against anyone who happens to like living in an apartment. It is a fine against anyone who wants to live, as has become fashionable, in the downtown areas of our large and great Canadian cities.

The minister in his remarks on Monday of last week spoke about this being a measure to help urban people. He said that for the first time this was a measure not meant for suburban people or people in developments, it was meant for urban people.

I represent an urban constituency. The minister also pointed out that members of his party from urban communities supported this measure. There are not too many members of his party from the central parts of Canadian cities. We all know what happened to "de Cutback" after his six months. We all know what happened to the sixth-month member from Eglinton and the six-month member from Parkdale. Those are parts of urban centres whose residents do not think the scheme was so hot. In any of those ridings you will find thousands of homes paid for by the owners, and in many cases these owners have lived in them for many years. These people saw through the scheme. They knew they were going to get penalized. They knew this during the election campaign. They knew that they were the group that had been identified by these characters over here, and by "plasticman", the convoluted, slipping-through-the-keyhole character that we now have for our Prime Minister. They knew that this group has identified sectors in the community to be penalized, sectors where, if you put a little group together, you would squeeze through even though half a million less voted for them. They knew that and they know it still.

Some hon. Members: Oh, oh!

Mr. Stollery: This gentleman over here—I do not know his name or where he comes from—certainly has a loud mouth. He will not be here long. I ask him to keep it down while I finish my remarks.

I can only say that those of us on this side of the House who try to keep abreast of what this government is not doing are waiting. We are waiting for a decision on energy policy. We are waiting for a budget. We are waiting for the conditions to be evolved that will finally bring down interest rates which the Minister of Finance insists are so temporary.

We read articles in economic journals about interest rates. I quote from such an article the following:

> Mr. Peter Sternlight, the man in charge of open market operations at the New York Fed, met dealers in government paper who trooped to Liberty Street for enlightenment with the honest but unnerving reply that "we are in the midst of a learning process ourselves."

This is the attitude that has given us the highest interest rate in the shortest time in Canadian history. We would like the Minister of Finance who is, after all, in charge of the sixth largest economy in the western world to expose us to just some of his original thoughts, to some idea of what kind of economic program he is going to give us. Would he please stop his colleagues in cabinet from giving us one more of these totally irrelevant buy-off-the-voter programs? Though one question the need for increased deficits at this time in our economic history, one certainly wonders about the $3 billion expense here, and one certainly knows full well that the $3 billion is going to come from people in the lower income groups in this country. One wonders about that. On the other hand, if a tax cut was proposed in the context of a larger economic picture where we could see some benefit—not just giving people money, not just running the printing presses but as part of an economic program, which the current government said it would bring in, if we could see something like that, then there are those of us who might consider voting for it.

I cannot in all honesty tell my constituents that I support the government in proposing a scheme which very few in my area can possibly benefit from, but which nearly all of them will be

paying for until the government comes forward with proposals based on more sound principles. I can assure hon. gentlemen opposite that there will definitely be an election sooner than later. I can tell them now that the Canadian people will not stand for a government that lets weeks go by and proposes nothing, except trying to buy-off sectors of the community. I can assure hon. gentlemen and ladies opposite that that cannot be allowed to continue. Those of us on this side will do our best vigorously to ensure that the Canadian electorate, and people who cannot see through these schemes as quickly as they should at times, are kept well informed. It all bodes very ill for the government, but sadly for the Canadian people.

We are now in the opposition. Some of us like myself were quite a few years over on the other side, longer than will be some members there now.

An hon. Member: That is what you think.

Mr. Stollery: We think that Canada is a great country that requires coherent government. Just because we are not in government does not mean that we do not want to see Canada governed well. We want to see Canada have a government that has some ideas and things to offer the Canadian people. This is the great tragedy that we are living through. I can only hope that this tragedy does not continue any longer.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I hope that I will be able to put into concrete terms many of the suggestions that were made in the last speech and use another style to present them.

● (1610)

We are in a very serious situation. I wish to begin my remarks on Bill C-22 by situating the debate on this legislation within the broader issue of providing decent housing and adequate living standards for all Canadians. Surely everyone here agrees that shelter is a fundamental human need, and therefore in a society as blessed with material resources as ours it should be a fundamental social right of all our citizens. It is incumbent upon governments at all levels to see that this human right of Canadians is respected and acted upon. That that has not been the case in the past is all too apparent to anyone who opens his or her eyes and ears. I hope that we can discuss these problems and their solution with open minds and hearts.

We do not need a recital of statistics to know that there are still many Canadians who do not enjoy the quality of housing to which those of us more fortunate are accustomed. We need only visit and talk to people in the north, on Indian reservations, in our inner cities and depressed regions to know that this is so. In Canada right now there are millions of people living in substandard housing, millions who are having great difficulty bearing the carrying of operating costs on their homes, and still millions of others who are having to give up their dream of owning their own home.

I am not saying there has been no progress in housing production in recent decades. It is certainly true that Canada comes off very well when compared to conditions in countries in the Third World, conditions with which I am personally familiar. I would like to speak for a moment to the type of housing in which most of the world now lives.

In the area of South America where I spent a number of years of my life, northeast Brazil, the standard house was the kind of house that most people now on this planet have as their house. It is literally made out of sticks and mud with a thatched, palm leaf roof, lacking what we call the basic necessities of what makes it possible to live a human life. It is a dwelling with a mud floor, without furniture, bedding, water or sanitation, and by its very nature is a trap for disease. It is a dwelling with rats, lizards and insects.

I wish to give a case in point to illustrate this reality. For many of the people in that area their house was literally a death trap. When the mud dries on the walls, there is a little insect called the barbeiro which crawls into the cracks in the mud walls. At night it comes out and bites those who are there. The next day these people do not know they have been bitten. However, the insect has deposited in their very bodies the seeds of death. It is a kind of fluke, a little bug that travels through the bloodstream and finally ends up in the heart. It eats out the interior of the heart and ten to 12 years after the person has been bitten, he withers away and dies.

I make this point now not because there is this type of bug in Canada but because one of my colleagues who now works in the inner section of Montreal told me that, on returning to Canada after working with me for six or seven years in northeast Brazil, he was surprised there was such a similarity between the housing for the poor in Montreal and the housing for the poor in northeast Brazil. Canadians must remember that these kinds of miseries exist in our midst.

It is true that in Canada we have succeeded in building a large housing industry, but we have done much less in seeing to it that the benefits from this increase in enterprise and production are available to everyone at a reasonable and affordable cost as a matter of social right. Moreover, while governments, federal and provincial, have sought to assist and stimulate this industry through various tax and fiscal measures, through programs and agencies bearing a plethora of acronyms such as HUDAC, AHOP, MURB, CHIP, GPM, NIP, RRAP—so many words have been put together to disguise some mode of acting that it is almost like having to learn a new language—these programs have done much less well at ensuring that these budgetary measures, programs and agencies were in fact meeting the real housing needs of people, in particular the needs of low income earners or those who are, through no fault of their own, unable to support themselves and are those with special needs. Here I would mention the handicapped, students, pensioners, new immigrants, native people, people in the far-flung communities of the north and in remote, outlying areas. Let us take to heart that these are Canadians, people who live among us, our brothers and sisters who live in a situation that should not be tolerated in our country.

So far in this debate our Liberal and Tory friends, those representatives of the centre right parties of this country, have been more interested in scoring political points than in addressing the real housing needs of our people. That sort of partisan pettiness is not what motivates those of us who speak on behalf of our constituents through the New Democratic Party. It is not what motivates those who, with us, make common cause for a socially just housing policy for Canadians.

Earlier in the debate the Minister of Finance (Mr. Crosbie) honoured us on this side of the House by referring to the opponents of his regressive and insensitive policies as an unholy coalition of baneful bureaucrats, raving radicals and "middle class trendies". In view of the minister's eloquent description of our social justice and equity—in a word, fairness—in Canadian public policy, I would like to quote, for the edification and enlightenment of members opposite, several sections from the pastoral message of the Canadian Catholic Bishops on the occasion of the Habitat 1976 conference in Vancouver. The bishops' pastoral message, entitled simply "Decent Housing for all", reads in part as follows:

Canada, despite its abundant wealth, has not yet managed to provide all of its population with a decent shelter. Here and there we have our own grey areas of substandard dwellings that call to mind conditions in developing countries. Particularly in large cities, behind a screen of skyscrapers, wide avenues sometimes conceal blighted areas teeming with newcomers, unemployed workers, low wage-earners or members of ethnic minorities. The development of suburbia has given rise to similar results. Alongside well appointed and serviced new residential areas are clusters of huts or shacks without essential services such as running water, adequate heating, transportation and sewers. In such marginal communities, the infant death rate is twice as high as the Canadian average. And that rate is higher still among Indians and the Inuit; strange contrasts between two worlds that face each other from afar and do not meet.

● (1620)

The bishops went on to say in the same pastoral letter:

To avoid swelling the ranks of the needy it will not be enough to build thousands and thousands of houses. We will first need to know where to build them, where to find the required capital, and what types of dwellings are necessary for human community. That is why Canada must urgently adopt policies calculated to protect its citizens, especially its low wage earners, against galloping inflation of house building costs.

Remember, this was written almost four years ago.

It must protect citizens against rising mortgage rates, real estate speculation, increased costs of building materials, higher rents, etc.

We all know these are the things we were warned about five years ago. They have become the reality of today because we let them get out of hand. I think I share with many members of this House and with the Canadian public at large an interest not only in the future of our country but in the future in general. We are only some 30 days or so away from the 1980s and in a few years we shall be face to face with the year which has been set before us as a kind of symbol of the future—1984. It is in this light that I should like to read one more section from the pastoral letter I have been quoting:

Of course, Canada in the year 2000 will be quite different from what it is now. What is really important is that it become the country Canadians want it to be. This all depends on our common dream and our collective ability to make that dream come true. Do we want a society whose over-all priorities will be determined solely on the basis of economic principles? Do we want a society which perpetuates social differences, discrimination between the affluent and the destitute, between posh areas and slum-dwellings? Or would we rather have a society in which people are foremost? Our task, therefore, is to define clearly the links we wish between profit, consumption and the quality of life for us all: housing for people or housing for profits? Food for the hungry, or food as a market commodity? Thus, it is not that economic means are lacking: the problem is to find the will to restructure our society and reorder its priorities.

[Mr. Ogle.]

That is the end of the passage I have selected to read from that document because I believe it touches at the very base of the question.

We must have the will to do these things because it would seem we have the ability and the material. In addition to the document I have quoted I might have mentioned Peter Spurr's excellent study on land and urban development, the incisive review of Canadian social housing policy put out by the Canadian Council for Social Development, or the many recommendations of Canadian non-governmental organizations, a number of which were accepted but never acted upon by the Liberal government of the day, that decent housing be treated as a priority social utility and not as just another market commodity. Does the Minister of Finance really believe that all these distinguished individuals and organizations are just a bunch of extremists or misguided "middle-class trendies"? If he does, I would warn him that the language of petty insult is a very slim foundation on which to rest a government.

We in the New Democratic Party are not afraid of the verdict of the Canadian people on this issue. The Minister of Finance thinks he has a Christmas goody in his tax credits, but as long as this ill-starred government lasts we will credit the people of Canada with enough sense to see through his arrogance and bankrupt arguments.

Surely, the test of any government is how well it attempts to meet the needs of all the citizens it was elected to represent. And, surely, the measure of any single piece of legislation is how well it contributes to that noble goal of government. By that standard, Bill C-20 is a meagre and cynical effort indeed. The Minister of Finance has at least recognized the inequity of a tax deduction and changed it to a tax credit. As my hon. friend from Regina East (Mr. de Jong) has stated, we shall be moving amendments in committee to try to salvage something for the millions of ordinary Canadians who have been forgotten by this bill. We want a comprehensive social housing policy which will provide a mix of good, affordable accommodation capable of meeting the needs of all Canadians.

The minister has given us only a piecemeal sop to work with. His statement that our party does not want Canadians to own their own homes is patent nonsense and unworthy of a minister of the Crown. The fact is that his bill assists those who already have large mortgages, regardless of income, far more than it assists renters of modest means to enter today's prohibitive mortgage market. Coupled with the hon. gentleman's disastrous high interest rate policy, the net effect of this government's program will be a decrease in housing starts, not an increase as they pretend. All this for the sake of a foolhardy election promise, and all this without once addressing the real issues of affordability and equity.

I shall not repeat the excellent arguments of previous speakers from my party with regard to the many specific weaknesses of this bill, but I should like to call attention to several of the most glaring ironies that surround this ill-considered piece of legislation. Ever since taking power the government has been wringing its hands about the size of the federal deficit, which it blames on Liberal mismanagement. But after six months on the job what is the sum total of Tory brilliance as reflected in this paltry proposal before us? It is a tax welfare scheme which will do nothing for renters, the poor and the many older Canadians who have paid off their mortgages through years of hard work. It is a welfare scheme which will get us nowhere in terms of a fair social housing policy for people of all ages and means in every part of Canada, though it will commit the federal government to successively greater cash outlays amounting to billions of dollars in a few years.

The government is asking us to support a welfare band-aid which will not only be discriminatory, regressive and ineffectual but will be inflationary and a growing burden on the federal treasury to boot—the wrong kind of burden, I might add, because it is the kind of government spending which divides Canadians and which economists have shown to be a dismal failure from a cost-benefit standpoint. This sorry piece of legislation will not achieve its stated objectives but will be an albatross around the necks of governments to come, an albatross which will weigh heavily in future years, an albatross which we might classify as a Clark-Crosbie albatross, a "C-C" albatross, though not the kind of "CC" most Canadians would look for.

● (1630)

However, the government persists as though it is doing the voters a great favour. The government obviously thinks it is doing itself a great favour. In reality it is doing neither. Within the context of the government's total economic policy only marginal net benefits, if even that, will accrue to eligible voters who need assistance. On the other hand, all voters will have to pick up the tab for an increasingly wasteful and inefficient program. Furthermore, the government will have to find ways to get this money from those unfortunate voters who will not benefit at all from the program.

This bill is nothing more than a hidden tax expenditure which itself is a camouflage for what my colleague, the hon. member for Winnipeg-Birds Hill (Mr. Blaikie), has called the Tory "hidden agenda". We now see that the principle of universality in our social programs is being threatened. The Minister of National Health and Welfare (Mr. Crombie) claims magnanimously that this would only be in order to have more money, better to meet the needs of low income Canadians. However, the Tories have next to nothing in concrete terms to offer low income voters except more of the same, more restraint and more hardship.

We are left with the concrete reality that the Minister of National Health and Welfare is not in the inner cabinet, but the Minister of Finance and the President of the Treasury Board (Mr. Stevens) are. Do they share their colleague's good intentions, or are they, as is much more likely, already laying claim to the savings from cutbacks in social spending and in services to people? With this ill-conceived bill we can look forward to welfare redistribution all right, from progressive social policies to regressive fiscal ones, and this in the name of giving Canadians the forward looking change they voted for and deserve. It is time this strategy of the Tory party was exposed for what it is, a desperate attempt to win support by means of shoddy, half-baked measures without regard to their elemental unfairness or negative consequences.

We have been speaking about housing, and I appreciate that there is a great difference between a house and a home. Nevertheless, let us bear in mind that without adequate individual housing for families there cannot be homes. Our country and all countries are based on the principle that we live in homes and that we have a place in which there is not only shelter from the elements but also love, care and shelter from the problems of the world.

This bill, which will help a small number of Canadians, leaves out the majority who need to have homes. I would like to bring to mind once more the fact that in our country we have a "third world" in which many Canadians live and which could become a greater part of our country unless a far greater effort is made toward creating situations and building dwellings in which we can have homes.

As a last thought I would like to leave this House with the idea once more that the albatross of the ancient mariner was what followed his doomed ship and finally brought about its destruction. The albatross we have spoken about, the albatross of Bill C-20, could certainly do the same to our land.

Mr. Eudore Allard (Rimouski): Mr. Speaker, thank you for giving me the opportunity to express my view on Bill C-20. At first thought, this legislative measure seems very sensible. Its objectives are acknowledged by everybody. Every Canadian should have the possibility to take steps to own a home in his lifetime. The high cost of housing has taken away the hope of many ever to acquire a house.

This bill, however interesting it may be, is not without any flaws. The bill favours those who are in a financial position which allows them to own homes; that is to say, the better off. The bigger the mortgage you can afford, the bigger the discount from your tax bill. Half of the householders in the country are not home owners. They will not be helped in any way to buy homes. They will get nothing from the bill. There are also in this country a million home owners who are too poor to pay the bulk of their taxes. Some people of 60 years of age and over still live in their homes, and it is their right to do so. They will get nothing from the bill.

In short, what I want to say here is that the poor are left behind by the government. The poor will stay poor. And what about young families? They have little hope of acquiring homes in a short period of time. Interest rates are almost out of control and have reached a point which is not acceptable. Young families also get nothing from the bill.

This bill, then, is a measure which can be criticized for numerous aspects. It helps middle income families a lot but does very little for low income families who will probably never have the chance to own homes.

● (1640)

[*Translation*]

Mr. Speaker, as a Quebec representative, I must say that I am deeply concerned about this bill. Indeed, as everybody knows, the largest number of tenants are found in Quebec. Thus, a survey conducted by Statistics Canada last spring has shown that fewer than half of Quebec households lived in their own homes, while in Ontario that percentage is 62 per cent. This means therefore, Mr. Speaker, that the bill is not only to the disadvantage of the less privileged owners who do not pay income tax but also of tenants.

Indeed, Statistics Canada figures show that 200,000 low-income owners do not pay any federal tax. On the other hand, 2 million households will only get small amounts because their income is low and they pay very little tax. All things considered, according to those statistics, about 3 million households will benefit from those political measures. Let us not hide the fact that Bill C-20 is a political bill resulting from many Conservative election promises.

The government forgot to say during the election campaign that 200,000 low-income families that own their homes, some of which are mortgaged, will not be entitled to any tax credit, because they do not pay enough tax in other words, because they are not rich enough to pay tax. The Progressive Conservative scheme provides that the tax credit obtained by an individual may not exceed the amount of federal tax he would normally pay. In other words, a small wage earner who only pays $200 in federal taxes will only be allowed a maximum $200 tax credit, even if he is burdened with a huge mortgage.

Generally speaking, Mr. Speaker, I think it is sad that these measures were not also intended for tenants who are among the victims of high interest mortgages. Everybody knows that these costs as well as property taxes are reflected in the rent tenants pay. On December 17, the Minister of Finance (Mr. Crosbie) said he had not promised anything to tenants, which clearly shows that this is a political measure that has not been thoroughly considered since Bill C-20 contains no improvement when compared with the rather vague promise made during the campaign.

Now, Mr. Speaker, in Montreal, among other cities, 80 per cent of the population lives in rental accommodation. It is therefore certain that the effects of this bill will not be felt very deeply in the largest city in the country. In the last few months, very relevant studies which would have been worth studying have been made by various interest groups. I think it is deplorable that none of these suggestions was retained. So I can hardly see how the minister can claim that an indirect consequence of these measures will be an increase in the construction of homes. If that is the case, it will happen in some privileged city and not in Montreal island or in the remote areas of Quebec like my riding, the lower St. Lawrence River area and Gaspé where average earnings are nowhere near those of Rosedale or Westmount.

As for the owners, who are among the lucky ones and who will benefit from these measures, of course the tax credits will be welcome. As for those who can now afford to buy a house and face the highest rates of interest on record, the measures introduced by the Minister of Finance will only compensate them for the cost of high interest which has reached an unacceptable level. In that regard, Mr. Speaker, I should like to quote an editorial published in the paper *La Presse*, written by Mr. Yvan Guay on September 19 last, in which he very ably describes the dilemma I spoke of in dealing with the successive increases in interest rates these last few months. The writer says, and I quote:

> Current tax credits will do much less to stimulate construction than to increase the profits of banks and lending institutions. Though no home owner will complain about lighter taxes, the majority of the people will feel frustrated, because the stated purpose of those tax credits proves to be nothing but a pretext. Mr. Clark and his team, in order to get into power, produced a fireworks of promises without ensuring that they were economically realistic.

It is absolutely mind-boggling, Mr. Speaker, when one realizes that once again big financial institutions will make the profits. Personally, I feel this bill will make more malcontents than happy people.

Quebeckers, the majority of whom are tenants, are therefore losers in this bill and, as I have already said, the latter will have no special effects on the Quebec housing industry. To illustrate how precarious its position is, let me quote a few figures on the Quebec Housing Corporation. In 1978, the corporation granted $3,409,000 in loans for 152 housing units, which represented investments of $4,042,000. For 1979, that is January to October, corresponding figures were 15 housing units and loans of over half a million dollars, for a total investment of $2,789,000. However, lending institutions took on the major part of that financial activity. In 1978, they granted loans amounting to $260,636,000 for 7,969 housing units. To this day, that means loans totalling $170,284,000 for 4,676 housing units.

Therefore, banks and financial institutions pervade this market. They take advantage of high interest rates to make huge profits at the expense of small and medium wage earners. As a measure of justice, we propose therefore that a home ownership savings plan be set up to make it possible for the medium wage earner to buy his own home. Such a measure would alleviate the negative effects of this bill on tenants and medium wage earners who want to buy a house but are prevented from doing so by economic conditions. The existing home ownership savings plan has been greatly appreciated in the past by the Canadian people and has enabled young couples to save enough money to buy a home.

From a strictly social and human point of view, it is important that every family should look forward to owning its own home. Unfortunately, this objective is becoming increasingly elusive because of worsening economic conditions. It is therefore important that the government help young couples to buy a home, and it will not do so with this bill. That is why we feel the government should seriously consider amending the present home ownership savings plan. Such changes could result in raising the present ceiling according to a given income scale in order to favour lower income families.

A national housing policy which does not give people the means of buying a home makes no sense and is ineffective. We of the Social Credit party of Canada have always said that the present system does not promote human dignity nor afford families the opportunity of having their own home. Present high interest rates prevent many low-income families from pursuing their dream. Those who, at the cost of great financial sacrifice, do get into debt to achieve their legitimate goal of owning their own home have no idea of the tremendous profits financial institutions are making at their expense.

Last year, chartered banks saw their profits go up by 58 per cent in some cases. At that time, I asked the then Minister of Finance to look into the matter. Shortly after, he told us that the superintendent of banks, after considering the matter, had found nothing unusual. Today, the new Minister of Finance (Mr. Crosbie) is telling us that the rise in interest rates will have positive effects in the long term. Therefore, Mr. Speaker, am I to infer that succeeding governments in Ottawa are powerless or rather that they are resigned to a situation which undermines the initiative of the average Canadian and of low-income families which have the legitimate right at some point in their lives to own their own home?

I find it sad that the bill will favour those who need it the least. I should like to hear government spokesmen comment upon possible amendments to the home ownership savings plan or make new proposals for low-income families that wish to buy a house, that are prepared to sacrifice something else for it but need only a little help from the government which once had the monopoly of election promises.

Finally, Mr. Speaker, I want to repeat that we are not against the fact that 3.8 million Canadian taxpayers will benefit from this program, but we are particularly concerned about the fact that, for all practical purposes, almost one million Canadians will be excluded from the housing market because unprecedented interest rates push the purchase of a house beyond their means. To take advantage of the Progressive Conservative program, one must already own a home, hold a mortgage and pay taxes. Therefore, there is no social justification for this bill, since the 200,000 people who own a home, perhaps have a mortgage, and do not earn enough to get the tax credits, will be left out of the provisions of this bill.

• (1650)

Mr. Speaker, I would like to recall that it is the duty of a government to protect minorities and the poor. In my opinion any government failing to do that is remiss in its responsibilities. Bill C-20 is entirely defensible in its substance but particularly incomplete and unfair in its form.

Hon. André Ouellet (Papineau): Mr. Speaker, it gives me great pleasure to take part in this debate at this time and to say to the Minister of Finance (Mr. Crosbie), who introduced Bill C-20, that I am not at all happy with his proposal, that I cannot agree with the ways he wants to use to promote home ownership in Canada. It is a good principle, of course, a noble principle, a noble purpose to want to encourage Canadians to become home owners, and I think governments—federal as well as provincial and municipal—should adopt measures to facilitate access to ownership and encourage Canadians who want to become home owners. But the means being sought by the new Progressive Conservative government to reach that goal are wrong. Obviously Bill C-20 offers a mortgage interest and property tax credit and is going to relieve and help some Canadian owners. That mortgage interest tax credit, of course, is going to help those who already own their homes and already have a mortgage on them. Unfortunately, the non-owner will not get any direct benefit, and the pious wish of the Minister of Finance that this measure will urge Canadians to rush over to the real estate agent to buy a home is entirely without foundation.

I do not see how any individual, on the basis of this bill which is going to allow him to deduct a few dollars from his taxes this year, could decide to buy a home today. We know that since the Progressive Conservative party took over, interest rates in Canada have shot up at an unbelievable and unacceptable rate. And the same Minister of Finance pushes Bill C-20 and tries to make hon. members and all Canadians believe that his measure, which does nothing more than extend a tax credit to a few Canadians who already own a home, is going to put the residential construction industry back on its feet. That does not make sense, and the Minister of Finance knows it very well. His proposal is not going to inject new life into the construction industry. Nobody faced with 14 per cent, 15 per cent or 16 per cent interest rates now being sanctioned by this Minister of Finance is going to rush over to his real estate agent to buy a new property because, although he may get some $300 from the Minister of Finance, he will have to pay twice or three times as much in outrageously high interest rates approved by the Progressive Conservative government.

Therefore, Mr. Speaker, I want to say that the proposal of the Clark government is unacceptable. If, for the noble purpose of encouraging Canadians to become home owners, we use the means suggested by the Minister of Finance, I believe that we will be making a mistake because this measure is completely wrong and unacceptable and should be rejected by the House of Commons. The Minister of Finance even had the

audacity to threaten the members of this House with the idea of an early election if the House of Commons does not pass this bill before Christmas. In my opinion, this is despicable behaviour on the part of someone who should have some authority and be a bit more serious about his duties as Minister of Finance.

An hon. Member: It is arrogance!

Mr. Ouellet: One of my colleagues says that it is arrogance. It certainly shows arrogance on the part of a government which has just received a mandate from the Canadian voters and which is now threatening to hold another election if the members of Parliament who were democratically elected go on too long or take too much time to express their views on this bill. Mr. Speaker, it is obvious that this government did not receive an absolute majority at the last election and has no right to treat us in so cavalier a manner by threatening us and the Canadian population with the idea of holding another election if this badly designed, badly planned and useless little bill is not accepted by the Liberal opposition, the New Democratic opposition, and even the Social Credit opposition, since a few of its members have rightly noted the serious weaknesses of this bill.

I would therefore say to the Minister of Finance that he would be much better to review his position and recognize that the plan announced by his leader shortly before the election was not a good idea. Of course, the promises by the Prime Minister before the election have been abandoned and this plan has been considerably amended, but even though it has been amended, Bill C-20 is still extremely shaky and unfair to too many Canadians for us to accept it, as the official opposition in this House, without pointing out its weaknesses and especially without asking this government to make many other amendments. In fact, we believe that this bill does not meet the objective, perhaps quite legitimate, of the government to promote home ownership. On the contrary, because of the means suggested by the government, it only creates more difficulties and more distortions in the Canadian housing market and considerably hinders the freedom of action of the Minister of Finance for preparing the next budget he is expected to table in December.

● (1700)

It is evident to me that this legislation is quite incomplete. Indeed, it is aimed at the privileged few, those who are rich enough to own property, the last ones who should be helped under these circumstances.

I see it is five o'clock. I shall resume my comments at the next opportunity because I would like to put forward a much better alternative to this government measure.

[Mr. Ouellet.]

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It being five o'clock, it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for York South-Weston (Mrs. Appolloni)—Health and Welfare—Vivisection of human foetuses; the hon. member for Bellechasse (Mr. Lambert)—Agriculture—Inquiry whether minister received representations from Quebec for reduction in poultry imports; the hon. member for Shefford (Mr. Lapierre)—External Affairs—Aid in construction of frozen fish plants in Senegal—Government position.

The House will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions (papers), private bills and public bills.

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I wonder if we could have unanimous consent to proceed with Bill C-202, in the name of the hon. member for Fraser Valley West (Mr. Wenman).

Mr. Deputy Speaker: Is there unanimous consent to proceed with Bill C-202, in the name of the hon. member for Fraser Valley West, and that order No. 1, Bill C-201, be allowed to stand?

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

STATISTICS ACT

AMENDMENT TO REMOVE PENALTY FOR REFUSAL TO PROVIDE INFORMATION

Mr. Bob Wenman (Fraser Valley West) moved that Bill C-202, to amend the Statistics Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, in the struggle to create more open government which recognizes that public information belongs to the public, it is also important to limit public information gathering that employs compulsive and coercive methods in acquiring non-criminal information from private citizens. Surely an open society also implies voluntarism. Surely a free society neither implies, nor practices, compulsion and coercion toward its individual parts.

I can appreciate the desire of the government to have all possible information at its disposal in order to ensure that its decisions are empirically grounded. However, when you weigh that limitless knowledge against the equally total destruction of an individual's personal privacy and integrity, the price becomes too high.

I agree with the view that a government that is big enough to give you everything you want is also a government that is big enough to take everything you have.

Section 29 of the Statistics Act provides for criminal prosecution of those individuals who refuse to answer StatsCan survey questions. The penalties are up to $500 in fines, three months in jail, or both.

Why are these legal sanctions so onerous and how do they make StatsCan surveys ultimately counterproductive? Section 29 of the Statistics Act provides a legal justification for a blatant invasion of personal privacy.

The family expenditures survey, which we nearly moved toward last March, is typical of the excessive demands made upon the time and the privacy of the individual. Let me give a few examples. The question on family expenditure on home repairs and maintenance alone was broken down into 21 subsections. These dealt with wallpapering, painting, gutters, etc., down to the smallest detail. Small electrical appliances required more than 17 subsections. Clothing expenses were dealt with in a mere six pages. Not only that, other questions asked about things like how much money each householder lost in wages, payment of fines, deposits, thefts in a year, how much money was held in savings, what the value of insurance policies and real estate holdings was. These questions certainly are not in the realm of "trivial". They are, indeed, highly personal in nature. Moreover, the interviewee is bound by law to answer them as accurately as he or she can.

Lest some of us believe that these fines lack teeth, that no one is ever prosecuted so we should just go ahead with this, I would like to draw attention to a problem encountered by one of my constituents, Mrs. Angela Sheremata. Mrs. Sheremata objected to certain questions on the seemingly innocent 1976 population census form. For example, she saw no reason why she should have to indicate through what kind of entrance she went into her private living quarters. Because she received the more detailed form which is sent to part of the population each census, she was also requested to indicate, among other things, what her level of education was, how many hours she had worked for pay on her own farm, business or professional practice, which visitors had stayed overnight on May 31, and what was her telephone number. I suggest to you, Mr. Speaker, that if a person had been involved in a divorce case and required that information to be kept private, he or she would not have been able to do so.

In addition she was asked, should she have a privately listed telephone number—the reason for which in the beginning was to maintain privacy—to give the number, as a result of which that right of privacy would be lost. The government in fact requires you to reveal that telephone number and where you live.

At any rate, she was asked to answer these questions, the answers to which she felt it was none of the government's business to know. What did she get for her belief in the sanctity of human privacy? She started out first by getting several letters from StatsCan threatening her with legal action, and finally the reality of court itself. It is amusing to realize that the case against Mrs. Sheremata was thrown out of court. The reason it was thrown out of court was that StatsCan had lost her file. That was amusing, yes, but the gravity of the situation should not be overlooked.

People have been prosecuted for refusing to answer Statistics Canada questions. Statistics Canada is in fact appealing the decision of the court in Mrs. Sheremata's case. It is not good enough to say that legal sanctions can be retained because they are hardly ever invoked. They are invoked in fact and in practice and they remain a threat to the fundamental human right to privacy of Canadians.

These kinds of questions become particularly onerous for rural respondents. Residents of rural areas often find that those conducting the interviews are their neighbours or close associates. It is understandable that a person would be reluctant to surrender information of a personal nature to someone the interviewee knew, yet this is what happens with StatsCan, and it happens across the country.

I have met interviewers who say that it is very interesting to get to know about your neighbours or about the neighbourhood community and about how people are living. While that information may be claimed to be private, I think practice has shown that leaks and so forth make this information readily available in many cases to many parts of our society.

Rural citizens are not the only ones who have cause for concern about the increasing detail of Statistics Canada surveys. Canadians in general are concerned about other ways by which the government is gathering information about them. Take, for example, the issue of social insurance numbers. Some feel that just having these numbers is an indication of the increasing depersonalization of our society. Others are concerned that social insurance numbers could be used for a more sinister purpose, that of contributing to a central file on each and every Canadian citizen. This central file has the potential to be comprehensive indeed. It would include personal economic information from income tax forms, information on activities for which social insurance numbers were necessary, and then, with StatsCan data, a wide variety of personal details on the citizen's lifestyle. It is no wonder that we are witnessing widespread opposition to the concept of social insurance numbers. It is easy to see that this opposition is a manifestation of a deeper distrust for government intrusion into the private lives of Canadians.

● (1710)

We are now in a position which no government which aspires to democratic principles should find itself, that of defending itself against charges of intruding into the bedrooms, and indeed the bathrooms, of society. The government must attempt to justify that this is not simply an embarrass-

ment. That people are led to question the integrity of government, to suspect the motives behind information gathering, suggests to me that government is viewed not as a benevolent administrator but as a "big brother". As the government passes a freedom of information act we should also have concerns regarding the protection of an individual's privacy and certainly of involuntary personal information gathered under protest and interconnected to computer systems. A freedom of information act needs a companion freedom of privacy act.

The argument we hear in justification of StatsCan surveys is that they provide us with the basic information necessary for public and private decision making, and for informed discussion of the public issues that concern Canadians. But how does Statistics Canada go about getting this basic information? The family expenditures survey, as I already mentioned, asked a multitude of questions about the various items and services Canadians spend their money on in a year.

Let us assume for the moment that such a detailed examination of the spending habits of Canadians is absolutely necessary for shaping economic policy. That is a big assumption, but let us for the moment accept it. Then, Mr. Speaker, we must ask ourselves who could accurately recall the amount of money spent on a particular item over a year? None the less, under section 29 of the present Statistics Act, they are compelled by law to give an answer. Somehow I doubt if this method encourages accurate or even honest answers. Yet the answers given are supposedly those which are used to chart Canada's economic future.

I think what I have just described provides a partial answer to another question: Just how valid are these detailed examinations of Canadians' spending habits for shaping economic policy? We have it on the authority of the former finance minister, while he held the post, that StatsCan could not be depended upon to provide a reliable estimate of Canada's economic growth. And the respected C. D. Howe Institute has also questioned the reliability of Statistics Canada figures. Inaccurate growth figures projected by Statistics Canada in the early 1970s formed the basis for government budget assumptions, which in turn led to government policy which actually created inflationary pressures. I think we are all aware of the consequences of that earlier government policy.

Many of these assumptions were based upon business statistics and not detailed household expenditures that I described earlier. However, if information from business sources poses such a problem for Statistics Canada, how can that organization be expected to cope with myriad details of personal family expenditures? My own feeling is that in the hands of government, to paraphrase Lord Acton, information corrupts and absolute information corrupts absolutely.

I do not wish to give the impression that I am against the job for which Statistics Canada was created. We do indeed have a vital need for Statistics Canada. But it is also vitally important that those statistics, and the projections which are based upon them, be accurate ones. I do not believe that Statistics Canada can be expected effectively to fulfil its mandate as long as its questions are so broad ranging and are backed by compulsive and coercive legal sanctions. How far will the details go and remain accurate and relevant? I am sure that most of the reports that were made from those very statistics are lying on shelves gathering dust somewhere and have not provided any real assistance to economic growth in Canada.

It is obvious that Statistics Canada and, by association, the government must regain the trust of the people. It is perfectly apparent to me that it cannot be done until we convince Canadians that the information we seek from them will be treated with respect and not abused. Statistics Canada guarantees that all information given by an individual will remain confidential. That guarantee, however, looks less impressive when information files are subsequently lost, and it looks almost useless when information files are sold by Statistics Canada employees. A citizen has enough cause to suspect the motives of government in asking personal questions without dishonest methods making him even more doubtful.

It seems to me that we should be seeking to inspire confidence in StatsCan so that Canadians will not be reluctant to respond voluntarily to survey questions. We already have cause to doubt whether StatsCan can even answer many of the questions it sets for itself. Perhaps it sets its goals too high, or perhaps we ask too much of it; but we must not expect that the situation will improve by compelling people to answer even more and more personal questions. StatsCan would be faced with a flood of details, and the citizen would wonder why the government wants personal information so badly that it will resort to legal sanction to back its demands. Whatever we hold the role of government to be, surely we do not give it the right to impinge upon the personal rights of citizens.

I would ask the House to consider my bill, which would remove the penalty on individuals for refusing to answer questions other than those pertaining to basic population census information. I feel that only from this first step can we as government re-establish the public's faith in StatsCan and in government itself. I ask also that we amend section 29 as it pertains to individuals, and in so doing remove an impediment to accurate and reliable statistical information. Let us begin to move toward renewed confidence by removing the threat and by taking the first step by voluntary response.

We are one of the fortunate few countries in the world to enjoy the luxury of a democratic system. Implicit in the notion of democracy is the faith of the people to know what is good for them. We trust the people to elect us and we abide by their choice. What we are doing in section 29 of the current Statistics Act is the equivalent of penalizing people for not voting. It is indeed a sad state of affairs when people cannot indicate their objection to an all-knowing central government agency for fear of prosecution. Are we really drawing so near to 1984?

By all means, encourage compliance with statistical surveys. But let us take a more positive approach than fining people for refusing to respond. Let us demonstrate the need for Statistics Canada and the benefit we can derive from an effective

statistical agency. We can only inspire confidence if we do not appear to be resorting to compulsion. Let us not insult the intelligence of Canadians. In the end we are only undermining the foundations of the parliamentary system if we deny the responsibility, right and privilege of privacy to the people.

I would like to take this opportunity to point out a change in wording which I intend to introduce into my bill when it is in committee. As the wording currently reads, an individual is not required to answer even those questions pertaining to the topics I specified on page 2 of my bill. My intention is to make it compulsory to answer those questions specified, and I will suggest the amended wording in committee.

Mr. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, at the outset let me say that I appreciate the comments of the hon. member for Fraser Valley West (Mr. Wenman). In addition, I would like to offer my personal congratulations to him for taking the initiative in bringing this private member's bill before the House for discussion and consideration on a matter which, I think we will all agree, is of paramount importance.

● (1720)

He has expressed a fear of the "big brother" complex which he believes the existing legislation may help create here in Canada among Canadians; the invasion of privacy which he feels is inherent in the current state of the law. He raises a number of problems which I would like to touch upon, because I think they are real, not perceived. I will subsequently deal with whether the amendment which the hon. member proposes to the Statistics Act is the right way to go at this stage. I would like to re-emphasize that I believe the matter is important, and the member indeed deserves to be congratulated for taking this initiative.

First of all, the issue of personal information is a very real one. I think all of us are concerned that some of the surveys may be requesting information which is not really required for the objects of the act or for what the act should really deal with. That raises a variety of considerations, one of which is whether the Statistics Act in terms of its objects, in terms of its purpose, in terms of where it is supposed to take us, should not be amended in a more meaningful way to further define those objects, rather than unnecessarily changing the nature of the sanction imposed upon people to whom surveys are addressed. In other words, we have to examine the issue as to whether or not we are requesting information under that act which should not be requested at all.

Another point though which was quite striking in the member's comments has to do with the extent of the burden which apparently is being imposed on Canadians in responding to these extremely complicated, complex forms. I believe the hon. member mentioned that with respect to family expenditure information there were something like 21 subdivisions on house improvements alone, on which the act as it presently stands would appear to permit a questionnaire. Not only that, it requires the citizen to respond under pain of criminal prosecution.

All of us would have to ask, is that not too much of a burden to impose upon our citizens? Going even further than that, I would guess that many Canadians today suspect that much of the information sought by Statistics Canada is probably irrelevant and much of it is probably never used for any useful purpose in any event. In other words, there may be drawersful of statistics and information located in Statistics Canada which is of no effective benefit and that maybe it is a make-work program within that department. We do not know, Mr. Speaker. I do not want to cast aspersions on Statistics Canada; all I am saying is that that is a question which I am sure comes to the minds of many Canadians as they are required to fill out these various surveys.

I might also say that I, like many other people in this House being a practising lawyer in the commercial area, have been appalled at the burden historically placed on many of our own clients with respect to information required from commercial operating firms. One does suspect that this information, while being put necessarily to a bad purpose, may not be put to any purpose at all. Hence, is this an expense, quite apart from the fact that it is a burden on the people, which the Canadian people should be expected to incur? Is there a risk in terms of invasion of privacy?

As I understand the proposed amendment, the hon. member for Fraser Valley West has sought to eliminate the punitive provisions of the act in so far as they apply to individual Canadians, except in the case of a very limited amount of information, being information pertaining to name, sex, marital status, mother tongue, birth or family relationship of members of the household.

In other words, as I understand the amendment, if a person gives false information or refuses to respond in those areas, and in those areas alone, then the law will apply as it did apply and the usual criminal proceedings or whatever can be levied against that individual.

On the other hand, he is amending section 29, which states that:

Every firm or corporation, and every person acting for or interested in a firm or corporation—

Which I presume would include a shareholder of the corporation, for example.

—without lawful excuse, (a) refuses or neglects to answer—

And so on. In that event, as I understand the amendment, the provisions of the law would continue to apply and criminal prosecution could ensue against such an individual in the event that he did not respond to a questionnaire. Of course, there we are dealing with persons interested in the firm or acting for the firm or corporation. In addition, as I understand it, we are talking about the firm or corporation itself to the extent that it can be fined and it will remain subject to the act. Corporations do not enjoy any further protection under this amendment nor do firms, which I also would presume would be what we in the province of Quebec regard as a sole proprietorship operating under a *raison sociale*. So that effectively in those instances those individuals could still be prosecuted. But with respect to

the activities carried on by the firm or corporation, I again presume the intention of this amendment is that those areas will be commercial areas, areas which may have a more direct bearing upon the economy and upon the statistics which Statistics Canada requires with respect to the economy than would be the case with individuals. Those are the assumptions that I am making.

In itself it seems like a worthy objective that we should say to Canadians, "Look, we will encourage you to respond to surveys on a wide variety of issues, but in the event that you do not do so, you will not be subject to prosecution under the Statistics Act unless you give false information with respect to these very specified limited areas," and I enumerated these areas just a few moments ago. That indeed might be a satisfactory approach to this problem. But immediately questions come to my mind, being someone basically quite unfamiliar with the internal operations of Statistics Canada, when I see this kind of provision in this context. Would there not be other information which Canada and the government requires from individuals, information which individuals should be required to respond to but which is not included in this very narrow list set forth in the bill of the hon. member for Fraser Valley West?

I say that I really do not know but I raise the issue, might there be? Let me give an example of what I mean. When one looks a Statistics Canada, one finds a wide range of areas where information can be sought; there is no doubt about that. Under section 21, general statistics, there is an enumeration of items (a) through (u). In fact, (u) is a basket clause which says "any other matters prescribed by the minister or governor in council" where the chief statistician is entitled essentially, I presume, to order these surveys and require information to be furnished by Canadian individuals, hence falling under all the penal provisions of the act in the event someone does not respond or gives false information.

But as I look at these items I see, for example, something like agriculture. Does this mean that a farmer in Canada would not be required to respond with respect to information bearing upon his crop production, his crops or diseases, or any other area that might affect agricultural production in this country? Does that mean that Statistics Canada would be shackled in so far as individual farmers are concerned and not be able to obtain this kind of information which they would in turn be able to obtain, I would submit under the amendment, from an incorporated farmer of which I imagine there are many in this country? I know that there are many in my province and I suspect the same is true across Canada.

I raise that as an example of the kind of problem I see in a very restricted amendment of this kind. Again, it may not be a problem, but I say that this bill brought before us may very well have the effect of undermining this very important role of Statistics Canada. I say this recognizing the validity of a number of points which the hon. member has made and which I think will cause us all alarming concern if the situation is not corrected. The issue is: are we to solve the problem of Statistics Canada in any meaningful way in this area of what might be described as an invasion of privacy, with this amendment? This amendment still permits, and I emphasize this, the prosecution of individuals who are associated with firms or corporations, but does not permit the prosecution of individuals per se except with respect to this very narrow list of items.

• (1730)

I raised just one example with respect to agriculture. As I say, since the list goes from (a) to (u), it would seem quite possible that there are a number of areas which we might regard as being information which should be at the disposal of the Canadian government. It should be at the disposal of the policy makers of this country, but will become unavailable from individuals because of this proposed amendment to the act.

There is another route which I think should be followed at this stage. Undoubtedly, you, Mr. Speaker, have been in this House when questions have been raised during question period over the past several weeks with regard to the operations and methodology of Statistics Canada and whether we can rely upon some of the economic material or documents coming out of Statistics Canada. Today our entire forecasting apparatus, our reporting to the OECD, our international position, and everything else are determined by information gathered by Statistics Canada. One wonders whether the time has come for us to conduct a serious examination of the affairs of Statistics Canada, as has been suggested. This was in fact raised in a question on November 23 by the hon. member for Thunder Bay-Nipigon (Mr. Andras). The President of the Treasury Board (Mr. Stevens) indicated a consultant firm would be established to look at Statistics Canada and its methodology.

It might be more appropriate at this stage to suggest an in-depth examination to determine whether many of the problems raised by the hon. member with regard to simplifying the volume and complexity of surveys that have not been made public cannot be avoided, and to determine whether it is possible to attack this problem which he so eloquently outlined today, namely, is there a way we can prevent Big Brother from carrying on into the lives of individual Canadians under the auspices of this act, with the possibility of criminal prosecution in the event that the person does not comply or respond?

An hon. member on the other side, who is a practising lawyer, told me how distasteful it is as an attorney to take actions based on this provision of the law, namely, to prosecute Canadians for failing to respond to these surveys. Like everything else, these issues are seldom black and white. It would appear there is room for great abuse, as outlined by the hon. member.

I would find it absolutely repulsive to consider that if someone gives false information with respect to wallpaper used in his house, its cost, application or anything else, that person theoretically could become subject to prosecution under an act of this country. A law of that kind in this country must be examined and modified.

I commend the hon. member for taking these initiatives. However, I suggest that the proper forum for this is a greater

context with a complete, in-depth review of Statistics Canada, particularly since questions as to its credibility have been raised in other forums, in fact by questions in this House and in the media.

The time has come to get at the job and encourage the President of the Treasury Board to act quickly to have these consultants appointed, and hopefully to bring these matters before a committee. I dearly hope that takes place and that the evil which this bill is intended to correct will be addressed by such a committee. It is clearly an important issue.

I congratulate the hon. member for bringing this before us. It gives us an opportunity to talk about it. This has been a useful exercise. I hope the initiative he has taken will result in the law being approved.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I enjoy, both in this Parliament and outside it, listening to the hon. member for Saint-Henri-Westmount (Mr. Johnston), that poverty-stricken riding in eastern Canada. He seems to want it both ways, as I understand his colleagues do, which is to say that the bill is good but he wants to talk it out. It reminds me of the people in B.C. that we refer to as having their mugs on one side of the fence and their wumps on the other. We call that mugwumpery. I gather in eastern Canada it is called the radical middle.

We in the New Democratic Party are prepared not to have this bill talked out today. Therefore I will not speak very long. Second, we want it to go to committee where, as the hon. member for Saint-Henri-Westmount said, we can look at some of the questions that arise and hear some of the views on the other side from Statistics Canada. We have to examine some of the real details. I might say I agreed with most of the remarks set out rather succinctly and precisely by my corporate friend from Saint-Henri-Westmount.

I wish to address some remarks to my friend smiling over there, with his natty suit, as always, the hon. member for Fraser Valley West (Mr. Wenman). In my view, he made a good speech, but occasionally he sort of cheapened it by certain phrases. I see the member nodding. Let me give a couple of examples. The member said, "I agree with the view that a government that is big enough to give you everything you want is also a government that is big enough to take everything you have". Those are buzz words, big government. What does that do? We have big government. We have to recognize that. In my view, it does not mean very much.

Just before that the hon. member said, and I agree, "I can appreciate the desire of the government to have all possible information at its disposal in order to ensure that its decisions are empirically grounded. However, when you weigh that limitless knowledge against the equally total destruction of an individual's personal privacy and integrity, the price becomes too high." That is well put.

Later the member went on to say, "My own feeling, Mr. Speaker, is that in the hands of government, to paraphrase Lord Acton, information corrupts and absolute information corrupts absolutely." What does that mean? We need information. Is it really corrupting? It is only corrupting in the way that it is used. The hon. member puts his argument and takes it away from a good logical approach with a sort of social credity approach. I did not mean to slight my friends from the Creditistes. I mean a British Columbia social credity approach.

What we need is a balanced view here. Statistics Canada and government officials indeed have a right to get information from the public. They have a right to know what kind of population we have. They need information for all sorts of reasons. For example, they need to corroborate what our social scientists are studying, to analyse trends and so on. They need the information to put forward new government policies. They need it for some of the reasons my friend from Fraser Valley West said. We have to state that and state it categorically. Given the fact that they need the information, it is no doubt there can be and have been abuses.

I have looked at the census. When I was a young man I was paid to go around and collect census data. This has changed over the years. There are now many more questions and they are more detailed. Many of the questions are open to abuse. The hon. member gave a good example about a woman involved in a divorce matter. That is a great example of where there can be abuses.

● (1740)

It seems to me, first of all, that Statistics Canada may not need as much information as they ask for. We can look at that point in committee and determine how much they really do need. Second, it seems to me that they are asking some unnecessary questions. That, in itself, is an abuse which takes up the time of the householder. Perhaps we should consider this aspect further. One question that was always a problem when I was asking questions—and it apparently is still a problem—is: who is the head of the household? What is the mother tongue of the household when you have an English mother and a French father? How does one determine the answer to the question? These are matters which the committee should consider.

The third problem, one which has only come to light recently, involves the leaking of information. In other words, we cannot really trust a lot of the people who get the information; we cannot trust the government with the information. The answer to this difficulty may lie not just in changing the questions you ask, but to make sure there are no leaks of information. You make sure that the information really is kept confidential. It may be necessary to prosecute the deputy minister, or even the minister, if the information goes astray. That is a way of approaching the problem, although I do not see us adopting that approach.

The point I raise is that the information could get lost and could be leaked. I think of income tax data, for example, or medical records. The Krever commission is looking into this. They have evidence of medical records being in the hands of the RCMP. It is not right and proper, and it is very dangerous. This is what we understand as Big Brother. Perhaps it is a

different big brother from the one my hon. friend sees. Essentially we believe in government, and I basically do not think he does.

There is an additional danger today, Mr. Speaker, and that is that we are in an era of computer data banks. We could have the information we give in a census taken in Pouce Coupe in British Columbia appear in data banks in Atlanta, Georgia. It is not something out of Kurt Vonnegut; it is quite possible. The information could be stolen, it could be used privately, it could be sold. So we have to look into all these aspects.

Before I take my seat I would like to raise just one other point. I wish the hon. member in his bill, or, perhaps, in his speech, had dealt with the matter of questionnaires to small businessmen in our country. I am sure he is aware that small businessmen are losing a lot of time and patience having to fill out a lot of seemingly useless forms. I think many small businessmen, especially in British Columbia, are tired of doing this, and I believe we really have to take a hard look at this when we are considering Statistics Canada. We should be given reasons why they need to have all this information.

I would also draw the hon. member's attention to the speech made in the House of Commons by Max Saltsman on December 16, 1970. He was at that time the member representing the constituency of Waterloo. He dealt with the question of abuses and problems connected with Statistics Canada.

To conclude, Mr. Speaker, I would say that we need to have statistical information. It is not my intention to undermine Statistics Canada, but we also need privacy and safeguards. We need to consider carefully the kinds of questions which are being asked.

I am glad to see the hon. member brought in the notion of freedom of information in his speech. I am the critic for our party in connection with freedom of information. We said we would go along with the bill, that it was basically a good bill, but that it would need some amendment. Well, where is the bill? Bring it in. We are waiting for it. It is your government. Talk them into bringing in a bill. We are prepared to consider it.

Finally, I wish to say that this is not an easy question. It is a modern and very deep problem. We are experiencing an explosion in the technology, an explosion of information. I have mentioned the new data banks. My hon. friend from New Westminster-Coquitlam in an article in *The Globe and Mail* the other day was talking about this technology and the storage of information. Those of us who are interested in law realize that we are behind in dealing with these matters. We are behind when dealing with the question of privacy, in legal definitions of how to deal with information, and I, therefore, welcome the bill. We in the New Democratic Party will support its passage to committee for further study, and I urge the Liberals to allow the bill to go to committee as well.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I shall take only a few minutes to comment on this bill as other hon. members wish to take the floor. I merely wish to congratulate the hon. member for Fraser Valley West (Mr. Wenman) for having presented this bill to amend the Statistics Act. He has just drawn the attention of the House to a discrepancy that might have serious after effects. Even if Bill C-202 does not add anything new to sections 29(a) and 29(b) it does extend considerably the thrust of the present legislation which refers only to a person in general without specifying whether physical or moral, by adding and I quote:

Every firm or corporation and every person acting for or interested in a firm or corporation that, without lawful excuse—

We might agree on the fact that this change emphasizes the importance of penalizing firms or corporations that hire experts to defraud the government. In that respect, I am afraid that this omission in the initial legislation might have been almost intentional because we did not dare attack the big financial corporations such as multinationals, banks, insurance companies and others that can afford to hire experts to hide certain facts in their Statistics Canada forms. But legislators in those days wanted the individual to declare everything under penalty of imprisonment. Obviously, a corporation or a bank cannot be thrown in jail but we might at least take away their licence for a limited period like we do for drivers who do not respect highway regulations or are found guilty of impaired driving.

On the other hand, we find ludicrous that subsection (b) refers to a maximum penalty of $500 when corporations are involved. According to that provision, corporations would be only liable to a $500 fine, but an individual should not be liable to the same maximum fine of $500. It is absolutely ludicrous. As concerns the refusal to give confidential information, I agree with the hon. member for Fraser Valley West that it directly interferes with human rights. We are always told that that kind of information is kept secret but it is absolutely false, Mr. Speaker. Such information is handled by civil servants and most of the time the investigators are appointed through political patronage.

Statistics Canada has lost its credibility and is no longer an accurate measure of the growth rate of our country. For that reason, we should not only add the words "firm and corporation" but also review entirely the Statistics Canada Act in order to protect the public better and give more credibility to this legislation.

● (1750)

[*English*]

Mr. Jack Murta (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, we are all agreeing this afternoon that this bill should be passed into committee, and I just hope we do not end up talking the bill out before doing that. So, my remarks are going to be very, very brief.

The government supports my colleague, the hon. member for Fraser Valley West (Mr. Wenman), on Bill C-202. We believe that it is certainly a step in the right direction, and the bill certainly conforms and falls within the government's desire

to be consistent with the commitment to privacy of the individual, and with Statistics Canada's own wish to move toward a voluntary survey in terms of statistics taking in this country.

I had a speech prepared in which I wanted to outline two or three of the reservations the government has about the proposed wording of the legislation while still agreeing with the basic concepts in the bill, but seeing that time is running out—and the time is now ten minutes to six—I think I will conclude by stating that certainly from the government's point of view we feel that the bill is a positive step in the right direction. It would allow Statistics Canada to be brought before a committee of Parliament to be examined on this particular issue and on other issues as well. As do other hon. members, I certainly hope that any other members who are going to speak will limit their remarks to a very few minutes because we would like to see this bill in committee. A good deal of credit should go to the hon. member for Fraser Valley West.

Mr. David Berger (Laurier): Mr. Speaker, I would just like to correct some of the impressions created by the hon. member for Vancouver-Kingsway (Mr. Waddell), and also perhaps to answer the remarks of the hon. member for Lisgar (Mr. Murta).

Sure, we in my party would like to see the abuses under the Statistics Act removed. However, we are concerned that if this bill goes through in the manner in which it is proposed, it may emasculate Statistics Canada. I suggest that if a private member wishes to put a bill through, more detailed information about the bill and its effects should be given to us so that we really know what it is we are dealing with. There seems to be a certain amount of vagueness about that at the present stage, and therefore, we in our party find this bill difficult to support.

On behalf of the hon. member for Saint-Henri-Westmount (Mr. Johnston) I would like to correct another impression raised by the hon. member for Vancouver-Kingsway, who referred to the riding of Saint-Henri-Westmount as being an affluent suburb. I suggest to the hon. member for Vancouver-Kingsway that it is not just NDP constituencies which have economic and social problems.

As the hon. member for Saint-Henri-Westmount indicated, we agree with the motives of the hon. member for Fraser Valley West, but we have serious reservations about his method. We also are concerned about the privacy of individuals. The hon. member referred to a case involving Mrs. Sheremata, and dealt with it. It would seem that in a case such as this that, yes, there are circumstances under which people should not be obliged to answer questions, and perhaps exceptions should be provided for.

It is also possible that the legal sanctions should be changed. It seems ludicrous to subject people to imprisonment for not answering questions in a census of the country. I think the present fine can be $500. It should perhaps be a fine of $25, $50, or something like that. Therefore changes of this nature, perhaps, should be contemplated.

As I said, we are concerned about this. We know that the bill proposes to remove sanctions from individuals who refuse to answer any questions other than those pertaining to just a few personal matters, and those matters are specified in clause 1 of the bill which proposes a section 29.1 in the act. They deal with the name, sex, marital status, mother tongue, birth or family relationship of the members of a household.

However, at present individuals and corporations are obliged to answer questions with respect to the objects of this act. What are those objects? They are detailed in section 3 and section 21 of the present act. The duties of Statistics Canada are to collect, compile, analyse and publish statistical information relating to the commercial, industrial, financial, social, economic and general activities and condition of the people and to take the census of the population of Canada and the census of agriculture of Canada as provided in the act.

In section 21 there are further purposes defined. I am dealing now with matters about which presumably individuals, under the present act, are required to answer. This does not refer to corporations, but the act states, and I quote:

—the Chief Statistician shall . . . collect, compile . . . statistics in relation to . . . population . . . health and welfare . . . immigration and emigration . . . education . . . community, business and personal services—

If we removed the obligation to answer questions about matters of that nature, we can wonder whether we will be left with anything meaningful other than fewer population statistics which will be gathered by Statistics Canada.

The hon. member suggested—and we commend him for this—that it is possible that questions asked by Statistics Canada should be restricted, but as we have said, the proposed changes may indeed emasculate Statistics Canada.

The hon. member for Fraser Valley West raised a question about the validity of the statistics gathered by Statistics Canada. This again has to be a concern of members of this House, cabinet ministers, departments and government agencies, because if the statistics upon which we are to base our judgments and legislation are wrong, we are in serious difficulty. Our concern should be about improving the validity of statistics. We are afraid that an amendment as sweeping as that proposed in this bill would be moving in the wrong direction in this respect.

The members of this House are aware that the President of the Treasury Board (Mr. Stevens) has hired a management consultant firm to look into the personnel, administrative practices, and policies of Statistics Canada. The hon. member for Thunder Bay-Nipigon (Mr. Andras) asked that the scope of this study be broadened. This was in a question to the President of the Treasury Board last Friday, November 23, and he stated that the examination should include, and I quote:

—experts on methodology of economic analysis, collection, collating and interpretation, so that the real problem of lack of confidence in the information base will be removed, for the sake of Statistics Canada and all those who depend upon that information—

We suggest that that is the way, and that the problems raised by the hon. member for Fraser Valley West should be

addressed by that consulting firm and referred to the appropriate committee of this House. I believe it should be the Standing Committee on Miscellaneous Estimates. Then we would have the opportunity to address ourselves to some of the concerns which have been quite correctly raised by the hon. member.

It seems to us that that is the appropriate method to deal with this difficulty and that it would be dangerous to pass this present provision which, as we have indicated, could lead us in a direction where we do not know where we are going.

Mr. Deputy Speaker: Order, please. The hour provided for the consideration of private members' business has expired. I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

TRANSPORTATION OF DANGEROUS GOODS ACT

MEASURE TO ESTABLISH

Hon. Don Mazankowski (Minister of Transport) moved that Bill C-25, to promote public safety in the transportation of dangerous goods, be read the second time and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, I am very pleased and honoured tonight to have the opportunity to introduce the second reading debate on Bill C-25, an act to promote public safety in the transportation of dangerous goods.

In introducing this bill it seems to me I would be remiss if I did not make some reference to the recent derailment of a train in Mississauga carrying flammable and toxic substances on the Remembrance Day weekend, and also to the obvious role of the provinces in connection with this very unfortunate event. However, I think that for a variety of reasons it must be made clear that this bill is not being presented tonight as a reaction to that disaster.

When I first considered how the accident would affect this legislation and my presentation of it, I thought that in addition to reviewing the draft of the act, I might be faced with the task of rewriting the speech which had been prepared in readiness for this debate, to take into account the numerous questions that had been raised following the Mississauga incident, not only in the House but by the media, by the citizens of Mississauga and the surrounding district, and the fallout that arises as a result of such a disaster.

After considering these elements carefully and, on reflection, I decided to say almost exactly what I had intended to say at the outset when the bill would have been introduced in the normal manner if a disaster had not occurred. To do otherwise, in my view, would be misleading in a way that could only serve in the long run to undermine the care and expertise that have gone into the preparation of this legislative measure.

I must reiterate that a tremendous amount of work has gone into this legislation, having regard to the ramifications of federal and provincial jurisdictions and the importance of attempting to define a piece of legislation with accompanying regulations that are workable and enforceable.

To appear to be introducing emergency measures in haste after a near catastrophe would be to detract from the fact that Bill C-25 has been discussed and negotiated with the provinces, dissected by industry, and drafted and redrafted over a period of several years. It might equally detract from the fact that the bill has always been on the government's list of priorities for legislative action. In saying this, I do not suggest that the questions which have been raised by the derailment at Mississauga have not been valid ones. Indeed, I want to commend all hon. members of the House, and particularly my good friend, the hon. member for Stormont-Dundas (Mr. Lumley), who has pursued this particular issue with a great amount of vigour. His questions have been sincere; I know that he has pursued this issue with sincerity and has gained the respect which I know he commands from all sides of the House. In that connection I am sure he will be glad to know that today the CTC has introduced an interim safety measure, an order requiring that railways separate tank cars of flammable compressed gases from those containing toxic gases. The order provides for a buffer of at least five general freight cars, or about 250 feet, which would now be required between the dangerous commodities.

● (2010)

Some hon. Members: Hear, hear!

Mr. Mazankowski: I am pleased that the CTC has seen fit to issue that interim order. I know my friends across the way and my colleagues on this side of the House are fully in support of the measure which has been taken.

As well, I might add that I am satisfied the bill with which we are dealing this evening responds to many of the concerns expressed by the provinces and the industry. I can assure hon. members that as far as the provinces are concerned—and I am sure as far as industry is concerned—this bill will have their full support.

It was as long ago as 1973 that the need for legislation governing the transportation of dangerous goods was recognized by the federal government. At that time the minister of transport was the Hon. Jean Marchand. I had occasion to see him in the corridor earlier this evening. I indicated to him that some of the pioneer work he had undertaken at that time, in

trying to lay the groundwork for such a piece of legislation, is now coming to fruition. It speaks very highly for that hon. gentleman because, as a minister of transport, he had a genuine rapport with the provinces. Indeed, he was certainly recognized as one of the ministers of transport who worked closely with the provinces. The fact that this bill is now being introduced at this particular time is a clear indication of the work which had commenced at that particular time. I want to commend him and congratulate him for the work he did.

At first the regulation of highway traffic only was contemplated, since each of the other modes of transport already had some form of dangerous goods regulations. It soon became apparent, however, that this was not enough. In the first place, the increasing use of intermodal transport made it necessary to seek to harmonize the regulations for all modes, so that consignors of dangerous goods need only follow one set of rules when preparing their goods for shipment.

In the second place, it was obvious that true safety in transport could only be achieved by regulating pre-transport activities such as the manufacture of freight containers and packagings, the in-transit activities such as packing, loading and temporary storage, and the post-transport activities such as unloading and receiving.

In the third place, much of the existing legislation, both federal and provincial, which deals with dangerous goods was written in terms of specific substances such as explosives, or dealt with such related matters as construction standards or vehicles, fire prevention and occupational safety. The result was a proliferation of well-thought-out but rather narrowly focused regulations which often proved incompatible and therefore unenforceable.

Finally, both exporters and importers were being faced, to their disadvantage, with contradictions between Canadian regulations and those of other countries. The need to adapt to international standards and procedures therefore had become urgent.

The first proposal for a transportation of dangerous goods act was tabled in Parliament in May, 1978. That piece of legislation died on the order paper when that session of Parliament came to an end. It was reintroduced in November, 1978, and second reading debate started on February 16, 1979. At that time there was about a 30-minute debate on this very important issue. On that occasion, as opposition transportation critic, I stated that the Progressive Conservative party supported the bill in principle and recognized the need for it and for a co-ordinated approach to legislation governing the transportation of dangerous goods. Also I stated that the objectives of the bill must be met without imposing excessive economic or legal restraints on industry, and that there must be full consultation with the provinces, as well as with industry, to ensure that the regulations which are the meat of the legislation were practical, acceptable and enforceable.

I hope by now it is well known that two of the most important aims of this government are the improvement of federal-provincial relations and the reduction of the regulatory burden upon industry. Bill C-25, as it is now drafted, incorporates both of these aims while maintaining its original goal.

Those hon. members who are familiar with the previous bills, Bill C-53 and Bill C-17, will note that the bill currently before the House has been extensively restructured, although the objectives remain unchanged. This restructuring has been done as a result of lengthy and detailed discussions with representatives of affected industries and of the provinces, as I indicated earlier. Of course these discussions have been going on since the legislation was first conceived. However, as time passed, and as it was made clear that the federal government was seeking co-operation and not confrontation in this enterprise, debates between the parties concerned became increasingly productive. Consequently after Bill C-17 was published, both industry and the provinces were in a position to comment on the legislation with a full understanding of the policy it was intended to implement, and to discuss it in full detail.

The role played by industry in the preparation of the current bill has been very important. It is important to me because I have been able to benefit from their practical experience to ensure that the legislation makes economic as well as political sense. It is important to industry because they were provided with the opportunity to make their views known and to have them effectively recognized. Similarly, the participation of the provinces in the preparation of this legislation has been mutually beneficial.

From a practical point of view, it would be difficult for the federal government to administer and enforce such a sweeping legislation program alone, without the wholehearted support of the provinces, which incidentally I was promised when I met with my provincial counterparts in September. At the same time it would be an obvious waste of resources for each province to develop such comprehensive legislation and maintain the research, training, information and enforcement operations which are a necessary adjunct to it. Thus, the relationship between the two levels of government, in dealing with the problem of dangerous goods in transport, has been and must continue to be symbiotic in the truest sense of the word.

It is not my intention to take up too much of the time of the House by further repeating in any great detail the reasons which gave rise to the formulation of Bill C-25 and its predecessors, or the purposes it is designed to serve. Briefly, the bill is part of a three-pronged safety program, consisting of legislation supported by a trained inspectorate and an emergency response network, the latter two being developed in co-operation with other federal agencies and with the provinces.

Although it involves the imposition of fairly severe penalties on offenders, the proposed act is designed essentially to have a preventative effect. For the first time it will be possible to promulgate regulations for transporting and handling dangerous goods for transport in such a way as to facilitate intermodal, interprovincial and international trade in them, while promoting public safety in this area by establishing comprehensive and comprehensible safety standards and procedures.

The specific means whereby the bill provides for the implementation of this program were dealt with at length by the former minister of transport when this was introduced for debate at second reading on February 16, 1979. However, I should like to conclude with some final remarks on the international implications of this particular piece of legislation.

To the extent that any regulations have been observed with respect to the transportation of dangerous goods by road, they were those published in title 49 of the United States code of federal regulations. For obvious reasons those regulations were also the ones adopted by the railways in this country. However, for equally obvious reasons, the marine and air modes had to follow international standards.

Many people, including myself, were afraid, since the bulk of our trade travels to and from the United States, that any deviation from their regulations would result in an artificial trade barrier which could only work to the detriment of manufacturers and traders in this country. At the same time, it was becoming increasingly obvious that many U.S. regulations were out of date, inappropriate to Canadian transport conditions, and incompatible with the needs of the marine and air modes, even in the United States itself.

● (2020)

Naturally, these facts were also apparent to the United States department of transport, and our attempts to incorporate international standards in our legislation have been paralleled by similar activity south of the border. The result is that both countries are moving, for all practical purposes, in the same direction at approximately the same speed, although we have the slight advantage of being innovators rather than reformers. In any event, there is no reason to suppose that the reciprocal agreements that already exist in respect of railway transportation, to recognize each others laws to the extent that they may differ as a result of national circumstances, should not continue to exist and be extended to cover all modes of transportation.

When I first contemplated this speech, Mr. Speaker, I intended at this point to conclude with the following remarks, and I quote them verbatim:

> I fear that the lack of headline attracting accidents involving dangerous goods in Canada may be due more to good luck than to good management. The bill and the associated safety program, while not preventing accidents entirely, should go a long way towards reducing the risk of their occurrence or reducing their impact.

The accident at Mississauga does not, I think, require any revision of these statements, with one important exception. It was good management and not good luck that enabled the Peel Regional Police Force to cope with the situation with a degree of efficiency that has attracted worldwide attention. They, as well as the emergency response personnel and, indeed, the citizens of Mississauga and the surrounding district, gave us all cause to be proud of them and of our country.

In concluding, Mr. Speaker, I hope that members on both sides of this House still share the view of the previous Parliament that the enactment of legislation governing the transportation of dangerous goods is important and overdue. I know that both the provinces and industry are anxious to have this matter dealt with as soon as possible. I am very pleased, therefore, to introduce this measure at this time. I look forward to the contribution of all other hon. members and, indeed, I look forward to the committee hearings and the witnesses who will be appearing before the committee during considerations of this bill.

[Mr. Mazankowski.]

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, I too am honoured to participate in the second reading debate on Bill C-25, and particularly so since it is the first piece of legislation being presented to the House by the new Minister of Transport (Mr. Mazankowski). As the minister has indicated, this is not the first time we have seen this legislation before the House.

I am sure the minister made an oversight when he only mentioned Mr. Marchand's contribution in the year 1973. I think he forgot his western colleague, the Hon. Otto Lang, from Saskatoon-Humboldt, who, on August 4, 1977, announced a major safety program to regulate transportation of dangerous goods, to produce compatible safety standards for transshipment of dangerous goods between air, surface and marine transport, with dangerous goods to include explosives as well as inflammable, poisonous and radioactive material. The then minister suggested the new act would ensure that the responsibility for the transportation of dangerous goods would be shared by manufacturers of transport equipment and containers, producers, shippers and purchasers of dangerous goods, as well as carriers and operators of transportation facilities. In short, what the minister was announcing at that time was a coherent step to set up regulations and standards across the country.

Very little has changed, in spite of some statements regarding tightening up, with the benefit of hindsight, in Bill C-25. As a matter of fact I think it is almost 99 per cent the same with the exception of two major changes, the first being that during an inquiry the minister may, at his discretion, pending the submission of a report, take measures to alter or cease transportation of dangerous goods. The second major difference, I think, is that if, after 12 months, there is no agreement with a province to enforce the act, the minister may enforce the act in that province.

With all due respect, it is rather ironic that this government would institute that clause as opposed to the previous government when you consider the confrontation—co-operative theory which obviously the government has been advocating since the pre-election time.

I would like to read a paragraph out of *Hansard* which I think expresses our position about as well as it could be expressed. Let me read from page 3330 of *Hansard* for February 16, 1979, as follows:

> Mr. Speaker, at the outset may I say that our party supports the principle and therefore the major objective of this piece of legislation. I believe it is fair to say as well that we acknowledge the need for such a piece of legislation, given the fact that there has been an increasing number of fatal and near fatal incidents involving dangerous goods, which unquestionably highlights the need for a co-ordinated law which is put before us in the form of this bill now, and to

ensure that the public interest will be assured and that the movement of dangerous goods will not harm the Canadian public.

I am sure the hon. minister will recall that paragraph, because on February 16, 1979, that is exactly what he said in the House.

Here is where the comparison ends. We want to proceed with this bill tonight and as expeditiously as possible get it out of second reading stage and into the committee. The hon. member for Vegreville at the time, now the Minister of Transport, said he wanted to have the national transportation act precede this bill in respect of dangerous goods. He wanted to have the ports act precede this bill regarding dangerous goods. Now that he is the minister and has had the opportunity to present those two bills, I notice he has not followed through with what he originally wanted. I am sure there must be justifiable reasons for that, and maybe during committee meetings he will explain them to the hon. members.

The minister said it would be cynical to suggest that the Mississauga accident had anything to do with this bill. I think that part of the problem is as a result of the minister's own priorities written in his own magazine, as one of my colleagues outlined the other day. I think it was an oversight that this priority was not mentioned. Knowing the sincere and honest gentleman that he is, we will take him at his word.

As I stated, really nothing has changed in Bill C-25, except I am looking for an explanation as to why the national transportation act did not precede this particular piece of legislation.

We did not need the Mississauga incident, as the minister said, to have a discussion on the transportation of dangerous goods. The incident in New Brunswick involving radioactive material that was mislaid several months ago prompted a request from one of the provinces for some action in respect of the transportation of dangerous goods.

As I said several weeks ago, what we should not be doing by this piece of legislation is looking for a scapegoat, pointing the finger at someone to blame. What we should be doing is taking the golden opportunity that the Mississauga incident offers, with the fact that no loss of life occurred, with 250,000 people being evacuated, this setting an example for all the world to follow. Obviously I want to join with all of my colleagues on this side of the House in endorsing what the minister said, commending everyone, the evacuation team, the fire department, the police, and the people of Mississauga.

We want to expedite second reading of this bill and get it into the committee. As the minister has said, there have been years of negotiations between the provinces and the industry. Now it is the public's turn, the public in terms of ourselves as members of Parliament. We need to hear full and comprehensive evidence at committee meetings. I want to assure the minister that we have no intention of passing this bill until we have had a full discussion on the regulations, because in essence that is where the real safety is. The bill basically is motherhood, but the preventive problems the minister referred to will only be resolved when we have had a full and complete discussion of the regulations. Perhaps we may even want to include some of the regulations in the legislation.

Obviously we want also to consider any recommendations from the CTC inquiry into the Mississauga incident. I think we would be very irresponsible as parliamentarians if we rushed the bill through committee without giving full consideration to representations made at those hearings.

I also want to take this opportunity to congratulate the minister for acquiescing in the request made by members on both sides of this House with regard to a judicial inquiry or a Royal Commission, I am not sure yet which action he plans to take, in order to have the whole broad spectrum of rail transportation safety examined. This certainly is something long overdue, and I think it fits in line with the safety conscious expressions the minister has advocated since he has been a member of this House.

I do not think we need go any further than the opening testimony that was given the other night at the committee meeting by a commissioner of the CTC. If I am not mistaken, he was the chairman of the rail safety committee. He acknowledged that this enquiry would take a look at transporting dangerous goods in "a safer manner than has been the case". Obviously, he acknowledges a serious problem in this regard. I do not think that hon. members should be under the illusion that this bill is the panacea to accidents in the transportation of dangerous goods, although, as the minister has said, it does reduce some of the risk. I consider this bill and its predecessor as being almost post-accident rather than preventative in nature. Therefore, as parliamentarians, we must use the committee hearings to explore fully and digest all the avenues in attempting to alleviate the safety problem of the transportation of hazardous products.

● (2030)

Many things have changed since there was first a discussion on this subject back in 1970-1971 with respect to the transportation of dangerous goods. First of all the railways since that time have made significant changes in the types of cars they are handling and the technology, which has been introduced on a massive scale. They are using longer capacity cars, more powerful locomotives, automatic train switching controls, as well as mechanical track maintenance and inspection, and all these have reduced much of the cost to railways. Unfortunately, the preventive safety measures do not appear to have improved concurrently.

New chemicals are on the market. In many cases these chemicals are unable to be handled by our present technology. A few moments ago the minister mentioned trucks. In my conversation with the trucking industry, I learned that the safety laws of the United States are far tougher than they are here in Canada. I was also very happy to hear the minister discuss some of the requirements regarding inspectors. He said that there would be enforcement of the safety laws by specially trained inspectors, yet there is no commitment with regard to hiring additional inspectors. What branch of the railway service will they come from? Will they eliminate the five-year

mandatory status as a railroad official that inspectors must have before they can become inspectors? In other words, they must be in management before they can become a CTC inspector. What is wrong with someone who comes from the rank and file sector so long as they have the experience in the field? Where will these inspectors be located and at what intervals? Could they serve the dual purpose of being an inspector and a carman?

Earlier today I proposed a motion under Standing Order 43 which, unfortunately, was turned down. The minister answered part of that motion tonight, much to my surprise. I want to offer my sincere congratulations to him for that. I know that the minister has had some serious discussions with the CTC in this regard. A commissioner of the CTC made a statement today with respect to the substantial movement by rail, that the occasional accident is necessary. I am sure that all hon. members find that statement totally unacceptable. Hopefully, when the CTC representatives appear before the committee, we will have an opportunity to pursue that reasoning with them.

In 1970-71, 47 days of testimony by the Inter Rail Safety Committee resulted in several committees, including the Committee on Transportation of Dangerous Goods. According to the testimony given, the CTC acted on very few of the recommendations at the time. A transcript of the meeting held ten years ago today indicates that many of the recommendations we are discussing here tonight were made then. This includes such recommendations as the make-up of trains, the placement of cars, the placard on cars, the very things which we have been discussing ever since the accident in Mississauga.

The reply of the CTC is always that the enforcement of the regulations is too expensive, and the minister has mentioned this in his comments. This is one of the things which we must explore in the committee; just what is too expensive? When the final cost of the Mississauga accident is tabulated, we may find that some of the recommendations suggested ten years ago may not be too expensive after all. We must also consider inconvenience to the people. We must consider that a lot has been done with respect to setting up programs, but we must explore the costs and not just take them for granted.

There are many questions which this bill does not answer, and I hope that they will be dealt with in committee. There are questions such as why is it not compulsory to have hot box detectors on main lines in urban centres and why do we not cut down the distances between these detectors within the railway yard limits in built-up areas. If I recall correctly, the vice-president of CP Rail said that the Mississauga accident could have been prevented with the installation of these hot box detectors. I hope that we can find out why these things have not been installed, particularly on the main lines which handle dangerous goods.

Another question is why do we not use dedicated tank cars in North America like they do in Europe, whereby we could follow the European placarding system whereby the ingredients are stamped in raised letters which can be seen in a fire. We know from statements made at the Mississauga incident that this was one of the problems incurred by the first people to reach the site. We should also ask about slower speeds for trains carrying dangerous goods, especially through densely populated areas where there are so many switches and junctions. Surely we must explore the cycling problem of tank cars in these trains if they are running at slower speeds.

The next question is, why not more interchange of traffic between rail companies which might avoid routes going through developed areas of communities. Why are there no specific requirements involved in inspecting car equipment carrying hazardous products, bearings, wheels, etc.? Another question is why do we not expand the solid consist train concept to more trains. I believe that it was stated in committee that right now sulphuric acid is one of the few products handled in that manner. What are the possibilities of rerouting the movement of these commodities, as the minister indicated in answer to one of the questions posed to him during question period?

There is also the possibility of computerizing and installing centrex phone numbers so that municipalities will know what is going through their areas. Obviously there are many questions which must be asked during the committee hearings. I was happy to hear the minister announce that the CTC has taken some interim steps. We have advocated through exchanges in this House that if the CTC was not willing to accept the responsibility for this matter, the minister should invoke the discretionary power which he has. For example, part IV of the National Transportation Act gives the minister the power to rescind a regulation and place a new order if the CTC has not acted to his satisfaction. I realize the technical difficulties involved, but surely, considering the incident in Mississauga, and with the CTC inquiry under way, some interim action is necessary. Of course, we heard earlier tonight that part of that action was enacted by the CTC this afternoon.

We would like the minister to take a look at other areas of interim action. He does not have to wait for this legislation to be passed. He does not have to wait for the inquiry, and the minister has said that one of the first things we must do is ensure that necessary steps were taken to prevent the recurrence of such an accident.

The following are some of the things that the minister could put into effect under his own discretionary power. He could hire some CTC inspectors and not proceed with the Treasury Board order to reduce the staff by 100. He could ensure that no train will carry both explosive materials and toxic gases, but this was already resolved earlier tonight. Another thing the minister could do is to have combustible goods and poisons taken off the train at the first available terminal at the final point of destination where it would be handled by a yard engine which operates at much lower speed.

The minister could also use his power to put into effect regulations ensuring that the engineer as well as the conductor is made aware of any cars which he lifts that contain toxic or combustible products. For these special cars a colour-coded waybill could be used. A regulation slowing down trains

carrying toxic gases and explosive materials in major urban centres where there are so many junctions and switches could be put into effect. The hon. member for Winnipeg-Fort Garry (Mr. Axworthy) mentioned several weeks ago a situation in downtown Winnipeg. If I am not mistaken, an hon. member from the Vancouver area also expressed his concern in this regard for that major metropolitan centre.

Another possibility is reclassifying chlorine as a poisonous gas, and propane and butane as explosives. This could be done right now by the minister. What about the classification of PCBs? I could not even find them mentioned in the red book on regulations. One other item I mentioned a few minutes ago was the elimination of the requirement that a CTC inspector must spend five years as a railroad official before becoming an inspector. I am sure that the minister would agree with me that my colleague, the hon. member for London East (Mr. Turner), who has probably been over the last 11 years the most eloquent spokesman for rail safety in this country, would make an excellent CTC inspector, but under the present regulations he does not even qualify.

I would like to congratulate the minister on bringing this bill to the House at this particular time. I think that it is most opportune and should not be thought of as being cynical because of the Mississauga situation, because right now rail safety is in the minds of all Canadians. We, as parliamentarians, must take advantage of this opportunity and have a full discussion with not only the industry and the provinces, but with the public and many interested individuals such as the professor from Carleton University and the group Transport 2000, who have long voiced very strong concerns about rail safety in this country.

Several of my colleagues, such as the hon. member for London East, and the hon. member for Windsor West (Mr. Gray), who has spent two or three years discussing this particular issue in his municipality, would like to participate in this debate, but because of our interest, concern and wish to get this bill into committee, they have passed up this opportunity in the House. However, we will see them during the committee hearings.

● (2040)

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I too would like to add my approval of the fact that this bill has come before the House too soon. I begin my remarks on the bill by reminding the House that accidents involving dangerous goods are not a new occurrence. All of us have heard of, and I am sure some will remember, the explosion in Halifax harbour during a previous war. An entire city was devastated, hundreds of people were killed, and millions of dollars worth of property was destroyed, all because the urgency and uncertainty of the day prevented proper safeguards for the movement of hazardous substances.

The war is long over but cities across Canada are threatened by potential disasters involving toxic, corrosive, explosive, radioactive and combustible substances. The increased consumption of synthetic goods which are made from hazardous substances has increased the frequency and severity of transportation accidents involving dangerous goods. In 1977 alone, Canadian railways carried 1,295,062 tons of sulphuric acid, 89,807 tons of explosives, 46,891 tons of sodium hydroxide, and 47,419 tons of other types of inorganic chemicals.

Public policy has not kept pace with the increased volumes of hazardous goods being transported. Clearly, legislation is required. The government indicated, prior to the Mississauga derailment, that it intended to bring in legislation pertaining to the transportation of such goods. In fact I asked a question on October 12 of this year, and the answer to my question as to when the legislation would be coming forward was, "soon". I take it for granted that the intentions of the government with regard to bringing this legislation forward were genuine and I have no cynicism as to whether they would have brought in this legislation in the absence of the event at Mississauga.

Legislation several years ago may have prevented the catastrophe at Mississauga, and for the absence of such legislation we have the former Liberal government to blame. While the legislation proposed in Bill C-25 does not provide the details that would prevent future spills such as the one at Mississauga, regulations could and should, and we expect will, be published subsequent to the passage of this bill, that will prevent dangerous combinations of cars on the same train, and require proper identification and classification of substances.

With regard to the order today by the Canadian Transport Commission concerning a space of five cars between toxic and inflammable gases, there are many derailments in which trains pile up like an accordion. It is not inconceivable that we could still have a car loaded with toxic substances landing on top of a car filled with a flammable substance.

As we know, and as I said before, the Liberals introduced a dangerous goods bill some time ago. I would like to point out some of the ways in which this bill appears to be an improvement. For example, in this bill there seems to be fewer excuses for those who must pay for the costs borne by the taxpayers for emergency measures. The commitment to federal action in the absence of provincial agreement after a period of 12 months is an improvement. The fact that the minister may make orders respecting handling and transportation of dangerous goods pending the report of an inquiry appears to be an improvement.

There are other problems, however, which I will not go into at this time, except for one I feel obliged to mention. That is the deletion of protection of the environment, something the hon. member for Stormont-Dundas (Mr. Lumley) did not mention, as reason to take emergency measures, seize dangerous goods, or conduct an inquiry.

I find it worthy of some reflection that environment has been removed from the list of health, life and property in the previous bill. Environment is a form of common property and should have been left in the bill as a concern pertaining to the transportation of dangerous goods. However, I leave these and other detailed comments until the bill is before committee. We certainly have no problem with the bill being sent to commit-

tee as soon as possible where, hopefully, many worth-while improvements can be made.

Apart from this legislation is the fact that existing rules and regulations, although inadequate, are not being enforced. The Railway Act gives the Canadian Transport Commission power to prescribe regulations of safety for the transportation by rail of dangerous products. The CTC is charged with responsibility to ensure the best possible safety of railways, regardless of whether dangerous goods are on board or not. The CTC has not been able to carry out that duty, partly because of this government's and the previous Liberal government's mindless restraint program.

Edgar Benson, president of the Canadian Transport Commission, testified before the House of Commons transport committee that their budget prevented them from hiring enough safety inspectors. I quote:

> The people we have I think do a pretty good job based on the numbers we have spread across the country, which I think is something like 78, which bothers me. It probably should be 178 instead of 78.

Mr. John Magee, commissioner of the CTC, further testified at a later committee meeting that Treasury Board was asking the CTC to reduce its staff even further:

> —the man-year allotment of the railway transport committee in 1977-78 was 260 persons. This was reduced in 1978-79 to 246 persons. It was reduced for 1979-80 to 239 persons. And we now have a directive from the Treasury Board within the past week to cut 100 persons of the staff of the Canadian Transport Commission. Incidentally, the reduction in the staff of the RTC out of the 100 will be from 239 to 225.

We do not need an inquiry to tell us that the budget cutbacks must be lifted and the CTC must be permitted to expand its staff of railway inspectors, now.

The action today is a partial recognition of the fact that something can be done previous to the outcome of the inquiry and passage of this legislation. There are certainly more actions that could be taken, many of which were ably listed by the hon. member for Stormont-Dundas as interim measures.

If we, as parliamentarians, move to pass this legislation, to increase our responsibility as legislators, and if the government lives up to its responsibility by revoking the cutbacks, and increasing the budget of the CTC, surely we should expect some improvement in the performance of the carriers themselves.

The railway companies in this country are chartered to provide a service to the public of Canada. One of those companies, CN, is owned by the people of Canada, and there is no question that it should be responsible for the safety of the public. The other company, the Canadian Pacific, which has been paid for several times over by the taxpayer through land grants, cash grants, ongoing subsidies and the deferral of $679 million in taxes owing, has a responsibility as well. But what have the railways done? Between 1957 and 1977 they laid off 31,000 road and equipment maintenance employees, a policy which directly affected safety.

More particularly, let us look at the CPR. In 1978 the company spent 35.6 per cent of its revenue on maintenance. In 1936, at the height of the depression with low traffic and profits, the CPR spent just as much—34 per cent of revenues.

The CPR did not have hot box detectors on the heavily travelled portion of rail line through Mississauga. Now it is telling the people of Mississauga that if they wish to receive compensation for their very pressing and immediate needs caused by evacuation, they must give up their right of action for further compensation. Mr. Speaker, blackmail by any other criminal would not be permitted in this society. Why should the people of Canada, who paid for the CPR in the first place, put up with this treatment?

While improving railway safety and federal legislation can reduce accidents involving dangerous goods, it cannot eliminate them. Realization that there is a threshold above which accidents involving dangerous goods cannot be reduced has prompted discussion of the whole question of our dependence upon non-renewable materials. Our traditional sources of fibres and household goods such as leather, cotton and wood, which were labour intensive, have been replaced by synthetic goods and fibres which are extracted from non-renewable hazardous substances or which require dangerous chemicals for their manufacture. Like the energy crisis, the dangerous products crisis cannot be approached in practical terms alone but must also be seen as a crisis of lifestyle and of the technology we employ.

We depend too greatly on synthetic materials and on non-renewable resources, for our way of life, both of which are often dangerous, even when not in transit. Only by reducing our dependence on such substances in the first place will we actually approach a satisfactory solution. Too often a technological solution to a technological problem misses the real problem. We shall see.

Mr. Speaker, we look forward to the day when the intention of this bill is fulfilled by the development of the regulations it proposes to set up. The true measure of this bill's worth will be tested not here in Parliament but in the field where the adequacy or otherwise of the regulations eventually developed will, in time, be revealed. We shall expect to have a clear idea of what those regulations are to be before we extend our present co-operative mood through to royal assent to this bill. In a speech made earlier in this House the Minister of Transport complained that the previous government did not consult sufficiently with industry. We should be watching to see that consultation with industry does not mean accommodation to industry. In this connection we can only watch the regulations.

We look forward to working in committee, determining an approach which would ensure, as far as possible, the safe transport of goods within Canada.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I do not wish to extend unduly this debate because I agreed with the government House leader to—

An hon. Member: Oh, oh!

Mr. Lambert (Bellechasse): Oh, oh! It is quite normal for government House leaders to communicate with one another; it is always done in a democratic Parliament and especially when it is honestly done, it is a fine custom which will enable us not to do as the previous government did—introduce a bill and leave it to die on the order paper. We now have the evidence. On November 9, 1978, the Canadian government, which was then led by the Liberals, introduced Bill C-17 to promote public safety and the protection of the environment in the transportation of dangerous goods. This bill was never passed by the House even though it was discussed in February, 1979. It cannot be said that hon. members did not agree at that time because when we reread *Hansard* we realize that they were ready to pass that bill. Therefore, I do not know why the government did not present it once again to have it passed before the dissolution of the last session of the Thirtieth Parliament.

In any event, Mr. Speaker, a number of mishaps have occurred since then. The catastrophe in Mississauga was of such a nature as to give us abundant food for thought. Made even more aware of the situation, the government has introduced Bill C-25 which we are looking into just now; although not perfect, this bill will make it mandatory for public transporters to operate more carefully and to warn the people who manoeuvre the cars about the dangerous goods they are transporting.

This bill, Mr. Speaker, will not remedy the unfortunate events which have occurred in the past. That is clear. But it will prevent similar events in the future. To administer is to foresee. On the basis of the provisions of this bill, it is to be hoped at least that the safety of the public will be better preserved and travellers better informed about the goods being transported. Moreover, the railway workers who manoeuvre the cars will probably be more careful, in order to protect not only the people but also the property of the community.

Mr. Speaker, passing a bill is not the end of it; it then has to be enacted, the act must be made known and applied. I have always regretted and I still regret the fact that once a bill becomes law it falls into the hands of the officials who are responsible for applying it. We then come to the stage of drafting the regulations which govern the application of the act.

I have often had to review specific cases pertaining to the implementation of an act and noted in the process that the regulations did not at all follow through on my intentions as a legislator. The rules and regulations did not follow the same train of thought as those I had hoped would apply in the application of the act. That is why I have always felt that the time has now come, when we reform our parliamentary procedure, to deal seriously with that problem, namely that once the regulations have been drafted, before they are sanctioned by order in council, they should go to a committee of the House where they could be reviewed to see whether they truly reflect what the legislators, hon. members, had in mind, when they are applied.

Mr. Speaker, I feel it would be wise to do so; we would thus protect not only the users and those who apply the law but also the public generally, because the act would be publicized through the media, be it radio, television or the newspapers, to ensure that the public is made aware of both its obligations and its rights. Bill C-25 would, to my mind, give us a splendid opportunity for doing so. We would then know that this bill was passed, not only for the pleasure of doing so and showing that we want to give the people some measure of protection, but also to make sure it is really efficient.

I think if that were the case we would be acting as responsible people and the law would be applied as best as humanly possible. Of course there may be mishaps along the way. Nothing is perfect. I know that, but our responsibilities as parliamentarians, as law makers, is to strive as much as possible for perfection in drafting our laws and to ask our officials, who are responsible for the application of the legislation, to do their best so as to ensure the greatest protection possible and to achieve the aims of this bill.

I wanted to take this opportunity to say that my colleagues and I support this piece of legislation and, as I have said, we want it to be well applied when it does indeed come into force.

● (2100)

[*English*]

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, I thank the minister for introducing this bill, and I welcome the opportunity to express our position, and to comment on it very briefly.

Our concern on this side of the House has to do with the fact that any direct reference to the environment in the title and in the text of the bill has been omitted. If the minister will take a moment to compare the old Bill C-17 in its previous incarnation, he will notice that it was entitled "An act to promote public safety and the protection of the environment in the transportation of dangerous goods". The bill before us today, Bill C-25, the Progressive Conservative version, is entitled "An act to promote public safety in the transportation of dangerous goods". The word "environment" has been dropped from the title, and it has been dropped from the text of the bill.

It is true that the descriptive part of the bill gives adequate emphasis to the environment in so-called class 9 of the schedule, but the operative part of the bill does not. For example, when it comes to the powers of the inspector to seize, remove, or forfeit dangerous goods, the duties to report and to take reasonable emergency measures, and the power to conduct inquiries, no mention is made of the environment. Why is that?

Clause 14(1) of the present proposed bill gives the inspector powers of seizure, removal and forfeiture of dangerous goods in order to prevent or reduce any serious and imminent danger to life, health and property. Why is there no reference to the environment as there was in Bill C-17, clause 11?

The same thing applies to the clause on accidents and incidents where damage or danger to life, health or property is considered. Why is the environment not included here as it was in clause 13(1) of Bill C-17?

Why is there no reference to the environment in clause 16(2) of this bill, which concerns the duty to take reasonable emergency measures to repair or remedy any condition or reduce or mitigate any damage to or destruction of life, health and property?

Why is there no reference to the environment in clause 19(1) of this bill, which gives the Minister of Transport the power to direct an inquiry into an accident or incident involving dangerous goods which has resulted in death or injury to any person, or danger to health or safety of the public, or damage to property?

Clause 16(1) of the previous bill, Bill C-17, gave the minister the power to direct an inquiry into an accident or incident which results, and I quote: "in death, or in damage or in danger to life, health, property or the environment". This wording in the preceding bill is more comprehensive, and I submit to the minister that it broadens the scope of the bill. It is a better approach.

Let us consider an accident involving dangerous goods which might occur in an area where there was no death or direct injury to any person or danger to the health or safety of the public or damage to property, but which could seriously damage the environment. There could be a situation like that in this very large country where a variety of situations may occur.

We on this side of the House question the necessity of clause 6(4), which provides that no proceedings by way of summary conviction may be instituted after two years from the day the offence was committed. Why the time limit? Would an offender not be responsible for long-term damage caused, for example, by chlorine gas?

With regard to other matters, we would like to express the hope that regulations will take into consideration the danger posed by railway cars carrying a variety of chemicals which, in combination, could be disastrous, and we ask whether regulations will be drafted in a way which will require that such chemicals be effectively separated while travelling in the same convoy.

Another point of concern which perhaps goes beyond the scope of this bill but which nevertheless needs to be mentioned in this debate, is that there is no provision for unguarded railway crossings along routes taken by trains carrying dangerous goods. We welcome the opportunity to register this point with the Minister of Transport (Mr. Mazankowski). We also urge him, besides looking into the matter of unguarded railway crossings, to ensure that there will be regulations which require trains carrying dangerous goods to bypass urban areas, where tracks are available or where there is a system which is available but which perhaps needs to be modernized or upgraded. And in the longer term, of course—and we realize the expense that is involved here—we urge that a policy of railway relocations be considered where alternative routes are not available.

We are concerned really about the omission of references to the environment as a matter of principle. Whenever we move goods which are potentially damaging to the environment, it becomes crucial for governments to take a leading role in the protection of the environment in the broadest sense of the word, and by omitting any reference to it in the text of this bill and even in its title, the environment becomes relegated to the last page of the bill, just in the schedule. That is where it is found, and yet we thought we were looking at a total picture and that we were concerned about life, health, property, the environment, everything, not one to the exclusion of the other, which prompts me to ask where the Minister of the Environment (Mr. Fraser) was when this bill went through cabinet. Was he consulted?

Mr. Mazankowski: Yes.

Mr. Caccia: Did he have any input in this?

Mr. Mazankowski: Yes.

Mr. Caccia: What did he say to justify the omission—virtually the deletion—of this word from the present bill? Why was the word "environment" dropped? Was there any fear of encroaching on provincial responsibilities? Did Ontario raise a fuss?

Mr. Kempling: No.

Mr. Caccia: Did Ontario say that perhaps it would be inadmissible—

Mr. Kempling: No.

Mr. Caccia: —that Ottawa should have in a federal bill any reference to the word "environment"?

Mr. Kempling: No.

Mr. Caccia: Were you in cabinet?

Mr. Kempling: Yes.

Mr. Caccia: How do you know?

Mr. Kempling: They told me.

Mr. Caccia: Of course. I should know that the whip of the government party is a person who knows everything, by definition.

Mr. Kempling: That's right.

Mr. Caccia: We are wondering about the clout of the Minister of the Environment in relation to this bill. There is a very serious shortcoming, and we would like to register these thoughts with the Minister of Transport. We know he is concerned about the environment, and we hope that in committee there will be an opportunity to redress this omission and to bring into focus again and into the centre of consideration

of this bill—as he has already done with other parts, namely, health, property, and all the other elements which come under consideration—the environment, which belongs at the centre of our attention.

• (2110)

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to say a few words on this bill. I had been interested in the previous bill to this one when it was going through the House because of a number of complaints that were being made in northern Ontario regarding the movement from Manitoba to the town of Cobalt, in Ontario, of a large quantity of arsenic ore. At that time the argument was made by the then government that if the Hazardous Products Act had been passed, something could be done about the problem. There were numerous complaints in northern Ontario about the transportation of that arsenic ore, because it is a fairly lethal substance, and a sufficient amount was being moved to endanger most of the communities through which that product was moved if an accident were to occur.

I studied the act and I found at that time that it did not do a damn thing to solve the problems we were encountering and that it would not really make any difference whether or not the act was passed because so many agencies were involved, as well as three governments and the environmental people in those governments. Thus passage of the act would mean nothing at all.

It was for that reason that I was hopeful that when Bill C-25 was introduced in the House, the minister would look not only at the problem with which we had been faced recently in Mississauga where all the potential of a major disaster existed and only good luck and considerably good management had enabled the people in the area to escape death or injury, but would look at the total problem of the transportation of hazardous goods.

In my view, as I read this bill, I do not think it will do anything to solve that whole problem. Hon. members have mentioned what we should be doing. The minister should be looking at some emergency legislation which would require proper spacing of cars, something which the CTC has done now. I presume the minister has twisted their arms because they did not appear to be the least bit interested in doing that a couple of days ago when they were before the standing committee. At that time they said it would cost too much. If the minister did twist their arms, I hope he will keep on twisting it because this is the only way in which we will get any action from them.

This legislation should contain a requirement that hazardous products be marked, that the cars, the trucks and the containers, no matter whether they are on piggy-back, on the highway, in the marine service, or in whatever form, or mode of transportation is being used, be clearly marked so that people would know exactly what is being transported in the container and what to do about it in case of an accident. It is all well and good to know that a car has gone off the track. It may have oil in it, it may have gas in it, it may have propane in it, or any other chemical that might be highly toxic, highly dangerous or highly explosive.

Also, it seems to me that the designation we put on the cars, trucks or containers in which dangerous and hazardous products are moved should be internationally recognized. We are moving Canadian cars into the United States and the United States is moving its cars with such products into Canada, and in that interchange it would not be wise if Ontario marked propane with a red circle, New York state marked it with a blue square, Manitoba used another designation, and so on. Surely we should arrive at some internationally recognized designation of such products. Yet it is stated in the bill that the designation will not be an international designation but that we are merely going to enforce some safety markings of these products.

I think it is absolutely essential that people know exactly what kind of product is being transported. I understand that in Mississauga officials who were present at the time of the accident were told first that PCBs were being transported. Then they were told that it was chlorine, and finally it turned out to be another substance. I think it makes a great deal of difference what kind of product is in a car when choosing the correct method of control in case of an accident. Yet this is not what this legislation specifies.

The minister has inherited this act from the Liberals. If they put environmental provisions in there, I do not think it was intentional because they did not really intend to pass the bill. At first it was kicked around in the early 1970s, and then it was reintroduced in 1978. Now in 1979 the minister is introducing the same act or a similar act. Frankly, I think that every time the government talks to industry, the legislation is watered down some more, to the point that we might as well throw it all out.

I urge the minister, who is very knowledgeable and certainly very concerned with this, to look at some of the recommendations that will be made by the committee members. He should be willing to amend this bill. This is not his bill. It is one he purloined from the previous government, and I presume he would not be averse to improving it. I believe that the small improvements he has made are bad ones.

The previous speaker mentioned the two-year provision. I do not see any reason why it should not be possible to go beyond two years. I remember a particular accident which had occurred in the rural town of Gogama. A certain substance was dumped in that community and no one was told what it was. It polluted the wells. It was agreed that the wells were poisoned and that no one was to drink water from them. On one side of the street there might have been four houses to which fresh water was supplied, but the fifth house might not have obtained fresh water and another street might have been missed altogether. They never told many of the people what the poisonous chemical was. Last year some officials came along and told the people in that community that all the poison had dissipated, that there was no more poisonous chemical in the water, and that people could go back to using their own source of water.

I am sure the minister will be able to make a number of improvements to this bill and I am sure members will be interested in making them. I would like to make one last plea. The movement of hazardous goods by way of rail transportation is the responsibility of the federal government. But one of these days there is going to be an accident on the highway which might involve the same kind of chemical as was involved in Mississauga, under similar circumstances. Will we say, in setting up a hazardous products act, that it is the responsibility of the provinces; if a truck is not going from one province to another in interprovincial trade, it will be provincial responsibility?

● (2120)

It would seem to me that the federal government will have to assume the responsibility for the standards, the symbols or the marks on the containers which indicate what the product is. We will have to assume some responsibility for the jurisdiction which is partly shared by the provinces. It would be wise to give consideration to a hazardous products act on the highways, no matter whether they are interprovincial or totally within the provincial field. Surely to God we are trying to protect the general public. The problem on highways will be about as strong as it is in the field of railway transportation.

I would like to think the committee will make a decision for the upgrading of railway cars using the type of journals which overheat. We have been able to overcome that problem with bearings which run on oil. The other type of bearings are obsolete. It seems to me on cars which will carry dangerous products that we should insist on the new, up to date, much safer type of bearings than we are using on the other cars. It is all right to say that we will instal hot boxes. That will be an advantage, but the problem will not be eliminated until we get around to putting in oil bearings which are not subject to the same heat condition as the old friction bearings were.

I should like the minister to give some consideration to giving the committee the regulations before we pass this bill. Frankly, I do not think the bill is of any value unless there are regulations which enforce it. I am aware that we are not able to put on enough inspectors, to have an inspector travelling on every train. We will not be able to have inspectors sitting there nursing the industry. The fines will have to be high enough for infractions that it will be necessary for them to do some of the policing themselves. I suggest the committee should be entitled to the regulations.

When the minister considers the regulations, how about considering referring the red book on regulations, on which we are now operating, to the committee? I imagine there are regulations which governed members of Parliament who used to take their horses with them when they travelled on trains. That is probably still in the regulations, but I imagine it is so archaic that it does not have any relationship to modern transportation on an efficient railway system. Regulations are absolutely essential to any decision made by members as to whether they believe this bill will serve the needs of today. Those regulations must be brought to the attention of the committee before the bill receives third reading.

[Mr. Peters.]

Mr. Gordon Taylor (Bow River): Mr. Speaker, in dealing with the principle of this bill, I should like to touch on just three points. The first one is that perhaps the word "prevention" deals with every one of those points. It does not matter what is done, because the best way to handle the situation is to prevent such things from ever happening. I think we have spent too much time on regulations and considerations without touching the real cause of many of these accidents.

First I should like to deal with the matter of equipment. The last speaker mentioned that trucks should be considered. For many years truck companies have been required to mark on their vehicles if they are carrying dangerous or explosive materials. This requirement by the provinces has been in existence for quite a number of years. For many years trucks have undergone inspections to make sure that the vehicles are in roadworthy condition. It seems strange that the railways have not kept pace with what provincial governments have required the trucking companies to do. I should like to deal with that particular point because it is very, very important.

If one looks at the routes through a city, trucks are not permitted to go wherever they wish. Even though it costs the trucking companies additional money and it is inconvenient for the drivers, trucks must follow certain routes when they carry explosives. But that is not the case in connection with the railways. Again there has been some carelessness in regard to tackling this problem on the railroads that has not been evident when it comes to the provincial governments in the ten provinces of this country.

In regard to train equipment, I will not deal with every type of equipment. The alleged claim is that the accident at Mississauga happened because of the hot box or the overheating of bearings literally burning a set of wheels from the car. In the case of Mississauga that is exactly what happened. They found a pair of wheels 1.5 miles from the spot where the derailed cars spilled and burned. It has been said that the hot box problem was mainly caused by old-fashioned brass wheel bearings, that all new tank cars must have roller bearings, but that if they had to be installed on all freight cars, it would be an immense expense. When one talks about expense, one cannot value human life in dollar bills. This has been the claim of the railways for a long time.

I realize there is a limit to what the railways can do, but if their competitors, the truckers, were required to mark their vehicles and keep them in a roadworthy condition, why have we been so lax in ensuring that boxcars carrying dangerous goods are marked? That was mentioned by the previous hon. member a few moments ago. We have made strides in this particular area in every other field. People are not permitted to put poisonous substances in bottles without labelling them. Yet here we have the same thing in larger and more dangerous quantities, and we have never required them to be labelled. Consequently we have the situation which exists in this particular case.

The safety conference in 1971 found that 60 per cent of Canadian train derailments were caused by the hot box. This was in 1971, eight years ago. If we are even to begin to solve the problem and prevent a terrible tragedy and catastrophe from happening in the future, we will have to take a look at some of the causes of accidents. Certainly equipment is one of the causes. In 1977 or early 1978 there was an event similar to the one at Mississauga near the town of Stirling in southern Alberta. At that time I, along with many other people, made representations to the Canadian Transport Commission to do something to ensure that this would not happen again. The railway was lucky that nobody was killed, just as it was lucky in Mississauga that nobody was killed. One of these days there will be a tragedy and the railways will not be so lucky. The cost will be enormous in dollars, and even then they cannot pay for human life or the destruction of part of the human body.

● (2130)

I am not even asking that the railways be required to move every line out of every populated area, but when a railway is rebuilding or replacing a line and there is an alternative route to the one going through a hamlet, a village, a town or a city, then there is no excuse whatsoever for putting that line right back where it is in a dangerous zone.

We have come a long way in respect of corridors for highways, power and gas lines. I do not think we have gone far enough. We should be extending these corridors so these utility lines do not have to cut over every farmer's yard. We do not have to endanger every human being in our large settled areas because of the movement of explosives. We realize that trains and trucks have to carry explosives because that is the only way of getting them from one place to another. I emphasize again that, when a line is being replaced, the Canadian Transport Commission should not permit the railway to put that line right back where it is going to be a danger should this type of thing happen in a particular settlement. This has not been the attitude of the Canadian Transport Commission and it was not the attitude of the minister in the previous government.

The other day I asked the minister to look over the record of what has happened at Lake Louise. There were three possible routes, one of which was right through the village of Lake Louise where, in the summertime, there are thousands of people. People live in this village all year around. There was an alternative, but it would have been more expensive. It would have destroyed more of the environment. That alternative was not selected. I hope the railway will be lucky and there will never be a tragedy in that village of Lake Louise. If there ever is, it will not be an inexpensive accident equivalent to the difference in cost of putting that rail line in the corridor that was advocated as compared to the floor of that very narrow valley. If such an accident occurs, I am sure the CPR will realize it has made a mistake.

When we made representations to the Canadian Transport Commission advocating that it not permit the railway to put this line right through the heart of Lake Louise, they just laughed us off. We received consideration, but their answer was no. They agreed with the railway. If we are to have that type of procedure, then all these regulations will not help very much. If these accidents occur in built-up areas people will be injured. It has been sheer luck that people have not been killed and injured, and subjected to the suffering that results from the escape of some of these gases.

I made an appeal to the minister in the Liberal government, outlining a program with which he agreed to some extent, but he said he would not interfere. I suggest he would have had to interfere if there had been an explosion and people were killed at Mississauga. The members of this government expected our Minister of Transport (Mr. Mazankowski) to interfere, and properly so, if the lives of people were at stake, but the minister in the last government would not interfere. Consequently that project to which I have referred has now advanced too far. Thousands of dollars have been spent.

One of the things that amazed me and to which I objected was the fact that even before the Canadian Transport Commission gave its decision on the appeal, the railway had started to build this line. This is disgraceful, but that is what happened and I challenge anyone to produce evidence that this is not so.

How many other places exist where lines are being rebuilt in areas where they represent a danger to life and limb? I suggest that prevention is better than any cure, and prevention is better than any act. We should be making sure that we are carrying out this type of prevention in every way possible.

I know it would be impossible to check every particular item of every boxcar on the line, but surely it is not too much to expect that there will be a general inspection periodically. Provincial governments require truckers to carry out inspections. Truckers cannot operate year after year without checking their vehicles. They must spend money to keep their vehicles roadworthy. This money is added into the cost of operation. As a result there are very few truck accidents. The truckers respect these regulations and live up to their requirements.

I want to also deal specifically with the regulations. If regulations are not set out specifically, with every "i" dotted and every "t" crossed, there will be ways found to get around them. We must take all the precautions necessary because, in the event of another accident, we may not be as lucky. I am thankful we were so lucky in respect of the accident at Mississauga, and I am thankful we were so lucky in respect of the incident that occurred at Stirling. Many people could have been killed there. People were evacuated from that area, but because this was a small town the incident did not get national press coverage and a lot was not made of it. I should have thought, as I said to the CPR at that time, that this example would have been enough to persuade them to correct the situation to the greatest possible degree.

I commend the minister for bringing in this measure so quickly. I hope that at the committee hearings we will have a full discussion of individual items and will be able to put together an act that is as air tight as possible. In addition I hope the government, and the Canadian Transport Commis-

sion, will not permit the railways to put in lines where they are a danger to human life. We are not asking the railways to build complete lines, we are simply suggesting that when a line is being replaced it be relocated in an area where there will be less danger in the event of an explosion or a terrible accident.

Mr. Maurice Harquail (Restigouche): Mr. Speaker, I am delighted to have the opportunity to speak, albeit very briefly, this evening on Bill C-25 to promote public safety in the transportation of dangerous goods. I would hope that with our system it would not take an incident such as the ones referred to by previous speakers this evening, with the loss of life or the threat of loss, in order to have us, as parliamentarians, accept our responsibility to act. We should act now, without waiting for a disaster or a loss of life, and move toward bringing forward legislation such as we are considering this evening.

I, too, am satisfied that we will have an opportunity to question the minister and his officials on many other aspects of this important bill when we have completed second reading and the bill is before the committee.

I want to join with those other hon. members in congratulating the minister for moving as swiftly as he has in seeking the approval of his government to move in this direction.

I would not want to miss the opportunity to mention the fact that in addition to the Mississauga incident we faced a very serious situation in the province of New Brunswick. Very recently radioactive goods were being transported from Montreal, Quebec, to Saint John, New Brunswick, to the Le Preau project, and for a considerable period of time a package of raidoactive material was unaccounted for, or lost in shipment. After the Emergency Measures Organization and the staff of the RCMP had spent hours at great expense in an effort to locate this dangerous product, it was found in a warehouse.

● (2140)

On another occasion in Saint John, New Brunswick, which was equally as dangerous, a package containing radioactive material feel off the back of a truck. It took a considerable amount of time, manpower, and expense to locate that package. The fact that such a thing could happen certainly justifies the minister acting in the fashion that he has and carrying out his responsibilities in bringing forward Bill C-25. It is none too soon. We on this side are certainly anxious to complete debate on this issue so that it may come back to the House for report stage and third reading.

Mr. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I do not intend to prolong the debate, but I want to raise with the minister a caution about the nature of this legislation, and offer what I would hope is a suggestion that he would review and take into account. One of the things which we should prevent ourselves from doing with this legislation is assuming that it will solve the problem. The minister indicated that a lot of work and time went into this bill to arrive at the solution, but we must recognize that it is more a panacea than it is a solution.

Other hon. members, including the hon. member for Bow River (Mr. Taylor), have pointed out a far more serious concern, that is, that no matter how good the regulations, inspection and monitoring procedures are, there will still be a major movement of dangerous goods through high density residential areas right across Canada. As our industrial world grows, it seems to have enormous ability to proliferate toxic chemicals and their uses. We have a great capacity to develop poisonous ways for dealing with our world, and it concerns me that we often use these methods without looking at all the consequences of our actions.

I hope that the minister will use this bill as a way of examining a much more intensive difficulty, that of the major movement of all kinds of dangerous goods through major urban areas and our small towns in Canada. I wrote to the minister about the problem in the city of Winnipeg with regard to railway location. As the minister knows, this is a topic of major debate in our city because we have one of the world's largest railway marshalling yards in the downtown portion of the city. I raise this for the reason that the railroads have argued that the only time they will be prepared to move those railroads and yards is when the government is prepared to pay them for it. They are not prepared to contribute in any tangible way to the cost of such a move. In fact, the railroads had to be shown through a railway relocation program how it would be profitable for them to relocate their yards.

We now have very graphic and dramatic evidence that we cannot measure safety in terms of the profitability margins of the major railroads. I suggest to the minister that in looking at the relocation problem, which is really the only solution to this difficulty, it will require something more than what is available under the Railway Relocation and Crossing Act. It will require a substantial co-operative effort on the part of the municipalities, the federal and provincial governments and the railroads all equally contributing to what will be a very high capital cost.

Once this bill has gone through the House and the minister has provided his temporary solutions, his holding action, the next major step is to look at the major relocation of railway yards and railway lines throughout settled areas of Canada, to avoid these problems. That is not something which the government can do alone. The minister will have to use the leverage, influence and power of the government to bring the railroads into line to co-operate and change the formulas and equations by which the whole relocation process is being administered in this country. We have had the warning and we do not have much time. I hope that the warning will be taken up by the minister, not only through this bill but through subsequent action which will provide a major commitment to the relocation of railways in Canada.

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I would like to speak briefly on this matter as an ordinary citizen because I consider myself neither an expert in the technology of this particular problem, the transportation of dangerous goods, nor in a legal sense with regard to this legislation. However, I am beginning to conclude having stud-

ied some of the material relative to this question tonight, that I live in and represent a potential bomb in Vancouver East. I suppose the explosive situation in the port of Vancouver applies to other ports in Canada. I sympathize with the members on the other side who expressed equal concern for small communities across the country which experience dangerous situations that do not hit the national press. I also would concur with the last speaker, and to me it makes great sense that the solution to this problem in major urban centres is to relocate the potential danger spots outside densely populated areas.

With regard to Vancouver East, I am sure that my constituents would want to be assured that this bill is broad enough to take into account all modes of transportation. There is a convergence in Vancouver East of major railway lines from across Canada carrying explosive materials from other parts of the country. There is also a convergence of heavy trucks bringing in explosives and other such materials to our port. These transportation modes co-ordinate with airlines going over to Vancouver Island, and they, too, carry dangerous materials. These transportation modes also co-ordinate with both the ferry shipping industry and major deep sea shipping where goods are transferred from trucks and rail cars to the ships.

It seems to me that the nature of the problem we are talking about tonight is quadrupled in an area such as the port of Vancouver. It makes me shake a little, and I am sure that I will lose some sleep when I think about the topography and the fact that we are surrounded by mountains which will keep gases over the city should we have an accident. Most of our area is connected by bridges and waterways, and this is detrimental to evacuation. This concern is so great in Vancouver that the mayor and representatives from the Greater Vancouver Region have been holding meetings with regard to evacuation and safety measures which can be co-ordinated at their level.

Today I received a report from the CTC's dangerous commodity review committee. I will not go into it in detail tonight, but I can assure hon. members that there are about ten different trouble spots in and around the port of Vancouver. In places where the railways connect with the ships, there is no other solution, but through relocation. In September, 1978, we had a very serious scare in Vancouver East when a truck overturned at Main Street and Third Avenue. Liquid chlorine spewed out on the street and, the area had to be evacuated. There was no real evacuation procedure to follow, but fortunately there were people in charge who were levelheaded and moved quickly. Approximately 78 people went to hospital, and the whole area could have easily blown up were it not for the excellent preventive work of the fire department.

In the downtown area of Vancouver, behind the Holiday Inn, where many members have probably stayed while visiting Vancouver, there is another powder keg. Trucks and railways connect with CPR ferries there. A year ago there was an accident, but fortunately the cars involved were carrying wheat. It could have been explosives. Many cars carrying chlorine and liquid natural gas transfer their load to ferries at this point behind the Holiday Inn.

● (2150)

I refer the minister to an article in the Vancouver *Sun* which mentions *Yumahide Maru*, a floating bomb which regularly carries liquid petroleum gas through our port. It has carried 3 million barrels over the past 14 years without incident. However, you just have to read this article to know that any day there could be a major accident there.

The Vancouver *Sun* of November 15 states that overheated CP Rail axles which caused the Mississauga accident could happen again, very readily in downtown Vancouver.

I hope the minister and the committee will look in great detail at the dangers inherent in all these modes of transportation, particularly at the very serious situations in the ports of our country, especially the port of Vancouver.

Mr. Rod Murphy (Churchill): Mr. Speaker, I too will be brief. I realize the minister would like to say a few words in closing. I am very concerned about an aspect of this bill, an aspect that has been mentioned earlier. That is the operative clause concerning the protection of the environment which has been removed from the bill. Even the weak legislation proposed by the previous Liberal government included some protection for the environment. The new minister has taken away that protection. I worry that the consultative process he talks about with industry has already taken place and the minister has already succumbed to the wishes and directives of those who support the Conservative party and the Social Credit party.

In the whole area of environment, we need more protection, not less. In my constituency there is little chance of a tragedy occurring in a populated area. However, there are miles and miles of track passing through some beautiful environment, trees and lakes. People rely on the forest and fishing industries for their economic well-being. I wonder if this act and the regulations that will flow from it will give these people protection, as well as protecting the environment. I must admit that I do not feel we will have this protection under this act. We need legislation and regulations that will protect this country. We cannot afford to have something happen to us because at this time the minister does not want to introduce legislation to protect the environment. Instead, he is removing those clauses which would protect it.

Like an earlier speaker, I am wondering where the Minister of the Environment (Mr. Fraser) is this evening. His absence from this debate is very interesting. Obviously he should be here speaking about protecting the environment. Not only is he not here for this bill, he was not here to protect the Arctic when permission was given to allow the Arctic mine to go ahead without further study. He was not notified when a decision was made to allow Dome Petroleum to extend drilling in the north after the end of the regular season. That was not allowed last year, but is being allowed this year under the new

Minister of Indian Affairs and Northern Development (Mr. Epp).

Where is the Minister of the Environment when it comes time to protect the environment of this country?

Mr. Knowles: Running the Post Office.

Mr. Murphy: According to the hon. member for Winnipeg North Centre (Mr. Knowles), he is running the Post office. That is a big department. It brings up another problem. We have a Minister of the Environment, but he is too busy with other things to look after the environment of this country. It is unfortunate that the Prime Minister (Mr. Clark) does not have faith in those sitting on the back benches on his side. It is unfortunate that a number of ministers each have two major portfolios. As a result, the people and the environment are not protected. The veterans of this country are concerned that they do not have a minister in this House to protect them. As a result, we have to wonder what is happening.

Back to the legislation we are discussing—the Minister of the Environment is not here to speak on it. I wonder if the Minister of Transport (Mr. Mazankowski) consulted him. How concerned are the backbenchers in the Conservative party? The hon. member for Bow River (Mr. Taylor) had a concern on a number of issues ever since the dinosaur issue. That is the type of thing missing from this legislation. We need protective legislation, not weak legislation, to protect the interests of the environment in this country.

Mr. Deputy Speaker: Pursuant to Standing Order 37(2), I must inform hon. members that if the minister speaks at this time he will close the debate.

Mr. Kempling: On a point of order, Mr. Speaker, if necessary could we agree unanimously not to see the clock in order to allow the minister to finish his remarks?

Some hon. Members: Agreed.

Mr. Deputy Speaker: I see no problem. My interpretation of the order adopted yesterday for consideration of second reading of this bill was that later today all questions necessary will be disposed of. As far as I am concerned, today ends at midnight.

Mr. Mazankowski: Mr. Speaker, I thank you for that opening invitation. I can assure hon. members I will not take that long. At the outset I want to thank hon. members on both sides of the House for their contributions to this debate. In particular, I want to thank them for the conciliatory and co-operative attitude they displayed in dealing with this very important issue, and the forthright manner in which they expressed their views. I can assure them that their suggestions, views, and opinions advanced here will certainly be taken into consideration in the further stages of this bill.

The spokesman for the official opposition, the hon. member for Stormont-Dundas (Mr. Lumley), said he did not believe that the legislation was preventative in nature but rather it was post-accident, aimed at doing something after accidents occurred. I want to correct that impression. If he looks at the bill in more detail, he will find that the whole thrust of this legislation is aimed at prevention.

The procedures outlined in clause 4 of the bill are clearly preventative in nature. It covers all modes of transport. Some members suggested this bill only refers to rail transport. It does not. It covers all modes of transportation. The bill outlines procedures for the proper handling, transporting, packaging and labelling of dangerous goods. That should satisfy the question raised by the hon. member for Timiskaming (Mr. Peters). If he looks at clauses 4 and 5, he will see that is clearly provided for in the bill. It provides for all modes of transportation.

What this bill does is essentially establish a single legislative authority under which existing agencies, be they federal or provincial, can enforce with equal vigour a single set of regulations, safety standards, procedures and marks throughout the country covering all modes of transportation, covering all the handling and transportation of dangerous goods from coast to coast. That is the whole purpose and thrust of this bill. When we get into committee, members will see that is clearly evident.

The hon. member for Stormont-Dundas cited a number of recommendations and suggestions arising out of the Mississauga incident. He mentioned a number of corrective measures which he considered should be taken. I say to him in all sincerity that while many of those suggestions may seem obvious to him, the best thing for us to do at the present time, in my view, is to wait for the outcome of the inquiry.

● (2200)

The terms of reference which are in process of being prepared will be all-encompassing. We shall be able to look into all the contributing factors related to this derailment, and make recommendations to ensure that such incidents do not occur again. The inquiry will look at the adequacy of existing regulations, at the part played by federal law and the manner in which the regulations are enforced—whether practices and procedures are adequate, whether there are enough inspectors, whether the inspectors are properly trained, whether enforcement is satisfactory, and so on. I think we would be acting somewhat hastily if we sought to deal with this issue in an ad hoc fashion without having all the facts at our disposal. I hope the inquiry will be commenced shortly and that it will be able to report its findings in detail to the House and to the public within six months. So, while any obvious corrections which ought to be put in place will be put in place, I am sure that if we are to do justice to the broader picture it will be in our best interest to await the outcome of the investigation.

The hon. member talked about hot box detectors and the adequacy of the regulations. I know he advanced his views in a sincere fashion and I can assure him I share the concern he expressed.

The hon. member for Winnipeg-Birds Hill (Mr. Blaikie), the hon. member for Churchill (Mr. Murphy) alluded to the removal of the reference to protection of the environment. As I

said at the outset, this is a piece of legislation which requires the co-operation of both jurisdictions, and this was done to prevent conflict with the strong provincial legislation dealing with remedial powers. By establishing adequate transportation regulations over the identification of such products, their labelling, packaging and movement, these preventive measures should assist and complement the provincial powers in complying with environmental protection. Also, for what it is worth, the protection of the environment is automatically achieved when public safety is promoted.

To put it quite bluntly, although protection of the environment will often be a consequence of the provisions of the act or the regulations, the action we have taken was in response to questions raised at the provincial level as to the jurisdiction of the minister and of the federal government with regard to the environment. Reference, to the environment remains in the schedule in order to allow the department to include environmentally hazardous substances in the safety standards classification. This, we feel, would enable the environmental and transport agencies to assume complementary roles in achieving the ultimate objective of this bill.

The hon. member for Timiskaming (Mr. Peters) raised the question of whether this bill would apply to interprovincial trucking. The answer is yes. The legislation is enabling in nature, but there is also a provision whereby, if agreement between the federal and the provincial jurisdiction is not reached after consultation, the federal government, under clause 28, can invoke this measure so that interprovincial trucking is covered. As I said at the outset, the bill covers all modes of transport. That is the intent of the measure. I am sure that if the hon. member reads the relevant portion of the legislation he will find that both his concerns are adequately answered.

Finally, the question of the regulations was brought up by a number of members. They are quite correct. The regulations are the core of this legislation. I can assure all members that a lot of work has gone into their drafting—I believe two or three drafts have been compiled. They are very comprehensive in nature. For the information of the House I might mention that they cover about 1,200 pages in total; that includes a whole list of the chemicals, special packages, tank cars, truck designs and use and so on. While I want to co-operate with the committee in every way I can, I am not at all sure whether the members of the committee will be prepared to digest the contents of those hundreds of regulations adequately.

We have taken part in discussions with a number of provinces, municipalities and associations throughout the country, so the code which is being established has not been put forward in an environment of lack of consultation. There has been a high degree of input from all quarters. Hon. members have suggested that the legislation might have been watered down as a result of the degree of consultation which has taken place. I assure them, this is a case where the legislation is only as good as the degree of support it receives from the industry—we cannot have enforcement officers in every caboose or trailer truck so we have to promote the bill in an environment where we are working together as government, industry and carriers, to make sure that its ultimate objective is achieved. To be honest about this piece of legislation, I think it has received the co-operation and support of literally every segment of our society, including the provinces, the industry, and the carriers.

I wish to conclude by assuring the House that I will deal with this legislation in committee and in this chamber in the spirit of full and open co-operation for which I am known by most hon. members. I believe the debate tonight has been conducted at a very high level. It has not been partisan but constructive, and I assure you, Mr. Speaker, it will be in that spirit we shall proceed to the next stage because I believe all members share one common desire, that is, to develop the best possible legislation to provide for the safest possible transport of both passengers and goods. I thank all hon. members for their support and for their contributions to the debate.

Some hon. Members: Hear, hear!

Motion agreed to, bill read the second time and referred to the Standing Committee on Transport.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HEALTH AND WELFARE—VIVISECTION OF HUMAN FETUSES

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, page 1550 of *Hansard* records my question to the Acting Minister of National Health and Welfare regarding research reports which reveal that human fetuses from ten to 25 weeks' gestation were victims of vivisection in the Winnipeg Health Sciences Centre for purposes of scientific experimentation.

These reports appear in detail relevant to this debate on page 74 of the *Journal of Endocrinology and Metabolism*, 1973, Volume 37, on page 60 and following pages of the same journal, 1976, volume 42, and page 9 and following pages of the same journal. On November 22 I rose on a question of privilege and offered at that time to table these reports. I subsequently gave copies of them to the Minister of National Health and Welfare (Mr. Crombie).

● (2210)

Although the acting minister said, and I quote, "I think it is important that there be a full exposition of the facts of this matter," I fear, judging from his answer to me, that such an exposition will not be possible because the acting minister himself seemed unaware of the initial facts. Nor, in fact, did he even attempt to answer my first question, which was

whether or not such experiments are still being funded by the Medical Research Council of Canada.

In fact the reports raise several other vitally important questions, not the least of which is the reason why hysterotomy was chosen as the method of abortion, especially on babies of less than 12 weeks' gestation. Surely other methods would have been less traumatic for the women.

We are told that hospital laws state that abortions cannot be done after 20 weeks, yet these same research reports themselves specify, especially on page 614, that there were two babies well over 20 weeks' fetal age and probably more like 26 weeks of obstetrical age by estimating their crown rump length. These babies would certainly have been viable and might have had a chance of survival.

This raises another question. If some of these babies were big enough by both fetal age and/or crown rump length to survive, then were the proper resuscitation measures not indicated, or did the procedures subsequently carried out cause or hasten their deaths? As, by the procedure of hysterotomy, they had completely proceeded in a living state from the body of their mothers, were they not, under section 206 of the Criminal Code, human beings within the meaning of the Code and therefore to be protected by law? Could eight cubic centimetres of cardiac blood have been removed from a tiny heart unless that heart was still pumping? Many experts believe this to be highly, highly improbable.

We are told, furthermore, that each hysterotomy was performed because of gynecosocial indications on otherwise healthy pregnant women. Does the Criminal Code permit abortions for such reasons?

We are told that the mothers signed a general consent form stating that tissues removed would be subjected to a pathological examination. It appears they were not told that their babies would be subject to heart puncture and the removal of glands, including the pituitary, the adrenals, the ovaries or the testes, yet medical experts, including a fetologist and a neonatologist, tell us that some of the babies subjected to these operations would certainly have been viable and might have had a chance of survival. However, the actual operation of the removal of the adrenals and gonads would certainly have caused or hastened the deaths of these babies.

How, then, did these babies actually die? We know they were born alive because hysterotomy implies just that. The first report in particular mentions the fetal age of 25 weeks, and all three reports reveal that the tests were performed immediately—not immediately following death, but immediately following live delivery. When and how, then, did the babies die? Where are the death certificates required by the Manitoba Vital Statistics Act?

● (2215)

I believe this entire question is one of fundamental human rights. If a baby is born alive following an abortion, then all available medical treatment must be given to assist and sustain that life. Until these and all other questions are addressed, and until appropriate guidelines have been developed, I believe that a moratorium must be imposed on all scientific experimentation on human fetuses.

[Mrs. Appolloni.]

Mr. Stan Schellenberger (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I should like to refer to the question of the hon. member for York South-Weston (Mrs. Appolloni) concerning the vivisection of human fetuses, in particular to her reference to reports from the Winnipeg Health Sciences Centre.

I agree that this is indeed a very sensitive and important issue, and for this reason I would like to provide additional clarification with respect to the matter.

According to the Criminal Code of Canada, section 206:

> A child becomes a human being within the meaning of this act when it has completely proceeded, in a living state, from the body of its mother.
>
> A person commits homicide when he causes injury to a child before or during its birth as a result of which the child dies after becoming a human being.

Under section 215, abortions are permissible when, in the opinion of the members of a therapeutic abortion committee of an approved or accredited hospital, the continuation of the pregnancy would, or would be likely to, endanger the life or health of the woman.

The laws of Canada, therefore, protect the lives of individuals and of the fetus, while excluding certain instances under a controlled authorization such as a medical intervention in the case of an abortion.

In terms of general policy, the federal government does not regard abortion as an acceptable method of birth control. It does, however, recognize that unwanted conceptions may occur as a result of failure to use an effective method of contraception or any contraception at all. In these cases, there may be justification for therapeutic abortion, not because the pregnancy was not planned but because it may have given rise to conditions which, in the opinion of a therapeutic abortion committee, provide appropriate grounds for termination in accordance with the Criminal Code.

My colleague, the Secretary of State (Mr. MacDonald), has already provided substantial information concerning the context in which these studies were carried out, although all the direct questions that the hon. member has put tonight have not been answered, and as more information does become available the hon. member can rest assured that the minister will inform the hon. member and the House.

It now appears that the matter is being handled in the most appropriate manner, that is, it is being considered by the attorney general of the province of Manitoba.

[*Translation*]

AGRICULTURE—INQUIRY WHETHER MINISTER RECEIVED REPRESENTATIONS FROM QUEBEC FOR REDUCTION IN POULTRY IMPORTS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, on November 9 last, several hundred poultry producers from Ontario and Quebec marched on Parliament Hill to protest

against the Canada-U.S. agreement providing for an increase in chicken imports from the United States. On November 20 I put a question to the Minister of Agriculture (Mr. Wise) but his answer did not seem to satisfy producers entirely, since according to a telegram we received on November 23, the Quebec Poultry Producers' Union is again protesting against this agreement which is far from satisfactory, despite what the Minister of Agriculture may say.

To show that the agreement is really not satisfactory, let me draw attention to the fact that in the early seventies chicken imports from the United States were approximately 7 million pounds a year. In 1974, they reached over 11 million pounds, in 1975, 20 million and in 1976, 52 million pounds. During those years, Mr. Speaker, producers succeeded in promoting a marketing system for their products, the cost-sharing provincial programs that logically led to the establishment of a national board in charge of them all completing the provincial organization for the orderly marketing of a farm product through interventions on the interprovincial and international markets.

● (2220)

However, Bill C-176, allowing the establishment of national marketing boards, was used for the production of poultry and a national chicken board exists since the end of 1978. Setting up all those agencies was not an easy task, I remember it well, but the aims spurred us on. It was encouraging to see the producers get organized and use this act that had been passed by Parliament. The Canadian producers adjusted their production to the demand, assigned shares of the market to the provinces according to criteria agreed to by all provinces. This restriction of production had the advantage of making the sale of products secure and costs more equitable and stable.

According to Bill C-176 the volume of annual imports must be representative of traditional imports. So, the average should have been between 25 and 30 million pounds, all classes, fresh or cooked. The unilateral decision of the federal government will have very serious economic consequences on the farming industry in Quebec. Large poultry production and slaughtering facilities, particularly in Quebec, whose investments in each area exceed $100 million, will lose a good part of their efficiency. With respect to the marked effect on prices, in my opinion and in that of the producers themselves, an import volume of that order will reduce producer prices by 15 to 20 per cent and will have an impact on the up and down ends of that production. The fact that producers will have to reduce production in Quebec to avoid unnecessary production surpluses will result in fewer food sales, less slaughtering, less distribution, consequently less manpower, hence more unemployment.

The decision of the federal government is based on the import volume of the last two or three years. On the one part, producers would quota their production, and on the other part, brokers seeing the import quotas coming did everything they could to increase their volume.

Mr. Speaker, that decision does not take into account the facts of reality, the need to produce or the consequences that can bring. That looks like a decision made not to offend our southern neighbours. According to the reports we get, producers in the Quebec area and other provinces do not accept that decision. On the other hand, we must not destroy what has been built either—provincial organizations, joint programs, the national agency, sales security, equitable prices, production and slaughtering facilities, creation of jobs, huge capital investments. All this has been done by producers to meet consumer needs and also arrange to have profitable businesses. It would be unfortunate, Mr. Speaker, if as a result of that agreement a provincial government should feel compelled to withdraw from the agency to protect the interests of farm producers in its province.

Once again I would like to urge most sincerely the Minister of Agriculture and the Minister of Industry, Trade and Commerce (Mr. de Cotret), to get in touch at once with the national marketing agency to see if it would not be possible to change the agreement so as to offer better protection to our producers; otherwise, if that is not done, what is going to happen is that one of these days the United States may no longer be able to supply us, our producers will be disorganized, and we will have a shortage. It will be our fault because we did not act advisedly.

● (2225)

[*English*]

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, it is my pleasure to be able to respond to the hon. member's question for my colleague, the hon. Minister of Agriculture (Mr. Wise).

On November 20, the hon. member for Bellechasse (Mr. Lambert) questioned the minister about any representations that may have been made to him on behalf of Quebec poultry producers by the Quebec minister of agriculture. The minister in response stated that he is, indeed, in communication on a fairly frequent basis with his provincial counterparts and, in fact, he had just recently received a telex message from the minister of agriculture for Quebec. However, this communication did not state that Quebec was ready to withdraw from the National Chicken Marketing Agency. Indeed, as the minister pointed out, if the press reports had been correct in that this is what Quebec is thinking about, he hoped that Quebec would seriously reconsider its position as one of the signatories to this national agency.

In the communications the minister from Quebec had with our colleague, the Minister of Agriculture, there has been the concern raised over the issuing of supplementary permits for the importation of chicken to Canada. I may state here on behalf of my colleagues, the Minister of Agriculture, and the Minister of Industry, Trade and Commerce and Minister of State for Economic Development (Mr. de Cotret), that in

addition to the global import quota for chickens there may, at certain times, be a requirement to issue supplementary permits if domestic requirements cannot be sourced locally.

The normal procedure would be that the applicant makes his request known to the Canadian Chicken Marketing Agency as well as to the Department of Industry, Trade and Commerce. The agency would then have 72 hours to attempt to source domestically the quantities of the product specified by the applicant. If the agency can supply the product requested by the applicant, then no supplementary permits would be issued. However, if the agency cannot supply the product, then supplementary permits would normally be issued. Of course, if the agency can partially fill the applicant's requested quantity of product, then the supplementary permits would normally be issued only for the balance.

In the longer run my colleagues and I see the need for supplementary permits for chicken imports being sharply reduced or even eliminated. This will, of course, depend on how well the Canadian Chicken Marketing Agency is able to supply Canadian market requirements. If the agency ensures that adequate domestic supplies are available, at competitive prices, then there will be no need to implement supplementary permits. In a situation as just described, actual imports may even fall below the global import quota level.

For the information of this House, if I may, I would like to give some figures concerning the annual import quota which was established as follows. For the period October to December, 1979, 8.75 million pounds eviscerated weight will be allowed for chicken import; for 1980 total year import permits will be allowed for 48.5 million pounds eviscerated weight; and for 1981 this will increase to 52 million pounds. The quotas will be allocated to individual importers on the basis of their imports during 1976, 1977 and 1978. On a quarterly basis, importers would have to use their basic quota entitlement prior to being eligible for consideration for supplementary permits.

Mr. Deputy Speaker: Order, please. I must interrupt the hon. member as his allotted time has expired.

● (2230)

[*Translation*]

EXTERNAL AFFAIRS—AID IN CONSTRUCTION OF FROZEN FISH PLANTS IN SENEGAL—GOVERNMENT POSITION

Mr. Jean Lapierre (Shefford): It is with pleasure that I repeat tonight the question I asked on November 19 and for which I could not obtain an answer for several reasons, including the noted and notable absence of the minister responsible for CIDA. As we know, it is very difficult for members of this House to obtain answers on CIDA since the minister responsible does not sit among us. This is a situation that I deplore and that is to the disadvantage of all members of the House.

The Secretary of State for External Affairs (Miss MacDonald) told me that she would take my question as notice and give me an answer later. Indeed, she sent me a letter on November 22, but in fact my question of November 19 was only one of two questions I wanted to ask. What I wanted most of all was to obtain details about the Joal project. Mr. Speaker, the Secretary of State for External Affairs has said that this project has been in existence for only one year. However, I know from reliable sources that this project has been going on for much longer than one year. It began several years ago when the Canadian government provided motors for the canoes of the Senegalese fishermen. Since then, there has been a surplus of fish in Senegal and there have been many losses because of a lack of facilities to process this surplus.

Since 1976, at the request of President Senghor, a group within a non-governmental organization called Granby and its twin cities, whose headquarters are located in my constituency, has been closely interested in this project and has made many representations in favour of its implementation. The figure of $12 million has been mentioned. President Senghor gave his approval, and in September, 1978, the assurance was given that the city of Joal would be considered as the site of a future fish processing plant.

Unfortunately, the Secretary of State for External Affairs makes no reference to Joal, answering in a most evasive way, that five other fish processing plants will be built under those projects. Mr. Speaker, this does not answer in any way my question. What I want to know in particular is whether the Joal and Fadiouth plants will be built.

As I said earlier, the Minister of State for CIDA (Mr. Asselin) was not available in this House. I do not think he is outside the House either, because since June 16 the people from that Granby association and its twinned cities have been trying in vain to meet with that famous minister. They have been seeking an appointment for more than five months. Among others they have representations from the government of Senegal to bring to the minister. They must be content with a mere acknowledgement stating the letter will be brought to the minister's attention as soon as he comes back to Ottawa. The letter is dated June 16 and I hope that the minister's new obligations have not been keeping him outside the country since that date. This is why I am asking for answers. On November 19, the day I put my question, I had a complete delegation from the Granby groups and its twinned cities who had come to Ottawa in the hope of meeting with the minister. They still have not been able to meet him, and they were disappointed with the answer given by the Secretary of State for External Affairs.

In their names and on my own behalf, I would like to know what CIDA's real intentions are? A lot of hope was created among those people from Joal and Fadiouth. There was a commitment to build that famous fish treatment plant, but then no answer is forthcoming. I think a clear answer would help.

I am informed that the Minister of State for CIDA will travel to Senegal in a few days. I would have rather liked he

met the delegation from Granby and its twin cities which is well informed about the Senegal files. He has chosen to ignore them and it is too bad for him. However, I would like to know if the city of Joal is still under consideration as it was at the outset. I would also like to know if the minister intends to make concrete proposals regarding the five other fish processing plants to be built. We would like to know that. I have been asking that question since last June 16 but he does not answer his mail. Ever since he became a minister he does not answer questions from hon. members and I think it is the role of the Secretary of State for External Affairs to keep herself informed about these projects. I know that she is absent tonight but she must certainly have someone to speak in her name and I hope the answers will be more encouraging and, above all, much more direct and pertinent.

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am speaking in the name of the Secretary of State for External Affairs (Miss MacDonald). My intervention is in line with the letter the hon. Flora MacDonald sent on November 22 to the hon. member for Shefford (Mr. Lapierre) in which she gives him useful information regarding a frozen fish plant in Senegal. As she stated in her letter, this project started in August, 1978, with the building of an administrative centre near Dakar and of a fish processing plant at Kayar, a small fishing village 50 kilometres from Dakar. A start is also scheduled, some time during the coming 30 months, for the construction of five other fish processing plants. In addition to the construction of the buildings, this project supplies technical assistance with a view to assisting the Senegalese co-operative movement which will ensure a system that is better adapted to the marketing of non-commercial fishing.

• (2235)

I should like to point out finally that this project was defined in co-operation with the Senegalese and that it ties in with the perspective of progressively reducing the food deficit of that country. A more appropriate processing of the fish, achieved thanks to the realization of that Canadian project, will give better supplies of fresh fish to the peoples who live inland.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.38 p.m.

HOUSE OF COMMONS

Wednesday, November 28, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*Translation*]

SOCIAL SECURITY

REQUEST MEASURES BE TAKEN TO IMPROVE THE LOT OF HANDICAPPED PERSONS—MOTION UNDER S.O. 43

Mr. Raymond Savard (Verdun): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

In view of the fact that the Minister of Employment and Immigration (Mr. Atkey) admitted last week, before the coalition of provincial organizations of handicapped, that the handicapped must face many difficulties in the areas of employment, transport, housing and recreation, I move, seconded by the hon. member for Saint-Léonard-Anjou (Miss Bégin):

That the House ask the government to introduce positive and immediate measures to correct the situation.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

ENERGY

OIL TANKER IN CANSO STRAIT DESTINED FOR ITALY—CALL FOR INVESTIGATION—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, under Standing Order 43, I rise on a matter of urgent and pressing necessity. Yesterday afternoon, a 100,000-ton oil freighter called *Grey Fighter* left the Canso Strait area of Nova Scotia sailing for Italy with a cargo of oil. This oil freighter had entered light at Port Hawkesbury, on the Strait of Canso, on November 25. The word "light" at ports, I am told, is a jargon word for "empty". As recently as yesterday we had been told—

Mr. Speaker: Order. If the hon. member has a motion to propose, he should do it forthwith.

Mr. Hogan: In view of the fact that last year Imperial Oil diverted oil from Nova Scotia, I move, seconded by the Minister of Energy, Mines and Resources—

Some hon. Members: Oh, oh!

Mr. Hogan: I move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That the Minister of Energy, Mines and Resources quickly investigate the situation of the *Grey Fighter* and report to the House tomorrow on what could be a very serious situation.

Mr. Speaker: Order. Such a motion can be introduced at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

CANADIAN WHEAT BOARD

GRAIN—ADJUSTMENT PAYMENT TO PRAIRIE FARMERS—MOTION UNDER S.O. 43

Mr. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In the interests of western farmers, I hope this proposal will receive the non-partisan, unanimous consent of the House.

In view of the fact that the Canadian Wheat Board is now making an adjustment payment to prairie farmers totalling some $145 million on grain delivered early in this crop year before the initial price was raised, in view of the fact that a good portion of the grain delivered at that time was delivered on a "cash deferred basis", whereby many farmers have elected deliberately and consciously to defer receiving payment for that grain until into the next taxation year, 1980, as an income and tax planning device provided for in the Canadian Wheat Board Act itself, and in view of the fact that much of the planning on the part of many farmers may be defeated by this payment coming unexpectedly in the last two or three weeks of the 1979 tax year, I move, seconded by the hon.

member for Grand Falls-White Bay-Labrador (Mr. Rompkey):

That this House instructs the Minister of National Revenue to issue the appropriate order deeming that portion of the current CWB adjustment payment which relates to grain delivered on a "cash deferred basis" as income in 1980—as farmers had obviously intended and planned—and not income in 1979.

Mr. Speaker: This motion can be presented for debate, pursuant to Standing Order 43, only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

EXTERNAL AFFAIRS

IRAN CRISIS—REQUEST CANADA PLAY INTERMEDIARY ROLE—MOTION UNDER S.O. 43

Mr. Fabien Roy (Beauce): Mr. Speaker, I rise under the provisions of Standing Order 43 and ask for the unanimous consent of the House to discuss a motion relating to a matter of urgent and pressing necessity.

Given the alarming situation in Iran, given the threat to peace, given the position taken by the Government of Canada and the resulting danger that the parties involved might break off communications, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the Government of Canada play an intermediary role in that conflict.

Mr. Speaker: The House has heard the hon. member's motion. Pursuant to the provisions of Standing Order 43, this motion can be put only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

COMMONWEALTH JOINT STATEMENT APPEALING FOR RELEASE OF HOSTAGES IN IRAN—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I wish to move a motion, under Standing Order 43, on a matter of some urgency having to do with the capacity of free nations to operate within the framework of international law when resolving their differences. I move, seconded by the hon. member for Waterloo (Mr. McLean):

That this House record its support for the Canadian initiative taken at the Commonwealth High Commissioners' meeting which resulted in the Commonwealth joint statement appealing for the release of hostages in Iran.

Mr. Speaker: Such a motion can be presented for debate at this time, pursuant to Standing Order 43, only with the unanimous consent of the House. Is there unanimous consent?

[Mr. Axworthy.]

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

CONDEMNATION OF IRAN FOR CONTRAVENING VIENNA CONVENTION—MOTION UNDER S.O. 43

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, further to the motion we have just heard and which was adopted, I rise under the provisions of Standing Order 43 to ask for the unanimous consent of the House.

In view of the continuing violation by the government of Iran of fundamental international law, in contravention of the Vienna Convention, I move, seconded by the hon. member for Oshawa (Mr. Broadbent):

That we, as the House of Commons of Canada, affirm our allegiance to the rule of international law as the only hope for peace and orderly relations between nation states, and unequivocally condemn the government of Iran for breaching that law by allowing and encouraging the taking of American diplomatic staff as hostages within that country.

Mr. Speaker: This motion can be introduced for debate at this time, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL PRICES—OUTCOME OF DISCUSSIONS WITH PREMIER LOUGHEED

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Prime Minister. The Canadian Press reported this morning that the Prime Minister said, after his marathon discussion yesterday, that the method of taxation on higher prices was the lone unsettled issue in the current energy negotiations with Premier Lougheed, but the same report quoted Premier Lougheed as saying that progress had been made but a new energy policy was not yet in hand. Therefore, could the Prime Minister tell us exactly what was accomplished at these discussions yesterday, and thus remove the uncertainty and doubt on the part of the public regarding this key issue of national policy? In particular, can he tell us, if

there was an agreement on a new oil price, exactly what it will be?

● (1415)

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, during the meetings between representatives of the Government of Canada and the government of Alberta yesterday, there was agreement on all important principles regarding a pricing policy and the energy package. There was agreement on all major details, with the exception of the detail relating to the mechanism of a tax. It would be my intention to announce the full range of the proposal at the time there is also agreement on the details of the tax.

Mr. Gray: Mr. Speaker, the Prime Minister was not able to tell us when the agreement would come on the details of this tax so I want to ask him, how can there be a budget without first settling this taxation question, which is more than a detail? The Prime Minister said that it could involve more than $5 billion in additional revenue. Surely the Prime Minister is not saying that there can be a valid budget without first having a clear and public answer to this $5 billion question?

Mr. Clark: Mr. Speaker, the budget will set forth quite clearly the assumptions which we believe to be reliable as to the revenue that will come from the tax. All that is at issue is the mechanism of the tax, not its proceeds.

Mr. Gray: Mr. Speaker, I want to ask the Prime Minister why he is not using his authority and assuming his responsibilities to settle this matter now. How long does the country have to wait while he dithers?

Some hon. Members: Oh, oh!

Mr. Gray: After all, there were disturbing reports last night and today about possible shortages of heating oil in some parts of Canada this winter.

Mr. Clark: Mr. Speaker, barely weeks ago other spokesmen of the Liberal party in this House were urging us not to move as quickly as we are. Now, in that fine Liberal tradition of inconsistency, the hon. member for Windsor West is saying that we are moving too fast.

Some hon. Members: Oh, oh!

Mr. Clark: We are moving by agreement because we think the best way to resolve this matter, which involves both jurisdictions, is to proceed by agreement. I am pleased to repeat to the House and to assure the hon. member that yesterday we were able to reach agreement on all important principles and on all details with the exception of the mechanism of the tax.

Some hon. Members: Hear, hear!

PLAN TO HEAD OFF POSSIBLE OIL SHORTAGE THIS WINTER

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the report last evening to the effect that the National Energy Board has prepared new forecasts regarding the supply and demand of oil this winter, and that in the view of the board the situation and the shortage which was anticipated by the minister and his officials just a month ago, and described by the minister as being "fragile", in fact is worse now, will the minister assure the House that his officials are preparing a plan which will head off this shortage? Will the minister undertake to put this plan before us immediately?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I thank the hon. member for his question and the opportunity it allows me. I saw the report on CTV last night which referred to a secret report of the National Energy Board. I inquired of the NEB with respect to this report and they said that it is simply non-existent, there is no secret report.

The last report put out by the NEB was at the beginning of this month. It indicated that we had a tight, but manageable, situation. They are now getting together the material for the report with respect to the month of November. That report and press release will be put out in the usual manner by the NEB at the end of this month.

Mr. MacLellan: Mr. Speaker, as I understand it, the minister is saying that no plan is available. Considering the awful and almost unthinkable situation of a shortage of home heating fuel this winter, is the minister telling us that no effort is being prepared by his government to make available a more equal situation where supply will meet the demand for oil this winter in eastern Canada? Is he preparing a plan that will do this before we wake up some morning to find that people have frozen to death the night before?

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: Mr. Speaker, I want to assure the hon. member that aside from his rather weak attempt at scare tactics, I take the matter very seriously. Indeed we are taking steps with respect to the emergency allocation supply board. We are now consulting with respect to the appointment of that board which in fact will be in place for us in the event that there is an emergency situation and in the event we have to rely on allocation.

● (1420)

I want to assure the hon. member that this government does take its responsibilities seriously in that regard. We are still confident we can get through, and we do not want to cause any undue alarm in respect of the situation. We are, in fact, taking steps to meet that situation and taking a number of initiatives that I have outlined to the House on previous occasions to assure supply over the course of this winter.

Oral Questions

THE CANADIAN ECONOMY

INCREASE IN FOOD PRICES—WAR AGAINST INFLATION

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister. Two sets of very disturbing figures have been announced within the past 24 hours. We learned this morning that food prices have gone up by more than 13 per cent, year over year, and yesterday we learned that average weekly earnings are increasing at only 8.6 per cent, well below increases in the cost of living.

While considering that the Prime Minister said inflation was public enemy number one, and considering that the government has already indicated that the forthcoming budget will be a "tough times" budget, will the Prime Minister indicate today one specific weapon he plans to use in fighting the war against his declared public enemy number one?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the actions taken in the budget and the actions taken by the government generally to bring down the deficit in Canada will certainly be one major instrument in moving the country toward a situation where we can begin to get inflation under control. I know the hon. member shares my understanding that it is not a simple or a new problem, but we are dealing directly with the impact upon inflation of extensive government deficits.

Mr. Broadbent: Mr. Speaker, the Prime Minister knows that that approach has not worked elsewhere, particularly in the kind of economic circumstances we have now. Even if it had some effect—which I do not concede—it would take many, many months to have any bearing on the effects of escalating prices for the ordinary Canadian.

I would like to ask him, in this context, considering that in the province of Ontario, in which this city is located, because of the gap between wage increases and escalating prices the ordinary worker is now losing more than $300 a year in real income, and considering that in the press today the treasurer of the province of Ontario is reported to be urging the Government of Canada to reject the advice of the governor of the Bank of Canada, stating that interest rates should be brought down immediately by 2 per cent, will he at least consider this advice from Canada's largest province, even though he has rejected it from us?

Mr. Clark: Mr. Speaker, I have not read the news reports to which the hon. Leader of the New Democratic Party refers. I have not received any communication from the government of Ontario, nor has the Minister of Finance. In any event, it would not be our intention to take the action recommended, at least, by the Leader of the New Democratic Party.

Mr. Broadbent: Mr. Speaker, the Prime Minister again today has made it clear he intends, as a government, not to act on any single measure to bring down the escalating cost of living in the near future. I would like to ask whether he will announce at least one measure that would have a direct beneficial effect for ordinary Canadians, or will he explain the insensitivity and apparent hypocrisy of a party that favoured subsidies on certain food items before the election, in order to bring down the price of those items, but since the election has marched off completely in the opposite direction and done nothing to bring down the cost of living for the ordinary Canadian?

Mr. Clark: Mr. Speaker, the Leader of the New Democratic Party will recognize and, I would hope, admit that there are no shortcuts to the economic problems the country now faces. It is the considered judgment of this government that, facing the extent of economic problems that we do now face, our primary obligation is to recognize that our problems are deeply ingrained and to bring forward in the budget, and in other measures that will come before this House of Commons, measures that are designed to deal with those basic problems. And that is what we intend to continue to do.

* * *

● (1425)

[*Translation*]

EXTERNAL AFFAIRS

IRAN CRISIS—INQUIRY AS TO MEASURES GOVERNMENT CONTEMPLATES TO HASTEN SETTLEMENT

Mr. Fabien Roy (Beauce): Mr. Speaker, my question is for the Prime Minister. Could he tell the House what reassuring alternatives his government may have left to progress toward a solution in the matter of the American embassy in Iran?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I understand the hon. member's question concerns other actions, other alternatives now available to the government regarding the serious and deplorable situation in Iran. As the Secretary of State for External Affairs and myself have stated many times, we have taken the lead among French-speaking countries and among Commonwealth countries with a view to ensuring the most effective influence on the authorities in Iran. Of course, if there is anything else we can do that would be effective, we will do so.

INQUIRY WHETHER GOVERNMENT INTENDS TO REPATRIATE CANADIANS IN IRAN

Mr. Fabien Roy (Beauce): Mr. Speaker, I introduced a moment ago a motion under Standing Order 43, which was rejected. It urged the government to play an intermediary role in this crisis.

In view of the far-reaching events the crisis seems to be leading to, I should like to ask whether the government of Canada now sees the necessity of repatriating Canadians now living in Iran?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, we will keep on monitoring this situation, but for the time being we consider the Canadians in Iran can play a valuable role for Canada and for the world.

* * *

[*English*]

PETRO-CANADA

GOVERNMENT PROPOSALS RESPECTING CORPORATION

Mr. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have a question for the Prime Minister. Yesterday, the government House leader indicated that the government was prepared to give careful consideration to the statements made by Mr. William Hopper before a House of Commons committee. Mr. Hopper, in that committee, indicated that the continued delay by the government in making a decision on Petro-Canada is causing a high turnover of staff, the passing up of major profitable projects and is generally working against the best interests of the owners of Petro-Canada, who are the people of Canada.

With that statement, can the Prime Minister indicate when the government intends to bring forward its specific proposals on Petro-Canada so that it will not work against the continued best interests of the Canadian people?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, without accepting all the implications of that question, I am very pleased to receive the assurance of the hon. member—with all the influence that he has with his colleagues—that his party would be prepared to give as speedy as possible passage to measures that we might introduce to put Petro-Canada on a new and more effective footing. We expect to give the hon. member the opportunity to give that bill speedy passage. We hope to have either an announcement or a bill before the House before Christmas.

Once again, I want to express my appreciation and, I am sure, that of the employees of Petro-Canada to the hon. member for his assurance that we will receive speedy passage for those measures.

Some hon. Members: Hear, hear!

Mr. Axworthy: Mr. Speaker, I would remind the Prime Minister that, unlike the Conservatives, we do not give commitments blindly before we see the exact proposals.

Some hon. Members: Hear, hear!

Mr. Axworthy: We are asking the Prime Minister, when does the government intend to quit dithering and delaying in the development of a proper energy policy? When does it intend to issue its proposals on Petro-Canada? And, just as seriously, when does it intend to make appointments to the energy supplies allocation board so that the board can begin responding to the really dire and emerging shortages of energy that are appearing in this country? When will the government begin taking some action, and quit simply talking?

Mr. Clark: Mr. Speaker, I can assure the hon. member that we recognized upon taking office that one of the great opportunities open to this country and ignored—or, at least, not taken full advantage of—by the former government was the opportunity to build upon the energy strength of this energy-rich nation in an energy-poor world.

● (1430)

It is for that reason that we have given such high priority to bringing together the first ministers of the provinces to meet with me, not simply to discuss the narrow question of price or the narrow question of petroleum but to begin to lay the basis of a genuine national energy program for Canada that can realize energy self-sufficiency by 1990. We are making considerable progress in that direction, and I look forward to being able to keep the House advised of developments. I also look forward to continued support from the House of Commons for that initiative to build on the strength of the country.

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[*Translation*]

ENERGY

INQUIRY WHETHER GOVERNMENT KNOWS DATE OF ANNOUNCEMENT OF ROUTE OF ALASKA OIL

Mr. Yvon Pinard (Drummond): Mr. Speaker, my question is directed to the right hon. Prime Minister. According to today's news reports, President Carter has set tomorrow as the ultimate date on which he expects to announce to the American Congress his decision as to the route for the transportation of Alaska oil. On the other hand, the Prime Minister indicated last Friday during his press conference that he intended to phone President Carter to inform him of the route which Canada favours. Could the Prime Minister tell the House whether he has indeed contacted President Carter? Was he aware of President Carter having changed the date for his announcement to the American Congress and, if so, when was he made aware of it?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, there has been no change in the time schedule of the American government. I was aware of this rumour, but I am advised that it is unfounded. There has been no change. We are preparing a discussion with President Carter concerning the pipelines.

INQUIRY WHETHER PRIME MINISTER WILL DISCUSS NORTHERN PIPELINE WITH PRESIDENT CARTER

Mr. Yvon Pinard (Drummond): Mr. Speaker, on a supplementary. Can the Prime Minister tell the House clearly and unequivocally that he indeed intends to make Canada's recommendations in this regard known to the President of the United

States as quickly as possible? Will he assuredly and quickly phone President Carter? I think the issue is quite clear and Canada's preference is well known or at least should be. Is the Prime Minister ready to accept his responsibilities and assure the House that he indeed intends to phone President Carter without further delay, so that the United States is fully aware of Canada's views and that our interest is served?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, Canada has repeatedly expressed its position to the United States. As I have often said in the House, I want to avail myself of the opportunity of discussing the matter directly with the president. Our embassy and the American embassy in Canada are trying to set up an opportunity for such discussion between the president and myself. I firmly intend, during this discussion, to reaffirm our preference for the Foothills route.

* * *

[*English*]

THE CANADIAN ECONOMY

RISING COST OF LIVING—HARDSHIP CAUSED TO LOWER INCOME CANADIANS

Miss Aideen Nicholson (Trinity): My question is also for the Prime Minister, Mr. Speaker. The figures released by Agriculture Canada today show that the current food price index is 13.1 per cent higher than a year ago, with energy costs, processing, transportation and distribution contributing significantly to that increase. If the government allows energy shortages to develop this winter, and if the oil price also escalates, this situation will get much worse and Canadians on low and moderate incomes particularly will suffer.

The Prime Minister has said that he is considering public policy measures to assist lower income Canadians. The Minister of Finance has said that they must suffer. Will the Prime Minister tell the House which is the policy of this government, and will he move urgently to relieve this anxiety on the part of lower income Canadians?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, if there is, in fact, a danger of energy shortages this winter it is because the previous government did not act sufficiently to provide guaranteed supplies for Canadians.

Some hon. Members: Hear, hear!

Mr. Clark: We continue to believe that those kinds of shortages will not occur this winter. But we certainly believe it would have been preferable three years ago for the government which the hon. member then supported to take action which they did not take. In relation to the measures we intend to help people who might be affected adversely or particularly seriously by energy price increases, those will be made clear in the budget.

CONSUMER AFFAIRS

REASON FOR LARGE SPREAD BETWEEN WHOLESALE AND RETAIL PRICE OF TURKEY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is on the same topic and is addressed to the Minister of Consumer and Corporate Affairs. I hope he is in a festive mood this afternoon, because the Minister of Agriculture has released a report which says there is a growing price spread between the retail price and the wholesale price for many commodities. He gave the example of turkey in Toronto, where the spread is some 37 cents per pound.

Has the minister investigated why there is such a large spread between the wholesale and the retail price of turkey? If he has, can he report his findings to the House and tell us what he will do to make sure we have reasonable turkey prices before Christmas?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, with the festive season upon us, I am anxious not to lay an egg. Seriously, with the abolition of price controls and price monitoring by the previous administration, the Department of Consumer and Corporate Affairs has no mechanism with which to monitor or investigate that type of occurrence.

I suggest that the mandate of the department at the moment is to investigate price fixing and matters in relation to that. In relation to monitoring ordinary prices and the inflationary trend that is present in the western world today, I think that type of question would be better directed to the Minister of Finance.

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AGRICULTURE

STEPS TO INCREASE CANADIAN PRODUCTION OF VEGETABLES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my supplementary question is directed to the Minister of Agriculture. I hope he will give us a better answer. In his press release this morning, the minister said that the largest increase came from fresh vegetables, an increase of about 5.5 per cent, and many of these vegetables we can produce in this country.

What measures is the minister going to propose to the House to increase Canadian production of vegetables, and can he tell us whether he plans to reinstate the grants program for storing vegetables that was cancelled by the Liberal government a few months ago?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the hon. member has pointed to the fact that there has been an increase in the food price index of 13.1 per cent over the last 12 months. If we compare this month's increase, however, with the last it is only .5 per cent. We have spoken about the items that have experienced increases; but at the same time beef has declined in price, there has been a decline in the price of pork and also a decline in the price of fresh and processed fruit

products. We must also bear in mind that we can buy more potatoes and more milk today, and even more steak today, with one hour's wages than we could ten months ago.

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NORTHERN AFFAIRS

GOVERNMENT ACTION TO RESTORE POWER SUPPLIES TO INUVIK, N.W.T.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question is addressed to the Minister of Indian Affairs and Northern Development. Can the minister advise the House what action he is taking through the Northern Canada Power Commission to restore power supplies to Inuvik, in the Northwest Territories, which has been largely without electricity for several days?

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, the hon. member is correct in stating that there has been a power failure in Inuvik. Of four feeder lines, there has been since Saturday only enough power for three. The department planned to airlift a gasoline generator from Yellowknife as a standby. I suppose we have to say that all of us deal with human frailty, however, because when the gasoline turbine was to be airlifted from Yellowknife, unfortunately it was damaged in transit. What is happening now is that the turbine in Inuvik is being repaired and should be back in place within eight or nine days.

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ADMINISTRATION OF JUSTICE

APPLICATION OF RULE OF LAW

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, my question is for the Prime Minister. In his press conference of November 16 the Prime Minister defined the rule of law to mean that police actions have to be justified either in Parliament or in the courts. Is the Prime Minister aware that the tradition of our law is that the rule of law means the equal subjection of all classes to the ordinary law of the land administered by the ordinary law courts, to use the words of the great authority, Dicey, and that there is no room for executive or parliamentary discretion in criminal matters?

● (1440)

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I thank the hon. member for that erudite representation.

An hon. Member: You need it.

Some hon. Members: Oh, oh!

Mr. MacGuigan: Mr. Speaker, the Prime Minister has been skating around this question for months now: I think it is time he told this House, squarely, exactly what it is he has in mind. Does he not understand that removing an act from the ordinary purview of the law courts, and subjecting it to the parliamentary majority of the moment, is acting completely contrary to the rule of law, if ever he should get a parliamentry majority to pass such legislation, which God forbid?

An hon. Member: Bring back Ron Basford.

Mr. Clark: Mr. Speaker, I am not sure what the question is, but if questions of that quality keep coming, we will have a majority.

Some hon. Members: Hear, hear!

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FISHERIES

POLICY ON OVER-THE-SIDE SALES

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. I ask him to tell the House that if we cannot have turkey on the table for Christmas, maybe we can encourage people to eat cod this year.

Some hon. Members: Hear, hear!

Mr. Rompkey: With regard to over-the-side sales, the minister knows that fishermen in Chedabucto and Canso have had to throw squid overboard because they could not get sales for them. The same is true in other areas of the Atlantic provinces. I ask the minister what his policy will be with regard to over-the-side sales, what the conditions are, and is he going to announce his policy in time for next year so that fishermen will know that they will have a ready market for all the fish they can catch?

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, the hon. member was kind enough to let me know, when coming into the House, his intention to ask this question. First of all, as he well knows, with regard to the present situation there are high inventories at the present time in our freezers in Canada. As a result of that we have had to terminate any over-the-side sales activities.

With respect to the future I think the hon. member would agree with me that the technique of over-the-side sales is now a built-in part of our marketing. With respect to allocation, we are currently negotiating with the processors and the unions, and we will be making a determination well in advance of the season.

Mr. Rompkey: Mr. Speaker, my supplementary is with regard to the conversation the minister has had with the Newfoundland Fishermen and Food Allied Workers union. They have approached him again for the reissuance of the licence they had last year. They have been operating in areas where fish plants have been very sparse. Can he say now whether he is prepared to respond positively to the fishermen's union with regard to a licence for over-the-side sales for next year?

Mr. McGrath: Mr. Speaker, that is correct, I did meet with the president of the Newfoundland Fishermen and Food Allied Workers union. I may say that discussions are still taking place at the officials' level. I am unable to go any further than that at this time.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

INQUIRY WHETHER PROGRAM "LES AFFAIRES DE L'ÉTAT" WILL BE CANCELLED DURING QUEBEC REFERENDUM

Hon. Jeanne Sauvé (Laval-des-Rapides): Mr. Speaker, my question is directed to the Secretary of State. I should like to know whether or not he endorses the decision of the president of the Canadian Broadcasting Corporation to cancel the program *Les Affaires de l'État* during the referendum campaign and substitute equal time to be shared between those who will vote "Yes" and those who will vote "No" in the referendum?

[*English*]

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, as the hon. member has stated her question I do not think it accords with the facts as I know them. Perhaps I could have an opportunity to discuss that matter with her, because I believe there was a fairly full exposition of his position before the standing committee last week.

[*Translation*]

Mrs. Sauvé: Mr. Speaker, on a supplementary, I must remind the minister that the facts are exactly as I have stated them. The president of the CBC has suggested *Les Affaires de l'État* be cancelled during the referendum campaign. I asked him what would happen to that time-slot during which the various parties express their views to Canadians on what goes on in the House. Finally, I fail to see the logic in cancelling *Les Affaires de l'État*. It strikes me as logical to give equal time to proponents of the "Yes" and those of the "No", but I really cannot understand the decision to cancel the program altogether.

Can the minister, who is in a position to discuss the matter with the president of the CBC and should feel responsible for protecting the interests of this House, talk it over with him and ask him, as I did, to change his mind?

[*English*]

Mr. MacDonald (Egmont): Mr. Speaker, I am grateful to the hon. member for elaborating her question in more detail. I still think that perhaps there is some misunderstanding, at least, between her perception of what was said and mine.

Some hon. Members: Oh, oh!

Mr. MacDonald (Egmont): But I would be quite happy to look into the matter and communicate with her further, recognizing, of course, the traditional and certainly the respect of the arm's length relationship that exists between the corporation and the Government of Canada.

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THE ADMINISTRATION

ALLEGED PATRONAGE APPOINTMENTS

Mr. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Prime Minister. It is about his minister who is responsible for multiculturalism. As he may be aware, that minister has charged that the former government, in the administration of those responsibilities, acted in a politically partisan way.

Some hon. Members: Oh, oh!

Some hon. Members: Shame.

Mr. Kaplan: I want to ask the Prime Minister if he is aware, in his commitment to clean up the situation, that that minister has given a $100,000 contract, without tender, to a Toronto firm, Decima Research—which is not even in the Toronto phone book—whose principal is Allan Gregg who is presently the chairman of the program committee of the Progressive Conservative Party—

Some hon. Members: Shame.

Mr. Kaplan: —on which he serves with Senator Lowell Murray and Bill Neville. Is the Prime Minister aware of this non-partisan position accorded his Minister of Multiculturalism?

Some hon. Members: Oh, oh!

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I am not aware of that particular contract. I do agree with the hon. member that the Minister of Multiculturalism is very perceptive and accurate in his review of the conduct of his predecessors. I will look at the representations that have been made by the hon. member. If there is any action that needs to be taken, we will take it.

Mr. Kaplan: Mr. Speaker, I wonder if the Prime Minister would also take note of the fact, and look into it—also in this non-partisan manoeuvre—that the Minister of Multiculturalism has appointed the defeated Conservative candidate for the constituency of York Centre to the Multicultural Council.

Some hon. Members: Oh, oh!

Mr. Kaplan: Will he look into that? Would the Prime Minister not agree that a gesture like this is pure tokenism, and that Bill Schiavone should at least be given an engineering contract by the government, because not only is he a Canadian of Italian descent but he is an engineer?

Some hon. Members: Oh, oh!

Mr. Clark: Mr. Speaker, I will consider both of those representations, although I must say it now appears that the principle of patronage is so deeply ingrained in the Liberal party that it wants to practice it in all directions.

Some hon. Members: Oh, oh!

An hon. Member: You are doing all right, Joe.

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FINANCE

APPLICATION OF MORTGAGE INTEREST AND PROPERTY TAX CREDIT PROGRAM

Mr. Len. Gustafson (Assiniboia): Mr. Speaker, my question is for the Minister of Finance. Due to the fact that home owners are under pressure both in urban centres and on the farm, will the mortgage interest tax deductible program apply to farm homes as well as to urban centres?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, the hon. member's concern for farmers is, I know, always pre-eminent in his mind.

Some hon. Members: Oh, oh!

Mr. Crosbie: The mortgage interest and property tax credit program will apply to farmers and their homes—

Some hon. Members: Hear, hear!

Mr. Crosbie: —if the opposition co-operates and passes the bill before Christmas. If not, the farmers, as well as everyone else, will suffer again in the next year. They will lose $575 million.

Some hon. Members: Hear, hear!

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AGRICULTURE

POLLUTION OF CROPS BY ACID RAIN—EVALUATION OF EXTENT

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Minister of Agriculture. It relates to other questions asked today about the rising cost of vegetables, but it is also environmental. In view of the fact that the green bean crop in British Columbia, and the Norland potato crop in southern Ontario, have been damaged by air pollution to the degree that these crops can no longer be grown in these areas, what direction has the Minister of Agriculture given to his department to evalute the effect of acid rain and air pollution on these and other crops?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the question that the hon. member raises is certainly a very serious one. It is one that has been brought to our attention and, indeed, it is one that has occurred only within recent months. I want to assure the hon. member that I am extremely concerned about the problem. We have had discussions with my colleague, the Minister of the Environment, and the two departments will be working very closely together in an attempt to produce a solution.

FUNDS FOR RESEARCH INTO POLLUTION PROBLEMS

Mr. Derek Blackburn (Brant): My supplementary question is to the Minister of the Environment. I ask the minister what funds have been made available for research by his department to study the effects of atmospheric fall-out on agriculture. For example, have research programs been undertaken in co-operation with Agriculture Canada to determine which crops are particularly sensitive to atmospheric pollution, and have areas of Canada been identified where these sensitive crops can now be grown and where they are not being presently grown?

● (1450)

Hon. John A. Fraser (Postmaster General and Minister of the Environment): In answer to the hon. member, I must advise the House that no additional funds have so far been allotted. The matter the hon. member raises is one of very grave concern and his approach is consistent with the scientific reports which came out some weeks ago. They indicate that the acid rain problem is far more than a central or eastern Canadian problem, something which will have to be taken into account in the work which is now going on toward the international agreement with the United States that we hope to put in place.

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CANADIAN BROADCASTING CORPORATION

CRITICISM OF PROGRAMMING IN ATLANTIC CANADA

Mr. Maurice Harquail (Restigouche): Mr. Speaker, my question is to the Secretary of State. It has to do with a blistering attack on the CBC by the MLA from Dalhousie, New Brunswick, with respect to the cavalier attitude of the corporation in that area. We held hearings in June with the CRTC in the Atlantic area and New Brunswick and were given certain assurances.

I should like the minister to tell the House why this attitude exists. We saw evidence of it in the reporting of the May 22 general election. We saw it recently during the Grey Cup parade in Montreal. Could the minister tell us what he intends to do through legislation or other action to correct this problem?

Hon. David MacDonald (Secretary of State and Minister of Communications): I am not sure what the hon. member is concerned about, whether it has to do with programming or

some other functioning of the CBC in that particular area of New Brunswick. If he wishes to communicate with me directly, I will be happy to make inquiries of the CBC on his behalf.

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VETERANS AFFAIRS

REDUCTION OF FILES HELD BY PENSION COMMISSION—REQUEST FOR INCREASE IN STAFF

Mr. René Cousineau (Gatineau): Mr. Speaker, my question is for the Minister of Veterans Affairs. Last Friday, I asked the President of the Treasury Board whether there was any possibility of his forgetting budgetary restrictions in order to decrease the number of files involving veterans making claims to the Pension Commission. He replied: "Certainly, if there is a representation made to us asking for an increase in the budget."

Since the President of the Treasury Board appeared to be in such a good mood last week—I hope he is still in a good mood this week—I wonder whether the minister would make representations with a view to increasing the personnel engaged in this work, in the best interests of the veterans.

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I seem to be continually making representations to the President of the Treasury Board to increase the staff of the Department of Veterans Affairs so as to enable us to give better service to veterans. I do not understand the point the hon. member was making about decreasing the number of files, but we do our best to render speedy service. I have a dedicated staff who are doing their best in the circumstances brought about because of the forward-looking legislation we have enacted—

Mr. Speaker: Order. This matter, like the last, I think would be better pursued personally.

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MULTICULTURALISM

BASIC PHILOSOPHY THEREOF

Mr. Jesse Flis (Parkdale-High Park): Mr. Speaker, my question is directed to the Prime Minister. Yesterday, members of the Standing Committee on Broadcasting, Films and Assistance to the Arts had the pleasure of questioning the Minister of State for Fitness, Amateur Sport and Multiculturalism. There was one question to which I did not get a satisfactory answer, and I should like to put it to the Prime Minister. What is the basic philosophy of the concept of multiculturalism of the present government, and how does this philosophy differ from that of the previous government?

Mr. Speaker: Order, please. The hon. member will recognize, I know, that the limitations of the question period do not permit answering questions of a broad, philosophical nature.

[Mr. MacDonald (Egmont).]

SPORTS

PROPOSED STADIUM IN VANCOUVER AREA

Mr. Arthur Phillips (Vancouver Centre): Mr. Speaker, my question is for the Minister of the Environment. Can the hon. gentleman tell the House what the government's policy is regarding financial assistance to a proposed sports stadium in the greater Vancouver area?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): I am not sure that the question the hon. member has asked should be directed to me. My department has no jurisdiction over the building of stadiums.

Mr. Speaker: It would appear to me that the hon. member is asking a question which relates more to the minister's geograpical location than to his departmental responsibilities. Perhaps he would wish to direct it to the minister responsible for that program.

Mr. Lefebvre: He was right first time.

Mr. Phillips: Perhaps, then, I could direct my question to the Prime Minister, since he did make some comments in Vancouver with respect to this matter. Could the right hon. gentleman explain more fully what he said at that time?

Right Hon. Joe Clark (Prime Minister): I am quite happy to repeat in the House of Commons what I said in Vancouver. It is my understanding that the Premier of British Columbia recently appointed an individual well known to the hon. member to make a study of the stadium question. Naturally, we cannot indicate what our response would be to any request from the government of British Columbia until we know the nature of that request; and we shall not have that request, presumably, until the results of that study have been reported to the premier.

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FINANCE

REAPPOINTMENT OF GOVERNOR OF BANK OF CANADA

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, my question is addressed to the Prime Minister. Six weeks ago, in response to one of my questions, the Minister of Finance gave his unequivocal support to the governor of the Bank of Canada. At the press conference which the right hon. gentleman gave following the question period, he said he would expedite the decision with respect to the reappointment of the governor and make an announcement in the latter part of November or the early part of December. Is the Prime Minister yet in a position to tell us what decision has been taken with respect to governor Bouey's reappointment?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, we are not yet in a position to make that decision. I thank the hon. member for raising the matter. We do expect, though, to

announce that decision within the time parameters I set out during the press conference to which he referred.

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AGRICULTURE

IMPORTATION OF FARM CHEMICALS

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, my question is for the Minister of Agriculture and it pertains to the importation of farm chemicals into Canada. Almost three years ago, in March, 1977, our border was closed to the importation of farm chemicals by withdrawing the user-permit provisions.

Would the minister be prepared to review the situation in the light of the original reason for which the border was closed, with a view to opening it to individual producers on a permit basis for chemicals that are licensed in Canada, so that our producers—particularly those in western Canada—can remain competitive in international markets?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, in response to the hon. member's question, I may say that the time the previous government made the decision to close the U.S. border it did, in its wisdom, appoint a monitoring committee made up of a cross-section of the total industry, with representation from the primary sector. That committee continues to function; indeed, it reports from time to time. I have studied its reports and, with few exceptions, very little discrepancy has been shown. However, I will admit that the few discrepancies which do appear relate specifically to price differentials between U.S. products and the same products in the province of Manitoba.

In view of the fact that the decision to close the border was made in the interests of the Canadian chemical industry, I have asked my officials to review the situation to determine what progress has been made in that area. I expect that report to be made available to me in the very near future. If the hon. member has information available to him which he believes the committee should have, I am certain it would be welcomed.

* * *

EDUCATION

TASK FORCE ON STUDENT AID—COMPOSITION THEREOF

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I have a question for the Secretary of State. It concerns the three task forces—on student aid, bilingualism and satellite education—recently established by the Council of Ministers of Education in co-operation with the Secretary of State.

With particular reference to the task force on student aid, can the minister tell the House what the composition of the task force will be, who will co-chair it from his department and, most important, whether there will be a student representative on it from the National Union of Students, the principle of student representation having been supported by members of the Conservative party, in connection with the Canada student loans plenary group, when in opposition?

Hon. David MacDonald (Secretary of State and Minister of Communications): I thank the hon. member very much for that suggestion. This is, of course, an important matter and one which affects both student representatives and the various provinces as well as the federal government. A first meeting of officials is taking place this week to lay out the ground rules and establish a process for conducting an effective evaluation of the whole situation with respect to student aid and student assistance.

● (1500)

When I met with my officials on Monday of this week we examined particularly the way in which we could responsibly involve representatives of the Students Federation in order that there be a total input and involvement by them with respect to the final report and recommendations which would come forward. The hon. member will understand, of course, that it is a federal-provincial task force.

On the other part of the question, I believe we on our side will co-chair it with one of our assistant deputy ministers.

* * *

NORTHERN AFFAIRS

POWER FAILURE AT INUVIK, N.W.T.—DEVELOPMENT OF NORTHERN ENERGY POLICY

Mr. Keith Penner (Cochrane): Mr. Speaker, I have a question which is supplementary to one asked earlier by the hon. member for Western Arctic. This question is directed to the Minister of Indian Affairs and Northern Development.

My understanding is that the mayor of Inuvik has called for a local inquiry into the loss of power and the power requirements of her town and northern communities generally. I would like to ask the minister if he can tell us whether he has now received from the Northern Canada Power Commission a submission which would assist him in the development of his new northern energy policy, and at the same time whether he is giving serious consideration to asking the various northern communities to present to him their proposals along with their concerns about the power needs for the future.

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, in reply to the hon. member for Cochrane I want to indicate to him that, further to the question he has asked, power supplies are being put into place in Inuvik. Two technicians have been dispatched from Winnipeg to repair the generator which is in place there.

With regard to the larger question, that of power in northern Canada, the government is working out its comprehensive energy program and I am pleased that as part of that ongoing

process a program for northern power—that is, the planning and competitive rates—is a component within the government's energy policy.

With regard to the question as to whether the communities will be consulted, I have spoken to the chairman of the NCPC and indicated to him that, while the mechanism is not in place, I feel it is vitally important that the communities not only be consulted but that their advice be followed because of the practical experience they have.

* * *

[*Translation*]

POINT OF ORDER

MISS BÉGIN—INQUIRY WHY LAZAR REPORT NOT YET TABLED

Hon. Monique Bégin (Saint-Léonard-Anjou): I rise on a point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Saint-Léonard-Anjou (Miss Bégin) on a point of order.

Miss Bégin: Mr. Speaker, I thank you for giving me the floor at this time. Yesterday we raised a matter of privilege regarding both the Minister of National Health and Welfare (Mr. Crombie) and the Minister of Finance (Mr. Crosbie). They were supposed to tell us today why the Lazar report has not yet been tabled despite an order from the House enjoining them to do so one month and four days ago.

[*English*]

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, the only advice I have that I could offer to the hon. member and to the House is that the report, pursuant to standing order, was sent out for translation and printing. It is at the printing stage. It has been out of my hands for many weeks, so I cannot speak from any direct experience, but I understand it is now being printed.

Miss Bégin: Mr. Speaker, on the same question of privilege, I do not know if I am the spokesperson for this side of the House, but a report which was in the hands of the government for six months and which was sent to translation in late March by ourselves cannot still be in the printing process, so we would like to have a more serious answer. Perhaps we should give the minister time to consult his colleague, the Minister of Finance (Mr. Crosbie), because this is a joint report, and perhaps the minister could give us a more thorough answer tomorrow.

Mr. Crombie: Mr. Speaker, I would be pleased to do that. As I indicated, the report has been out of the hands of my department now for many, many weeks. I understood it to be in translation and in printing. However, I will undertake to speak with the President of the Privy Council (Mr. Baker) and the Minister of Finance (Mr. Crosbie), and we will determine where the report is. I will give an answer to the House as soon as I can.

[Mr. Epp.]

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 92, 152, 170, 267, 466 and 477.

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

[*Text*]

TRANSPORT—PROJECTS IN RIMOUSKI

Question No. 92—**Mr. Allard:**

1. Since 1975, did the Department of Transport finance projects in the constituency of Rimouski and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the department planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Hon. Don Mazankowski (Minister of Transport):

1. Yes

(a) 1976 (1) Light and lighthouse—Pointe-au-Père
(2) An embankment around the reservoir—Pointe-au-Père
1977 (1) Installation of lines and lights—Rimouski wharf
1979 (1) 3 additional buoys

(b) (i) $51,300
(ii) 1976 (1) $25,200
(2) $1,900
1977 (1) $11,200
1979 (1) $13,000

(c) Pointe-au-Père and Rimouski

2. Yes

(a) Anticipated costs of planned projects $9,000

(b) Range day marker—St. Fabien
Range day marker—Rimouski
Range day marker—Barnabé

CANADIAN MARKET—IMPORTS—AGRICULTURAL MACHINERY

Question No. 152—**Mr. Herbert:**

What percentage of the Canadian market for agricultural machinery was served by imports in (a) 1970 (b) 1974 (c) 1977?

Hon. Sinclair Stevens (President of Treasury Board):

Statistics Canada reports that the percentage of the Canadian market for agricultural machinery served by imports was:

75.8 per cent in 1970

91.2 per cent in 1974 and

91.4 per cent in 1977

POST OFFICE—NEW BUILDINGS—QUEBEC

Question No. 170—**Mr. Herbert:**

Since March 31, 1978, did the Post Office Department authorize the construction of any buildings for its use in the province of Quebec and, if so, in what locations and at what cost?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Yes.

Location	Estimated Cost
	$
Dégelis	234,000
Evain	185,000
Grenville	295,000
Les Escoumins	117,500
Matane	245,000
Montréal "Pierrefonds"	1,030,000
Québec "Beauport"	1,080,000
Ragueneau	85,000
St. Charles sur Richelieu	133,000
Verchères	280,000

While approval has been given to Public Works Canada, the actual start of construction is dependent on regional priorities and the availability of funding.

CHARTERED BANKS—PENSIONS

Question No. 267—**Mr. Knowles:**

Has the Minister of Finance, or the inspector-general of Banks acting for the minister, since April 6, 1978, had any discussions with the chartered banks in which the point has been made that the pensions paid by the banks to their retired employees ought to be escalated annually by an amount at least equal to the rise in the cost of living and, if so, can the minister say whether the chartered banks are implementing this practice with respect to their retired employees and, if not, have they made any improvement in this regard since the last time there was a report thereon, as indicated on page 4203 of *Hansard* for April 6, 1978? April 6, 1978?

Hon. John C. Crosbie (Minister of Finance): No. It is not government policy to impose conditions on private pension plans beyond those contained in the Pension Benefits Standards Act. I am, however, advised that the chartered banks are continuing to pursue the previously reported practice of making supplementary payments to their older pensioners with increases in the cost of living being the primary factor in the determination of the amount of the supplement.

DEFENCE PRODUCTION REVOLVING FUND

Question No. 466—**Mr. Herbert:**

In each of the past five years, what amount was transferred to the Defence Production Revolving fund?

Hon. Roch La Salle (Minister of Supply and Services): None.

Question No. 477—**Mr. Herbert:**

As at March 31 in each of the past five years, what amount was outstanding in the accounts of Canada in respect of the Defence Production Revolving fund?

Hon. Roch La Salle (Minister of Supply and Services):

1978-1979—$11,087,811

Motions for Papers

1977-1978— 12,199,083

1976-1977— 14,844,551

1975-1976— 26,050,188

1974-1975— 51,425,654

[*Translation*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, would you please be so kind as to call notices of motions for the production of papers Nos. 21 and 32?

TRANSPORT—AIR SAFETY

Motion No. 21—**Mr. Herbert:**

That an Order of the House do issue for a copy of the latest study or investigation on air safety, air safety standards, air safety inspection and air safety regulations of the Department of Transport.

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the answer of the Minister of Transport (Mr. Mazankowski) is as follows: The documents requested are of a voluminous character and would require an inordinate cost and length of time to prepare. However, I invite the hon. member to visit the department at which time our files containing the required documents will be made available to him for perusal.

I therefore ask the hon. member to withdraw his motion.

Mr. Herbert: Transfer for debate.

Mr. Speaker: Transferred for debate.

OFFSHORE RESOURCES

Motion No. 32—**Miss Nicholson:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all minutes of meetings, documents, telegrams and letters relative to the transfer to coastal provinces the jurisdiction over offshore resources since May 22, 1979.

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations): Mr. Speaker, a number of items coming within motion No. 32 have already been made public, and I take pleasure in tabling these now. The other material relates to ongoing negotiations with the provinces, and it would not be in the interest of those negotiations to table them at this time.

I therefore ask the hon. member to withdraw her motion.

Miss Nicholson: Mr. Speaker, I would appreciate it if the motion could be transferred for debate.

Mr. Speaker: Transferred for debate.

Mr. Kilgour: Mr. Speaker, last week you requested that I look into the matter of the delay for translation purposes regarding motion for production of documents No. 20. I would like to report briefly on the status of that matter.

Having made an inquiry, I believe it is fair to say that there has been no attempt to delay on the part of the government or by any public servant. The document is 200 pages long, and I believe it will take until approximately December 19 to have it translated. We agreed to produce it before appreciating the translation problem, and then the problem resulted.

On the general principle, may I just say that in the future we will not agree to table documents until they have been fully prepared.

Mr. Herbert: Mr. Speaker, while we are on the subject of the production of documents, I wonder if the parliamentary secretary can tell us what success he has had with his request of the government of the province of Quebec to get the release of documents which the government indicated some five weeks ago it was prepared to table if it had the approval of the government of the province of Quebec.

Mr. Kilgour: Mr. Speaker, I am sorry that I am not able to give the hon. member any information on that today, but I will look into the matter.

Mr. Speaker: Shall the remaining notices of motions for the production of documents be allowed to stand?

Some hon. Members: Agreed.

* * *

HOUSE OF COMMONS

NEW PRIVATE MEMBERS' BUSINESS OFFICE

Mr. Speaker: Before calling orders of the day I wish to advise the House on a matter of procedure.

Shortly after the appointment of Dr. Koester as the new Clerk of this House he set about to initiate a number of practices which might facilitate the operation of the business of the House. This has nothing to do with changes in procedures, discussions of possible changes in procedure, the white paper, for example, tabled by the government last Friday, or any of the work of the standing committee at all. It is not founded on any changes in procedure of any sort.

There is one of such initiatives, however, of Dr. Koester's which is now ready to be put in operation, and that is a private members' business office. It brings together the Deputy Speaker, one of the Table officers and an existing facility, which, within the existing regulations, will process the private members' business. It is strictly in order to facilitate further the conduct of private members' business that Dr. Koester is in the process of establishing the private members' business office. The function of the office will be to assist the Chair on procedural matters relating to private members' business and, in addition, to advise and assist the members themselves in the conduct of that business.

• (1510)

I might add that this decision is the result of several discussions which I have had with Dr. Koester and other officers of the House throughout the course of the fall, and it is intended to assist the House with respect to whatever arrangement the House might wish to follow regarding private members' business.

Members, therefore, should be able to avail themselves of this office in the future. It will become a clearing house, as it were, for private members' business, and it will also become a repository of what we hope will be a consistently collected body of opinion respecting procedural decisions from the Chair concerning private members' business.

As I said, it does not in any way change the rights of members to deal with private members' business and the rights of the House in any way. It is simply there to facilitate a collection of the existing jurisprudence on private members' business and to have a group involving the Chair, the Table, and members who are consistently involved in the conduct of private members' business. We hope that it will continue, under Dr. Koester's initiative, to serve the House better in the conduct of its business.

GOVERNMENT ORDERS

[*Translation*]

INCOME TAX ACT

AMENDMENT TO PROVIDE TAX CREDIT IN RESPECT OF MORTGAGE INTEREST AND PROPERTY TAX

The House resumed from Tuesday, November 27, consideration of the motion of the Minister of Finance (Mr. Crosbie) that Bill C-20, to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax, be read the second time and referred to Committee of the Whole.

Hon. André Ouellet (Papineau): Mr. Speaker, when the Minister of Finance (Mr. Crosbie) introduced Bill C-20 on November 19 last, he told us he was doing that to give financial help to home owners and people who wish to become home owners. He said, and I quote from page 1461 of *Hansard*:

> This is not an income redistribution measure, this is not an income measure, this is a measure to do with home ownership; with owning a home and with assisting the people of Canada in becoming home owners . . .

Mr. Speaker, the minister is misleading himself stupidly or trying to mislead the House stupidly because in fact one has to be stupid to suggest that, considering the present economic situation, this bill will convince Canadians to buy houses. I think that the Minister of Finance is indeed an intelligent man, that he is not stupid. Therefore, I am led to conclude that he is

in fact bound by another election promise by his leader and that unfortunately he can only show off and waste public moneys under the cover of a noble purpose. Obviously it is a noble purpose to help people become home owners, but the Minister of Finance knows quite well that he is making an error by introducing this bill which in fact will encourage nobody to buy a house in such an economic situation. Indeed, editor James G. Ripley of *Canadian Building* described that situation quite well in his article for the October issue, and I quote:

[*English*]

The mortgage interest deductibility scheme, which raised such high expectations during the election campaign, has become as explosive as other hastily improvised "promises" of that time such as the embassy move to Jerusalem and the privatization of Petro-Canada. The reasons are the same: MID was a badly conceived idea, proposed for the wrong reasons, and introduced at the worst possible time.

MID has been condemned by virtually every serious study. Benefits are limited and temporary, but the costs are massive and perpetual. It is a cumbersome, discriminatory, and counterproductive allocation of capital resources. It will distort the tax structure, rental sector, and money markets. And it will increase house costs, interest rates, property taxes, inflation, individual debt and federal deficits.

The reason for this massive subsidy is unadulterated political patronage—the purchase of a few votes in the last election, and a stubborn insistence on paying the "debt" with public funds.

There is an hon. member on the other side who asked: "why did you not promise the same thing?" My answer is that we were more responsible and that we were not there to buy votes.

Mr. Friesen: Tell that to Kaplan.

Mr. Ouellet: The article goes on to read:

To keep this one promise, the government will be forced to renege on three much more important promises, namely:

—That MID would cost only (!) $1.6 billion a year—an impossible "promise" even when it was made.

—That the federal deficit would be reduced—MID alone will increase it 25 per cent.

—That inflation control would be the government's top priority.

Building industry leaders were commendably restrained in their support of this latest handout. But even their main reservation—that someone else should pay for it—falls short of the discipline that will be necessary to maintain a healthy building industry.

[*Translation*]

Mr. Speaker, that irresponsible and shady promise of the Progressive Conservative leader is condemned by experts in both the private sector and the Canadian government. Indeed, in a recent study made by the Canada Mortgage and Housing Corporation on the deduction of mortgage interest, the conclusions of those government experts are quite harsh for the Clark proposal, and I quote:

[*English*]

A program of mortgage interest deductibility will clearly have a number of implications affecting different sectors of the economy. Most of these appear to be undesirable, as noted.

The last sentence of this study, which has not yet been released by this so-called open government, reads as follows at page 23 of the report:

Mortgage Tax Credit

The recommendation emanating from the discussion of this paper is that a scheme of mortgage interest deductibility should not be introduced in Canada.

[*Translation*]

Such is the recommendation made by government experts. This, Mr. Speaker, would no doubt explain the rather surprising silence of the minister responsible for the Canada Mortgage and Housing Corporation. The bill is being considered in the House since November 19 last. Today is November 28. However, the minister who is responsible for housing in Canada has not yet spoken on this bill, the bill which is supposed to be the most important measure of the new government to solve housing problems in Canada.

● (1520)

Mr. Speaker, I therefore wonder why the minister responsible for housing remains silent. Why has he not yet spoken about this bill? When will he do so? I know the answer. The minister does not want to speak because he does not believe in this bill. All the experts, the public servants and his provincial colleagues responsible for housing, have told him the same thing—this bill is wrong.

Unfortunately he is also shackled by the nonsensical promises of his leader. He must also support a government which has the audacity to introduce such unfair, useless and costly legislation. I have now noted that he has not spoken in this debate. Perhaps he will come to the House tomorrow or the day after to tell us reluctantly that he supports this bill and believes that it is a good bill, but this will be play-acting, Mr. Speaker. It will be simply a theatrical gesture such as the Minister of Finance is so good at doing.

The minister responsible for the Canada Mortgage and Housing Corporation will not delude us if he takes part in this debate because he inadvertently revealed his thoughts in committee to my colleague, the hon. member for Sainte-Marie (Mr. Malépart), who asked him this question during consideration of the estimates of the Canada Mortgage and Housing Corporation:

Mr. Minister, I would like to know whether you really intend to develop a true housing policy for Canada. When I speak about a true policy, I mean a policy which would consider not only home owners but also tenants, who account for nearly four million Canadians, because if we look at the mortgage tax credit and rebate policy, we can see that it is a policy strictly to the advantage of home owners and to the detriment of tenants.

Mr. Speaker, the minister replied quite candidly:

[*English*]

Well, that is true, sir. It certainly favours and discriminates towards those who own or want to own homes . . . when are we going to have a real housing policy in Canada? I think we have had a housing policy in this country that served us reasonably well to this point. As I said earlier, I think we can improve it.

In saying that he wanted to improve it, the minister does not say that he wants this piece of legislation to be passed. Here is what he said:

I think there are things that we can do to improve it.

He was talking about a national housing policy in Canada. He continued:

One of the things that you mentioned is important, and that is, what can we do to assist renters, which are particularly numerous in the province of Quebec, as you know.

That is the minister responsible for housing who should be supporting this piece of legislation, but has not yet found time to speak on this legislation. He continued:

I think one of the logical things there that we can work toward is some sort of shelter allowance. I am attracted by this concept. I think it can be used in the field of public housing as well in order to supplement the traditional approach that has existed up to this point.

[*Translation*]

Well, there it is. The minister told us what he really thinks and, I say so very openly, I congratulate him. He was honest enough to recognize the faults of this bill introduced by the Minister of Finance. He was shrewd enough to identify a logical and fair way of complementing this legislation, making it better, making it fairer and more useful.

I now ask, will he have the courage to introduce amendments to this legislation to make it a truly efficient tool capable of solving the real housing problems in Canada? I look forward to that. I hope he will have the courage, and particularly the political clout, to convince his colleague, the Minister of Finance, that his bill is bad. For our part, Mr. Speaker, we are determined to fight this legislation. If the government wants to change its mind, if it wants to amend this legislation, if it wants to set up a comprehensive housing policy in Canada, here again we will be pleased and eager to support it. But in the meantime we are going to continue to say this is an unfair, a useless and particularly costly piece of legislation. This piece of legislation, Mr. Speaker, is unfair in that it is biased in favour of the privileged classes in society. Let us remember that the Tory leader made that darned promise on the eve of byelections in Toronto, Winnipeg, Vancouver and Montreal urban and suburban ridings to get a few votes from suburban owners.

The tragedy, Mr. Speaker, is that this has been made into a national policy applicable to all Canadians, both urban and rural, owners and tenants alike, but suitable for only a small number, the richest, the most privileged in our society. That is unacceptable, Mr. Speaker, and I find it is absolutely typical of the Progressive Conservative Party, the party of the multinationals, the party of the oil companies, the party of the more privileged in our society. But I say it is an unfair piece of legislation because it does not meet the needs of too great a number of Canadians. This legislation is unfair to all tenants in my riding of Montreal-Papineau, unfair as well to all other tenants in Canada. It is unfair to all retired people who no longer have a mortgage, who have been able to pay back their mortgages and who particularly today, at the end of their lives, do not intend to get into debt to benefit from this selective measure of a heartless but politically ambitious Conservative government.

This measure is also superfluous. With the rocketing interest rates it is even less necessary. When we were hit with a three to four per cent leap in interest rates, that meant that one million home owners were left out of the real estate market. They were not attracted to the real estate market as the Progressive Conservative Party, the present government, had hoped. They were excluded from the market because interest rates are much too high. In fact, we must remember this: about four months ago, a family anxious to buy a house with a mortgage of $60,000 needed a yearly income of about $24,000 to realize its dream. Today, to buy the same house, it needs an income of close to $32,000. Such is the result of the economic policy of Progressive Conservatives who allowed an indecent increase in interest rates in Canada. I say this measure is not necessary in the present economic conditions, but with one hand the Progressive Conservative government would like to give some home owners a few hundred dollars, to be exact at most $375 this year, but with the other hand would take away from the same owners $500 to $600 through the higher energy costs that they are arranging behind the scenes with Premier Lougheed of Alberta. So, for all these reasons, this measure is useless, failing as it does to meet the real needs in the housing field. It contains nothing for those who pay too much rent, for those who live in substandard dwellings. We know, for instance, that in urban sectors about 150,000 families are living in unduly small or inadequate dwellings. They cannot afford better shelter unless they spend more than 30 per cent of their income for that purpose. Only 73,000 of all families are living in dwellings that might be improved. Others would have to move to find a decent home. Canada also has about 383,000 decent and spacious units costing more than 30 per cent of income, but obviously that is too expensive. This proposal does not answer the problem.

• (1530)

In presenting this legislation, the Minister of Finance said that in 1982, the last phase of the program, it would cost $2.87 billion. It is much more than expected by the Progressive Conservative Party when it made that electoral promise. It is a shameful waste of public funds, particularly within a context of budgetary restrictions. It is absolutely unjustifiable when spending must be viewed from a thrifty angle. When answering the Minister of Finance, my colleague, the hon. member for Winnipeg-Fort Garry (Mr. Axworthy), made a proposal that would alleviate the housing problems of Canadians, help three times as many Canadians as would the proposal of the Minister of Finance and be half as costly as the Progressive Conservative program.

Briefly, here are the five major points in my colleague's proposal: a housing allowance program for senior citizens and

single parent families; a special assistance program for needy families to compensate for rising heating and electricity costs; a temporary reduction in interest rates paid by home owners who must renegotiate their mortgage—this is one of the major problems which this proposal does not answer adequately—assistance programs for buyers of new homes to stimulate the housing industry; and last, subsidies for the construction of rental units in metropolitan areas where the occupancy rate is very low.

Mr. Speaker, those are five proposals put forward by the official housing critic of the Liberal party, which in my opinion deal much more adequately with the present housing problems in Canada than that weird proposal by the Progressive Conservative government, a proposal which is a remnant of some hasty electoral promises put together and in a way forcing the Progressive Conservative government to act.

This government has had to beat a retreat on its promise to move the Canadian embassy from Tel Aviv to Jerusalem. They are now looking for a compromise in order not to carry out their promise about Petro-Canada. They have already changed in part their general mortgage interest deductibility proposal. They have changed a very large part of the deductibility project to make it a tax credit. It is an important part already of that promise that has been changed. If the Progressive Conservatives are conscientious and courageous, they should recognize their error in this area as in others. What is called for is not a slight alteration in the promise, but outright recognition that the proposal does not meet the needs. The minister in charge of the Canada Mortgage and Housing Corporation should be given an opportunity to put forward a genuine policy meeting Canada's housing needs, a policy that would indeed fill the needs of those who would like to have their own home, those who have an uncertain view of the future because of the astronomical increase in the interest rates, those who could get no better promise than the assurance that, were they to buy a house, they would not be charged interest rates higher than a given figure throughout the repayment period. Therefore the government could implement a program of so-called shelter allowance, a housing supplement assistance program that would help both rental dwellers and home owners keep housing costs in Canada at an acceptable level.

I am thinking of a system that could help rental dwellers by allowing them to deduct from their income tax rental costs above a certain proportion of their income, say 25 per cent, and also a program that could help home owners through income tax deduction of housing costs incurred in the form of mortgage interests, property taxes, heating costs and insurance premiums, also at that 25 per cent of income level. I feel that any sensible policy helping not only the residential housing industry in Canada but also giving confidence to any Canadian wanting to own his or her own house would be to establish a system under which the individual would know in advance that he or she would not be confronted three, four or five years hence with excessive extra costs that cannot be met. It is a matter of common sense, therefore, that the Minister of Finance in no way satisfies the people's needs with this camouflaged proposal. All he is doing is giving some sort of income tax rebate to a privileged few. I have no objection to the Minister of Finance granting tax benefits to some Canadians, whether it be $375 this year or $750 next year. If he wants to let some Canadians pay less income tax, that is his privilege. But I do have serious objections to the fact that the Minister of Finance uses this technique to lower the income tax of certain people, not of all Canadian taxpayers, that he does not act frankly and unequivocally for everybody. If he wants to lower taxes, that is fine, but he should not, by the back door and underhandedly, try to favour a privileged few and at the same time try to convince us that what he is proposing is an adequate policy for solving Canada's housing problems.

In my view, that is just not good enough. Such a measure prevents the implementation of a real housing policy. It is unacceptable and inadequate, and it is something that we are subjected to only because the leader of the government, the leader of the Progressive Conservative Party, has made unacceptable election promises to gain a few votes in towns and suburbs around large Canadian cities. That is not worthy of the leader of a government. Now that he is Prime Minister of this country, he should be honest enough to recognize, as he did in the case of the embassy move to Jerusalem, that he made a mistake; and in this case, that he will amend the act and ask the minister responsible for the Canada Mortgage and Housing Corporation to introduce real amendments that will help solve the real housing problems in Canada. Then we shall be very happy to support an over-all housing policy in Canada, which should serve well not only a few privileged home owners who live in certain areas of the country but all Canadians, in all parts of the country, and benefit them whether they are owners or tenants, whether they live in cities or in rural areas; then we shall be only too happy to support the government, if it has the courage to do what it must.

But if it persists in pursuing this silly short-term policy, we will have no choice but to denounce it and say that this is horse trading, that this is a shameful policy, that we condemn this way of managing the affairs of the state, of squandering the taxpayers' money, of wasting it to favour only a few of the already privileged to the detriment of thousands of Canadians who are in need, really in need, of decent housing, at a reasonable price, and whom the Progressive Conservative Party completely ignores, for it is heartless: it has nothing but political debts.

• (1540)

[*English*]

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I see that the

member for Papineau (Mr. Ouellet) is engaged in his usual amount of polemics, of fire and brimstone with respect to government actions. Perhaps he is learning at long last—and he is one of the swifter learners—the job of the opposition. I say that because what the hon. member has not said in all of the polemic is where he stands with respect to the bill. I wonder if the hon. member's neglect in mentioning his stand in his speech today breathes some life into the headline which I saw in *The Globe and Mail* this morning that perhaps the Liberal caucus is split on what to do with respect to this bill.

We have heard speaker after speaker say that they do not like the bill, that if they were in government they would do it a little differently. I am beginning to wonder, considering that they were in government for 16 years, just why they did not do it a little differently. This idea of a property tax credit or mortgage tax credit is not a new idea. It has been in existence in the United Kingdom and the United States for a great number of years. When I hear the hon. member for Papineau, who was once the minister responsible for housing in a government that has gone west into the sunset, so to speak,—

An hon. Member: Not for long.

Mr. Baker (Nepean-Carleton): —I must ask the question: if an expansion of this bill was such a good thing, then where were they for the last 16 years?

Mr. Stollery: It is a bad thing; 100 per cent bad.

Mr. Baker (Nepean-Carleton): Where was the former government when it became evident that, as a result of its policies, the burdens on home owners were becoming larger and larger, municipal taxes were becoming heavier and interest rates were going up? Why did they not bring forward, for instance, the bill that they chucked on the order paper at the last minute with respect to municipal grants? That bill died when this country went into an election. What did they do with respect to relief for home owners?

What is galling to this group, Mr. Speaker, is that my party and my leader, who they never believed could beat the invincible, came to office with a promise of relief to home owners. This debate when it is terminated will result in the passing of a bill that will, for the first time, give some relief to the home owners in this country. I do not know where the members of that party have been.

Mr. Stollery: Penalize the poor.

Mr. Baker (Nepean-Carleton): I hear the hon. member for Spadina (Mr. Stollery), who makes his best speeches sitting down and from somebody else's seat, as he is now.

Mr. Stollery: You weren't here yesterday.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. I think that the House should extend to the President of the Privy Council (Mr. Baker) the courtesy of allowing him to complete his remarks. I noticed that the previous speaker, the hon. member for Papineau (Mr. Ouellet), was not interrupted, and the same courtesy should be extended to the President of the Privy Council.

Mr. Baker (Nepean-Carleton): Thank you, Mr. Speaker. I can understand that the embarrassment of some hon. members would lead to a certain amount of heckling and, if it is sensible, I can take it. Unfortunately, the heckling by the hon. member was not very sensible, and if he would allow me to complete my speech I would be grateful. When he stands up to speak in this debate, I will listen to him. It is a matter of courtesy.

Mr. Stollery: Mr. Speaker, on a point of order, the President of the Privy Council (Mr. Baker) has just said that when I get up to speak on this matter he will listen to me. If he took the time to read *Hansard* or visit the House from time to time when business of this nature is taking place, he would have noticed that I spoke for 30 minutes on this subject yesterday.

An hon. Member: And nobody noticed.

Mr. Baker (Nepean-Carleton): Yes, as somebody said, nobody noticed.

The hon. member for Papineau said that this bill constituted a waste of public money. I hope that that is not the attitude of the Liberal party, that a reasonable amount of tax relief for a segment of the population of this country is a waste of public money. That is not the attitude of the entire Liberal party, but still the question must be asked; where does this party stand? How will this party vote on second reading? I have read and reread all the speeches up to yesterday, and I have heard hon. members opposite talk against the bill, but not one of them has said where they will stand when it comes to the vote on second reading. That is a very important thing for the people of this country to know.

I have heard nothing but expressions of anger, despair and so on from that party with respect to this bill. I would like someone in authority within the party—and not the member for Spadina, but somebody in authority—to stand today and tell us where the party stands. Perhaps it could be one of the leadership candidates.

Mr. Knowles: Maybe he is one.

Mr. Baker (Nepean-Carleton): The Liberal party has been divided for some period of time on this issue. I can recall reading in *The Globe and Mail* comments made by a Mr. Greenspan—

An hon. Member: Who is he?

Mr. Baker (Nepean-Carleton): Well, I will not mention him. I will mention the hon. member for York Centre (Mr. Kaplan). The hon. member for York Centre during the election campaign mentioned the idea of giving property owners a break with respect to municipal taxes. I can remember reading in *The Globe and Mail* that the member for York Centre, in trying to jump on the bandwagon, wanted to come to Ottawa to urge that policy upon the leadership of his party. I do not

know what has happened to the urgings of the hon. member, but at least the hon. member for Papineau is against this thing, although he has not told us how the party will vote.

After we hear all the speeches about the people of Canada being opposed to this legislation, the hon. member for Vancouver Centre (Mr. Phillips) has sent out a questionnaire to his constituents. The questionnaire is called "A Report from Parliament" and it is dated December, 1979. I do not know how some hon. members can sit on the fence without splitting the seat of their pants. They must come to a conclusion sometime because there will be a vote with respect to this bill very shortly. The hon. member for Vancouver Centre began his questionnaire:

> The response to the questionnaire in our last newsletter has been tremendous—thank you for the many comments attached.

The latest results, dated December, 1979, from the Liberal riding of Vancouver Centre—

Mr. Knowles: It is not December yet.

Mr. Baker (Nepean-Carleton): The hon. member for Winnipeg North Centre (Mr. Knowles) has said that it is not December yet, but nonetheless that is the date on the questionnaire.

One of the questions in the questionnaire is:

> Do you think mortgage interest should be deductible from taxable income?

The number of respondents who said yes to that question amounted to 60 per cent of the people who replied.

● (1550)

Other questionnaires conducted by other members of this party and parties on all sides of the House have indicated quite clearly that the Canadian people accept, as a beginning to a range of home owner benefits, the proposal for a property tax credit advanced by this party. That is what is concerning the Liberal party, Mr. Speaker. It is why the Minister of Finance (Mr. Crosbie) said it was an exceedingly important bill for this government with respect to its commitments to the Canadian people.

We can find quotations to support both sides of this issue. There are economists and public commentators who have said the bill is unwise; there are an equal number of economists and public commentators who have said it is at least a worth-while experiment, and there are others who go beyond that and say it is a wise move and a good beginning to a legislative program that will help home owners. There are economists on all sides of the issue, but economists and tax experts do not make up the majority of the Canadian people.

I should like to recount an experience during the election campaign as I went door to door in a single family area of my riding, known as Briargreen. As we were going up the street a man ran out of his house and greeted us. He said he was in the midst of making out his income tax return and, Mr. Speaker, he was furious. I was very happy at that point to be a member of the opposition rather than a member of the government. He had read about the property tax credit and the mortgage deductibility scheme. He said, "Mr. Baker, does your party mean to do this?" I replied, "Yes, we do. You can count on it." If that gentleman is listening, or if he reads *Hansard*, I should like to tell him that this bill is the answer to his question. We intend to deal with this piece of legislation.

There are some people who say this bill will not benefit people who live in apartments. That is right. Many people who would like to have a choice of housing are denied that choice because of a whole host of things, many of which are far beyond the control of government. Other people live in apartments because they like them, although many choose to move out of apartments if they can.

This bill will provide encouragement to the construction industry. It is not the end of the encouragement that can be provided, but it shows that the government cares about the proposition of home ownership as a beginning with respect to construction, leading ultimately to the shelter tax that everyone talks about. Who in this House will condemn the beginning of some relief for home owners? That is the issue, Mr. Speaker. No one on this side of the House has said that this bill constitutes the last word with respect to the alleviation of the problems of home ownership. It is one of the steps toward that end, and I ask my friends on all sides of the House to consider it from that point of view. I think this is important.

The hon. member for Papineau said that high interest rates in Canada make this proposition, and the government's approach, useless. Mr. Speaker, I think this makes it more relevant. How can anyone argue, when interest rates are rising, that anything designed to alleviate high interest rates is not important? When municipal taxes are rising, how can anyone argue that some alleviation is not important? I think it is becoming more relevant all the time.

In answer to questions in this House, the Minister of Finance has said he thinks that in the long run interest rates will come down. That is already evident in the mortgage market. If one accepts even part of the argument of the hon. member for Papineau, it is clear that as mortgage interest rates come down, this bill will have a greater effect.

This party did not choose the property tax approach by accident, Mr. Speaker. Hon. members on all sides of the House recognize the difficulty of dealing with the provinces in this matter. The property tax credit was the only way to deal with them. This method was chosen because it has impact on people in the lower income brackets to a greater degree than on people in the higher income bracket. I suppose that is why the Gallup poll has indicated that about 70 per cent of Canadians are behind the scheme. The poll does not discriminate between apartment dwellers and home owners. Colleagues of mine have received 80 per cent and 90 per cent returns in favour of the proposition. The hon. member for

Vancouver Centre found that 60 per cent of those replying thought it was a good proposition and worthy of support.

This is the first time that the tax system of the country has been used to give some relief to this segment of the community. There are a great number of programs for those who are disadvantaged. Indeed, I think this country is in the lead in programs for the disadvantaged. The really wealthy do not need programs in the way that the disadvantaged do. There is a group of Canadians who traditionally have borne a large portion of the cost for such programs, and that is middle income Canadians. As wages improve and the differential between wage groups and occupations decreases, that group is growing in number.

I hope there is no one in this House who will vote against this bill which is a first step toward relief of property taxes. The hon. member for Papineau referred to the statement of the minister responsible for housing, to the effect that we are working toward a shelter allowance. Of course we are. There would be a shelter allowance already but the fact is we do not have the fiscal stability to put this in place nor are we likely to have it for some time. But this is the first step in that direction. Surely to goodness no one in this House will vote against it. If they do, they are flying in the face of the opinion of most Canadians.

I want to address another aspect of the bill, Mr. Speaker, relating to my responsibility as Minister of National Revenue. It is up to the House whether this bill is passed, and this is a minority House. The bill would be administered by my department, and I should like to address certain technical aspects of the implementation of the program so that members on all sides of the House will know the position in which the government is placed.

A short time ago my friend, the hon. member for Winnipeg North Centre suggested, almost in an aside, that the government may already have printed the tax forms even though the debate had not begun. I want to tell the House that my hon. friend was quite correct, and I want to tell the House why. He has been here for a long time and he knew he was right when he put the question in the aside.

● (1600)

I do think it is appropriate that I leave the impression that the forms with respect to the property tax credit are ready, and had to be so. I want to tell members why that is the case so that they will understand. Canadian taxpayers will be receiving a form in a relatively few days which will contain the property tax credit deduction lines. I want to tell them as well so that they know about some innovations with respect to the form. As a result of the work of the Minister of National Health and Welfare (Mr. Crombie), the Minister of State for Science and Technology (Mr. Grafftey), in his former capacity as minister of state for social programs, and officials of my department, there is a simplified approach in the general form to the child tax credit provision. We hope that we will not run into problems that all members have experienced with respect to the last matter in terms of the printing that has to be done.

[Mr. Baker (Nepean-Carleton).]

Mr. Knowles: Mr. Speaker, would the minister permit a question before he leaves that point?

Mr. Baker (Nepean-Carleton): Yes.

Mr. Knowles: Mr. Speaker, I appreciate his frankness in answering that question even though I asked it in a way which showed that I knew the answer. But does this mean, the forms having been designed and printed, that the government will not accept any amendments to the legislation?

Mr. Baker (Nepean-Carleton): Perhaps I could answer that question best by continuing my speech. If the hon. member is not satisfied with what occurs in it, he will see the position that we are in now.

Hon. members opposite made a picture of a printing press at the ready to incorporate their amendments into a new tax form to run off the returns the moment this bill has been given royal assent. They may suggest, since they have clearly declared their intention not to pass Bill C-20, that no returns should be mailed out. I anxiously await the pleasure of the House with respect to the bill, quite naturally, because my department will be administering it. Unfortunately, I cannot await the pleasure of the House with respect to the forms.

In a normal taxation year, labelling and enveloping of returns would start on October 8 and be delivered to the Post Office with mailing to be completed by the end of December. Processing of these returns would begin in early February, and refund cheques would begin to go out at that time. As a department our peak activity happens to be around mid-March.

There have been delays this year because a form had to be designed for a mortgage interest and property tax schedule. It had to be redesigned, printed and enveloped with the return. As well, the main form had to include a reference to that schedule so that the taxpayer, when he receives it, will receive a form that has the lines and the reference to the schedule to assist him in preparing the property tax credit aspect of that form. Therefore, this year enveloping started about November 21—not a significant delay having regard to the problems—and mailing must take place at the beginning of next week if delays are not built up. As the matter stands right now, refund cheques will be two weeks later than usual. If there is a delay in getting this bill through parliament, that refund period will be put back even further.

I should give my friends in the House some indication of the volume that we are talking about. The printing of the tax forms is a huge task; it is a monumental task. There are 15 million packages now prepared, each one containing a label, a pre-addressed tax form containing a tax guide, a separate property tax schedule, and a return envelope. In addition to this, other forms must be made available through post offices across the country.

We gave consideration to the possibility of delaying the mailing of the forms until Bill C-20 passed, in case it did not pass. I want to tell the House that we gave consideration in the department to that. Recognizing that the bill might not pass,

we felt that in the interests of all taxpayers we could not introduce a long delay in the tax return cycle. Such a delay would be hard not only to those planning to apply for the new deductions, but also to all taxpayers.

This past year 11,370,000 refunds were issued for a total of $4.5 billion. Not all these refunds went to taxpayers in the strictest sense because these returns are sent in as part of the various income maintenance schemes across the country, both nationally and provincially. For example, in the federal child tax credit scheme there are about 800,000 of those. Then there is the Ontario property sales and pensioners' tax credits, the Manitoba cost of living and property tax credit, the Alberta rental assistance credit, the British Columbia rental tax credit, and a shelter tax credit in the province of Saskatchewan. The delay of the refunds would cause hardship for thousands of people for whom a refund is more than just a spring bonus.

I do not have to tell any member of this House how important is the child tax credit to many single parents. I do not have to tell any member of this House how important and how significant a delay can be. Therefore, as a government, we really had no alternative. In all probability, the April 30 deadline would have had to be extended. In some cases, some loss of income might result. Even if a delay in mailing the forms took place, the government would have been unable to do little if Bill C-20 were to be defeated by whatever means. The opening and restuffing of 15 million envelopes, or the reprinting of certain lines in the returns, is just not a practical alternative. For all of these reasons, the government has little choice but to mail the tax forms, and this will be done, as I have indicated, in the very near future.

Hon. members are probably aware that this has been done before in anticipation of eventual passage. Clearly the present situation with a minority government is different. I want to tell the House that by ordering the forms to be sent, I am not presuming passage of the bill. That does not lie with my department or me, it lies with members of this House of Commons. In fact, I have listened to and read speeches of hon. members opposite. Their determination not to pass the bill is quite evident. I felt, quite frankly, that I ought to come to the House and indicate to my colleagues on all sides of the House the situation and the circumstances behind it.

This obviously raises the question: what happens if the opposition is denying the tax deduction to the people of Canada, at least for the year 1979? I think the Minister of Finance made it clear, and we have made it clear, that we want this bill. The whole purpose of this bill is to apply it to the taxes of ratepayers, property owners, for the year 1979, which would be utilized by them in the spring of 1980 when they file their tax returns for 1979.

If there is a delay, that would require the Department of National Revenue to do several things. First, we would have to launch a publicity campaign telling the taxpayers to ignore the mortgage interest and property tax schedule. Quite frankly, I would regret this since the government is trying to cut back on advertising. I would say to you that we would not want to be flooded with several million returns claiming a deduction which is just not there. So we would have no alternative but to embark on an advertising compaign. From my brief experience as Minister of National Revenue I can safely predict that an endless stream of correspondence about a tax deduction that never came about would have to be answered by me as the departmental minister responsible—and I would certainly answer all this correspondence truthfully, as hon. members would expect me to do.

• (1610)

Second, we would program the computer to ignore this particular deduction should it be claimed, and I predict that computers would be just as unpopular as would be the House of Commons, in particular some hon. members who are sitting over there on the other side.

I have to tell the House that the sending of the forms early next week arises from necessity and normal practice, and in no way denies the House the right to make a decision on this matter. If the opposition decides to defeat this measure I hope members over there will understand the need to conduct an advertizing campaign to prevent a build-up at taxation data centres of several million erroneous returns. I felt that in advance of a question period in the spring of 1980 I should tell hon. members that right now. I am hopeful, of course, that the opposition will not deny this tax advantage to home owners in Canada.

I do not see anything wrong, in fact, I see a great deal that is right, in encouraging home ownership. Ownership of a home is a provision for the present and a protection for the future. Home ownership is not an unnatural desire among Canadians and it behoves the government, within the limits of its ability financially in any one year, to promote it.

This is the first step in a program which attempts to assist toward reaching a goal which we consider desirable, that is, home ownership, by at least giving the option, the choice, to Canadians. It is not just Canadians in the large cities, it is not just Canadians who live in apartments in large cities; it is Canadians who live on farms, Canadians who live in small towns and hamlets, Canadians everywhere who want the choice. They will have the benefits of this bill. However imperfect it may seem to be, that is the choice this government wants to begin to give. It was announced a long time ago. I think ownership of a home is a very tangible expression of accomplishment and of a commitment to community. It is an expression of it only; it is not a commitment but it is an expression of it and we think it is an expression worth fostering.

With respect to the amendment the hon. gentleman talked about, let me say this. He knows there are limitations which govern the moving of amendments, limitations under the rules with respect to the amending of tax bills. And they would apply to the bill before us. The Prime Minister (Mr. Clark) indicated we were prepared to consider amendments. But I would have to say that to amend this scheme this year would so foul it up from the administration point of view as to render the whole process of this first step difficult. Indeed, in terms of

delay, it could become meaningless. I see no way by which we could amend this scheme today to bring in the shelter tax allowance scheme, if that is the kind of amendment members over there are talking about—I see the hon. member for Broadview-Greenwood (Mr. Rae) nodding his head. Physically, it could not be done.

I want to say to the hon. member that he ought to regard this as a first step in a number of steps. The government is not unmindful of the reasonable comments which have be made with respect to the importance of the shelter tax allowance. I want to tell hon. members that through you, Mr. Speaker. But for the year 1979, both in terms of the ability of the government to pay and in the physical ability of the government to allow, it is just not feasible. There may be other amendments we can consider but they would have to be quite minor. I regret having to put that as being the position of the government, and I do so from the point of view of my responsibilities as Minister of National Revenue.

I am sure all hon. members, knowing the background of the Minister of Finance and knowing the concern he has for people and the fairness of the tax system, understand he would want to do everything he could with respect to the tax system if that was allowed to him. But the government is under certain constraints financially and that is not possible this year. I would not say it would not be possible in other years, nor do I say the government would not consider it in other years. As the hon. member for Papineau indicated in his speech, the minister responsible for housing is quoted as saying the government does have this matter under review. And, of course, it does. But this is a first step and, as a first step, I ask members in all quarters of the House to support it recognizing, as I do, the differences of opinion which may exist philosophically.

That is the reason I got into this debate, Mr. Speaker. I felt it was quite important that all members of the House of Commons should understand the unavoidable problems of the Department of National Revenue with respect to the preparation of the forms and the problems which will result to the Canadian taxpayer in the event that this bill is defeated. I really felt it would be unfair if that point was not made by me. Quite frankly, if I can, I want to avoid questions in the spring of 1980, if this bill is defeated, by telling the House in advance what the problems are—questions related to the delay in returns and these other matters. I want to thank hon. members for their attention.

Mr. Knowles: Mr. Speaker, a few moments ago I asked the minister what this did to the possibility of any amendments in committee. He has now answered that, of course. He has told us that when we are in Committee of the Whole, proposing amendments, we are just wasting our breath. Nothing is going to happen.

I would like to ask the Minister of National Revenue (Mr. Baker) how he squares this stance with the document he tabled the other day as President of the Privy Council in which he said it was the intention of the government to increase the importance of the House of Commons. How does he square that with an announcement which tells us that from here on there is no meaning to our debate and, incidentally, no meaning at all to the debate which will follow in the other place?

Mr. Baker (Nepean-Carleton): Mr. Speaker, on a point of order, I am not the maker of this situation and I do not want to be held as casting any doubt on the role of the opposition in the House. Remember, I recently came from the opposition. But I would have liked very much to have been able to introduce, as the first piece of legislation before the House following the throne speech debate, the property tax credit legislation.

Mr. Knowles: You should have called Parliament a lot earlier.

Mr. Baker (Nepean-Carleton): The hon. member says we should have called Parliament together earlier, yet he voted to put us out of office shortly after we got here. He should be consistent, too. What I am saying, though, is that I should have liked to have called that measure. As a result of the position in which we were left when the last Parliament was dissolved for the May 22 election, hon. members will know we had the whole estimates process in front of us and we still have the main estimates process to go through; we had to clear up the question of the borrowing authority which had run out, and there were a certain number of allotted days to which the opposition was entitled. Really, whether we like it or not, the beginning of this debate was the first part of the debate on a new legislative program.

● (1620)

The answer to the question is that as grateful as I am, and I am grateful—and I suppose other Canadians are grateful for the speed with which the House dealt with the spouse's allowance—it was a piece of legislation with which most people agreed, and this is a piece of legislation which has caused some controversy. I recognize the time limits. I would have liked very much to have begun with that legislation at the beginning, but we could not do it, and we brought it forward at the earliest possible date.

Mr. Campbell (LaSalle): Mr. Speaker, would the minister entertain another question?

Mr. Baker (Nepean-Carleton): Yes.

Mr. Campbell (LaSalle): Mr. Speaker, I would appreciate it if the minister would comment—I understand that the cost of the credits to home owners will run at around $2.7 billion, and I was just wondering if the minister might want to comment as to where the government will obtain the money to pay those credits.

Second, when can the House expect the government to bring in future legislation with respect to tenants, who are being ignored in this present bill?

Mr. Baker (Nepean-Carleton): Mr. Speaker, the figure of $2.7 billion is the figure which I believe applies at the end of the four-year cycle. As the hon. member knows, it comes in in

that period of time. Quite frankly, we have confidence in the ability of the Canadian economy to accommodate itself to that. Given the mind of the Minister of Finance, I know it would not be done if that was not possible in the judgment of the Minister of Finance.

The hon. gentleman asked another question. I have forgotten what it was.

Mr. Campbell (LaSalle): Mr. Speaker, the minister mentioned that this was only a segment of the total legislation to be brought in by his government, and I am just wondering when the House can expect that further legislation could be brought in to enhance further the position of tenants, who are being ignored in this present bill.

The Acting Speaker (Mr. McCain): I would like to draw to the attention of the minister that his time has expired and that he would be able to answer the question only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Baker (Nepean-Carleton): Thank you, Mr. Speaker. As I indicated to the House in the course of my speech, there was a matter under study, and in that I was quoting the minister responsible for housing, the Minister of Regional Economic Expansion (Mr. MacKay). That is the case. I cannot be precise with respect to it, but I want the hon. member and all hon. members to know that we are quite optimistic about the long-run prospects for the economy. We are monitoring the development of the economy, heartened by the fact that interest rates and mortgage rates have dropped a point in some sources. That is likely to be followed by other reductions. We are heartened by the strengthening of the dollar, and we are heartened by the courage of the Minister of Finance in not falling prey to blandishments for band-aids with respect to interest rates.

It is our belief that if that resolution of the Minister of Finance is continued and we have a reasonable shot at reducing the size of the deficit of the government, which we believe we will have, we will have that kind of program available for the House sooner rather than later. If I tried to fix a date with respect to the hon. member's question, I would be misleading him, and I do not want to do that, but I want him to understand that the government regards this as a first step with respect to the expansion of benefits to home owners.

Mr. Robert Daudlin (Essex-Kent): Mr. Speaker, I have a few comments to make in this debate before its conclusion and the calling of the vote, which the hon. minister has indicated he is looking forward to with such anxiety.

I was concerned when the minister who has just spoken indicated that one of the reasons, in his view, that this government is called upon to take the step it is taking now to assist home owners, about which he claims such great anxiety, is that municipal taxes are going up. Although that particular concern may be laudable in itself, I have grave concern that what he is attempting to do is draw the whole federal system into a debate from time to time and on an annual basis with municipalities and municipal taxpayers as to whether or not the federal government should be called upon, on an annual basis, to come to the aid of municipal taxpayers every year and each time taxes go up, as an opportunity for the federal government to provide, via some side door if not the back door, more assistance to municipalities through this kind of tax credit system. I cannot believe we are getting ourselves into a system which would see the federal jurisdiction trying to provide funds, in effect, for the payment of municipal taxes.

I cannot believe the naiveté which would lead us into a position where municipalities would be asking on an annual basis for increases in this kind of assistance which would properly reflect the increases in taxes and mill rates going on in all of the townships, towns, villages and cities in this country. I am concerned about what the true basis for moving forward with this kind of legislation might be.

The minister also said that he has grave concern about, and interest in, providing reasonable relief for some segment, and that he could not understand that the hon. member for Papineau (Mr. Ouellet) would call this a waste. The fact that there is some assistance given is not in itself a waste, but it is a waste when we are dealing with a limited resource and when we cannot conceive of trying to priorize that resource and put it where it is most valuable and most needed. All of us individually, let alone with the assistance of the ministries behind the various government ministers, should be able to tell this government and itemize for this government a number of priorities which, all hon. members could agree, surely must come in advance of providing assistance to middle-income house owners, so-called, who seem to be targeted by this piece of legislation.

The minister asked that someone in authority give some indication as to where the vote is going. Well, whether or not I am someone in authority I will leave for someone else to tell, but with respect to the votes which I and all members who are here in the same manner as myself have to cast I make it quite clear at the outset—I start with this position and finish with it—that this particular piece of legislation is ill-advised, inappropriate, and untimely, and I intend to vote against it.

Home owners came to me during the campaign prior to May 22. Those people would be recipients of benefits, and they are part of that very restricted number of people who would get tax credits from this legislation. On the surface those people, like those of whom the minister spoke, came to me and said, "Doesn't this seem to be a good idea?" However, their interest in the idea was short-lived when they started reflecting on the cost and who in fact is going to bear that cost. By the minister's own admission, much of the tax burden in this country is borne by that same middle-income group which he says he is targeting.

If in fact the government is to reduce its income by the amount we have now heard, on the low end projected by the Minister of Finance (Mr. Crosbie) and on the high end by many of the economists in this country, and even if we pick a mean, the persons who are going to be asked to pay for that

again will be middle-income people. I truly mean pay for it because, if the government does not have the revenues, then it will have to find the money elsewhere.

● (1630)

If they were not afraid to tell us where those revenues are to come from, why would ministers not have told us in advance of this legislation how it is to be paid for? I think that would have been the credible way to bring this legislation to the House. That would have provided us with at least that portion of the budget that showed how this legislation was to be paid for. But no, the approach of the Minister of Finance has been rather to try to sell us the proverbial pig in the poke. In effect he has said "Here is a wonderful idea. Reach into the bag and pull it out. Never mind how much it is going to cost. Never mind where we will find the money. Trust us."

They have indicated to me, and, I am sure, to most members on this side of the House, that they are not to be trusted. As a matter of fact they are to be feared, and we should not buy anything sight unseen. As a consequence, one of the greatest motivating factors for my voting against the bill is that they have not shown me they have any concept of priorities, and I am not prepared to tell them to go ahead with my blessing without having that kind of information in front of me. To do so would be totally irresponsible, and would not be fulfilling the role which I have been sent here to carry out.

I sat on the other side of the House with many of the members who sit here now, and I listened to the smooth tongue of the then House leader, now government House leader, when the government of the day was in the position of trying to take action that could have been, on reflection, somehow deprecating the position of the House. Today I could not believe that that same member could stand in the House and try to conceal himself behind the shallow argument of the administration in saying that, "First, I am sending out the forms; and second, no amendments can be made to the principle of the bill because obviously I would have to make announcements all over the place and we would not want to do that."

Finally, in response to the hon. member from Winnipeg, in terms of amendments in Committee of the Whole, he said, "Well, I have to admit that in fact even amendments of any substance at all cannot be accepted." That makes a mockery of the debate. I tell you, sir, that I thought very deeply about whether or not I should even stand up to add my voice to this debate because the suggestion has been made that this debate is absolutely meaningless.

Much worse is the suggestion that the other place as well should not have an opportunity to take a look at this. It is inconceivable, and if that had been done when the Acting Prime Minister was sitting on this side of the House, he would have gone from Vancouver to Halifax to decry such an action. So I think it is incumbent on us on this side of the House to decry that kind of action and to show what kind of disrespect this government has for this place while at the same time trying to stand up and say in what respect it holds this House.

I am concerned, indeed I am ashamed, that with this kind of legislation we should be trying to target one-third of the home owners of this country while leaving two-thirds of the population uncared for and out in the cold. This bill does nothing for the renters. I re-read the introductory remarks of the Minister of Finance at the start of the debate.

Some hon. Members: Oh, oh!

Mr. Daudlin: If hon. members opposite have questions, perhaps they should ask them. If they have comments, perhaps they would like to add them to the debate. But when I am in the midst of speaking, I find it difficult to listen. I find it better to do one or the other in the House, either to speak or to listen.

This bill does nothing for the renters. When the Minister of Finance introduced the legislation, when he was put to the test of trying to answer how this bill was going to assist renters, he came up with the most convoluted argument which one can read in *Hansard*. He suggested that this was going to help the renters to get themselves out of the rental market and motivate them to move into the housing market.

Perhaps out of a great amount of charity I could go so far as to suggest to the minister that I could see some glimmer of truth to the argument if the conditions which existed when this government took office had continued to exist, particularly in terms of interest rates and in terms of what the cost of mortgages was at that time. But given the changed conditions, given the increases that have taken place, how could anyone who is in the position of renting take a look at the mortgage market and decide to jump in with both feet and get himself into the housing market?

The bankers who were interviewed last night on CBC have indicated just what kind of credulity is to be given to that argument, when they said that at the rates that have been established after the last increase in interest rates, some branches that had been processing 50 applications a week were now down to three. That is the kind of "jumping into the housing market with two feet" that renters were doing. They had virtually stopped, notwithstanding the fact that mortgage companies, forced by that kind of pressure and the increases in savings that are taking place, through no assistance from the government but because of pressures of the marketplace, have had to reduce those high interest rates marginally. They still do not have the mortgage applications and new housing starts, nor do they have new people coming into the housing market, that this minister says was one of the prime motivating factors for introducing this legislation. That reason for introducing this legislation went by the board and went out the window. It can no longer act as a support for bringing this legislation forward.

Let me return now to the point I mentioned in response to the position of the Acting Prime Minister. How is this particular legislation to be paid for? On whose backs is this legislation to be borne? Who benefits by it? We have heard the rumour—and it has been our experience in the House that when there is a rumour, some element of truth always seems to be at the foundation of the rumour—that benefits to UIC recipients in

this country will be restricted and that family allowances will also be restricted. I ask: is that why the government is unprepared to tell us how it is going to pay for this bill? Is that why the government is unprepared to tell us what government programs will be cut down or tightened up in order to pay for the first year, let alone the fourth year, of this particular bill? It is the pig in the poke syndrome. "Never mind how we are going to pay for it," says the Minister of Finance. "Don't worry about it, trust us", he says.

An hon. Member: Remember Mirabel?

Mr. Daudlin: I wish I could find one face over there that I could trust.

Some hon. Members: Oh, oh!

Mr. Daudlin: It is incredible. There are some members on the back benches who look a little more trustworthy than some in the front.

Some hon. Members: Oh, oh!

Mr. Daudlin: Obviously I have touched some tender nerves. Obviously I am getting to them.

An hon. Member: You're dawdling.

Mr. Daudlin: One of the great problems with this bill is the misallocation of a scarce resource. The Minister of Agriculture (Mr. Wise) was in the House a few moments ago. I trust he is close by so that he will hear my next few words. They are meant to assist him and to give him some kind of constructive criticism from members on this side. I could speak of the widows—we have heard about them in the debate in the last two days—I could speak of the unattached, of the single family, of single parent families, all of whom surely should be targeted for assistance in advance of the group we are trying to assist now. We have heard about those numbers of people in this country, notwithstanding the advances made, who are still living below the poverty line. The government said that they can wait, they can take it easy, they can hold on, and they have to wait because "we have to go here first".

● (1640)

Coming close to my home, a $20 million industry is going belly up. There have been four bankruptcies in the last eight months. This industry to which I am referring will be impacted by the decisions taken in private yesterday by the Prime Minister (Mr. Clark) and the Premier of Alberta. I am referring to the greenhouse industry and the people who are trying to make livings from it. That industry contributes $20 million a year to the little constituency of Essex-Kent. It is going belly up because of energy prices. The Minister of Agriculture, and the Minister of Energy, Mines and Resources (Mr. Hnatyshyn), for heaven knows how long, notwithstanding their confessions of "going to consult", "working on this problem hard", "we are really looking at it seriously", have not done one thing to cushion those people from the energy costs which will drive them out of business. Lest we believe hon. members on the other side that that is unimportant and we can do without the $20 million industry, let one example be offered to them.

On the Toronto market last week, the wholesale price of greenhouse tomatoes went from $8 per 30-pound flat to $20 per 30-pound flat. This was because there was a shortfall in Canadian greenhouse tomatoes and because the only product available came from the United States. Who will bear the cost of that? It will be the consumers of this country who we are supposed to be representing. If the government is prepared to allow the industry of which I spoke to blow away, and go belly up, it will disappear. They are prepared to tell them, "You can wait too. We have $2.5 billion to put into this particular program, but you can wait". If they disappear, every consumer in the country will pay more for that particular product, because we will no longer have Canadian-source products. It will have the effect of moderating the price of tomatoes. It will be repeated time and time again. The same thing will be experienced in terms of corn, because farmers will not be able to pay for the ammonium nitrates and they will switch. What is it? It is failing to recognize that there are priorities on which the scarce resources should be spent.

It is almost as though we are revisiting when we hear the Minister of Finance say, "Inflation is the number one enemy. We will fight it, we will knock it down, we will wrestle it." When the government cuts its income by $2.5 billion, in my view it has no way of sourcing that money and must add to the deficit. Is that how it fights inflation? Is it the return of that mysterious promise of a short-term stimulative deficit? I think that is what they called it. I am referring to that mysterious thing which no one could explain, but it was there.

An hon. Member: The Liberal deficit.

Mr. Daudlin: That mysterious thing was there. Maybe it is coming back to haunt us.

Mr. McKenzie: It is the same as inflation.

Mr. Daudlin: Someone suggests that it is the same as something or other. Let that member rise and try to explain how they can priorize all these other important things away and come at this particular area. By their own admission, it is an area of our economy and a segment of our society which have done very well. They are better housed than the majority, better than any other country in the world. They have chosen to get into housing, believing in fact that they would be able to pay for it. Thanks to the new government, they now find themselves renegotiating mortgages which are so far over their heads that they do not know whether they will be able to stay there or not. Even if they receive the assistance from this program, they will find themselves with mortgages which have effective rates higher than when this government came into power.

The government persists in saying, "It is not our fault; it is something we inherited". How long will ministers stand there and refuse to take the responsibility they assumed on May 22? When will they say, "These are our decisions; this is what we

are trying to do about it"? They want to hide behind specious arguments. I am satisfied Canadians are fair enough minded to say that there comes a time when in fact that argument is no longer valid and no longer holds water. I think we have passed that time.

We see before us a spectre of a government, for the most part sitting on its collective duff. Members on the other side stand up from time to time and say, "Oh, yes, you have phrased a very important question, and I am glad you have raised it. It gives me the opportunity to tell you that what I have done is consult with my other friend in cabinet. We have initiated a study. We will study this thing to death, and, by golly, we are really interested. Thank you for raising the question". What does that leave us with?

An hon. Member: Review.

Mr. Daudlin: Yes, it leaves us with a review. It leaves us with the problem and nothing is being done. When they finally get off their duffs and say that they will do something, why does this happen? It is because they made a promise during the election campaign which they thought would give them some votes, and perhaps it did. But it is the only thing they feel they have to live up to—they feel they have to respond to those promises, no matter how much it costs, no matter what it takes away from whom, no matter what they have to do to find the funds.

I, for one, am unprepared to allow them to be so irresponsible. I am not prepared to suggest to them, "Fine, you have my blessing. I do not care how you will pay for it; I do not care from where the money will come. I trust you. We will buy your pig in a poke. We will allow you to do this without telling us how it will be paid for". I will not allow it to happen. Whether I am successful in convincing sufficient numbers to prevent that kind of thing from happening remains to be seen, but I for one will stand and be counted. The minister wanted to know. I will stand and be counted. I will vote against this bill. I think it is wrong. I think it is irresponsible. I think it targets the wrong segment of society for the times. I am satisfied that it should be stopped.

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, the New Democratic Party believes that every Canadian has the right to decent housing at prices he or she can afford. I hope there is no person in this House, or any member who is not in the House, who would disagree with that as a legitimate goal for Canada.

The economic arguments for and against Bill C-20 have been covered in depth by a number of previous speakers, the most outstanding of whom was my colleague, the hon. member for Broadview-Greenwood (Mr. Rae). Therefore, I want to consider right now the effect the mortgage credit scheme would have in relation to some of the practical housing realities which face ordinary people. I would like to use the city of Vancouver as an example. I think it is probably typical of many things facing other urban centres.

We cannot consider mortgage tax credits which benefit so few people and cost so much without first looking at urban housing and rural housing needs, housing alternatives, and government assistance programs which are absolutely essential to meet the needs of so many people. In Vancouver we recently did a study of some 160,000 households. Of course that includes a great many more people. The study indicated that 45 per cent of these households are people who own their own homes, some of them with mortgages which they are paying off, and that 55 per cent of the households are occupied by tenants. Unfortunately, only 1 per cent of these households are co-operative housing units, those having been built very recently. There is a vacancy rate in Vancouver of .2 per cent; two-tenths of 1 per cent, and that is quite unheard of in our recent history. You can see from this that we need housing desperately. There are precious few places for people to go.

● (1650)

Average rents as listed in classified ads are up to about $450. Surely I do not have to ask hon. members in this House why housing is so tight in this and in other cities. If that is not the case, then why are tenants not moving out and purchasing their own homes? It is obvious to anyone who looks at costs today that they cannot afford houses, and it is ridiculous to think that a tax credit such as is being proposed today can assist in this regard. Not even the tax credit system, the carrot that is being promised for next year and for following years, will help solve this problem. Because of high interest rates we know that home ownership is just simply not an option for most of our cities' renters.

Let us take a look at housing costs in relation to the incomes of people, and again this is in Vancouver, but I am sure it is relevant to other parts of Canada. About 10 per cent of Vancouver residents spend more than 50 per cent of their incomes on housing, and again most of these people are renting. Anyone who knows anything at all about housing knows that the CMHC and every housing authority suggest that we must not allow people to spend more than 25 per cent or, at the most, 35 per cent of their incomes on housing. Most renters in Vancouver cannot afford to buy housing since you must earn over $22,000 at least to consider a mortgage these days. At today's rates of interest we know how much of that additional money will be needed to pay off interest rates in the future.

There are 7 per cent of renters in Vancouver who earn over $22,000, however, and many of those people choose to live in rented accommodation. They choose to be tenants. However, I would like to point out to our friends across the way, since many of these people earning over $22,000 supposedly voted for them, that these are the people they are asking to pay the cost of tax credits for an elite and small group of people who will be lucky enough to be in homes paying off mortgages this year. Those are the people who will have to pay a large chunk of the cost of this program through their own income tax payments.

Over one quarter of the householders in Vancouver, or about 40,000 families, must spend well over 30 per cent of their incomes on housing. I know many of these people, and I know for sure that this means that in order to pay that proportion of their income for housing they will have to take it out of food budgets, and that means less nourishing food for children.

Approximately 22 per cent of the households that we looked at are occupied by senior citizens, and at least half of those own their own houses, the other half being renters. Of the elderly renters, of course, many are senior citizens on fixed incomes, and with the exception of those who are lucky enough to live in government assisted housing, they spend in excess of 30 per cent of their incomes on housing. These are people on pensions who have no opportunity of having a COLA clause in their incomes each year. Surely they also deserve a tax credit, just as much as do home owners.

In Vancouver close to 40 per cent of our elderly citizens have worked very hard throughout their lives to pay off their mortgages, and their homes are very important to them. They own their homes outright. How do you think they feel about having to pay for the benefits of a tax credit system that will only benefit such a few? It seems to me that they are also people who are being penalized for working, saving, raising their families, and buying homes over the years.

Another 35 per cent of our home owners who are in their middle years have also paid off their homes in Vancouver. They have raised their kids; their kids are probably teenagers or even young adults, many of them living at home still because they cannot find jobs. They will also have to pay through their income tax for this tax credit being given to people who are paying for their own homes through the mortgage system.

I also want to mention tenants particularly. The majority of people in Vancouver are tenants, as is probably the case in most urban centres today. Tenants are facing an extremely serious situation because of the lack of vacancies and the income situation which is not producing more housing for the people. Again this relates back to today's high interest rates.

We are finding in Vancouver now that rent controls are just being applied in a very few cases and rents are skyrocketing. I was speaking to one of the handicapped women who was here the other day. She told me she expects rent controls to be removed and that rents will go up over 30 per cent. With the incomes of the handicapped and others, they simply cannot afford this.

The poor people, particularly tenants who have children, many of them single parents raising families and having a difficult time of it, have absolutely no chance to live anywhere else. They do not even dare consider looking for other places of accommodation. They are at the mercy of their landlords. Incidentally, many of these are the same landlords to whom the Liberal government gave very generous tax credits, through tax shelters and incentives, and they are not now passing on the benefits to their tenants.

I would now like to consider the ordinary working person who is typical of the people in my riding of Vancouver East, and I am sure typical of other ridings across the country as well. An average worker who is lucky enough to have a year-round job in our area earns between $13,000 and $15,000 a year. Obviously, not one of these workers on his own can purchase a home. That is why, of course, so many of the wives of male workers must also consider working. It is usually the wife who is working at menial jobs with low rates of pay, and who now has no right to unemployment insurance if she can only find a part-time job. These wives have to work to support their families, and hopefully to save a little bit toward a down payment to get a home eventually. This is what many families want. Unfortunately, the increasing cost of fuel, food, clothing and transportation uses up every dollar in the pay cheque. Even with two parents working, very few are saving these days. The disposable income for working people in Vancouver dropped 3 per cent last year.

It is ridiculous for the members of the Conservative party who have produced this bill to say that the dream of owning a home will be fulfilled for young people today. That is absolute garbage. There is no way the dream of owning a home will be realized, and it is fast fading in the minds of most young people today.

Let me give one example of Mr. Dan Jones, a small businessman, who earns about $15,000 average per year. He is lucky to have a business, and with present policies I do not know how much longer his business will survive. His wife worked for a while and helped to save $7,000. They have one child and are expecting a second. They are very keen to get into a house of their own. They found a three-bedroom house in Vancouver East at the modest price of $65,000. That is a pretty good price for today. The lot size was 33 feet.

• (1700)

These people saved enough to make a down payment of $7,000, leaving a $58,000 mortgage. It does not sound like very much, and surely the average working person could afford such a home. But if we consider interest rates of up to 14 per cent, this couple would pay over the next 30 years $300,000 in interest alone. The taxes would be $400 a year and, of course, their fuel costs will be up this winter. These people concluded that if they were to buy this house they would pay at least $755 a month, which amounts to 50 per cent of their income. Of course there is no way that they could buy this house.

I ask hon. gentlemen and the hon. woman member as well, what good is a tax credit of $375 a year as an incentive for getting people into housing when the average working person, who has a family with two kids and a modest home, needs this much to subsidize the rent because of high interest rates? There is no way that a young family can get into a house in the first place, so what good is this tax credit to them? It is hypocritical to say that this program will help young families get into houses.

What young people need is a bill that will help reduce their monthly payment to 25 per cent or 35 per cent of their income.

The government could do this by reducing bank profits, by reducing interest rates, by providing subsidies on interest rates, or by building decent social housing and directly using the taxpayers' money, rather than giving it to the banks. A previous speaker opposite has said that this mortgage tax credit bill will encourage home ownership. That is a delusion. I am very insulted and angry that the Minister of Finance (Mr. Crosbie) deceived this House when he said, I felt, in a very sarcastic way, that the mortgage tax credit would encourage young people to purchase a home, live a good life and raise a family. The minister has simply not looked at the facts. Why is he raising the hopes of people? Is he a cynic or a sadist?

Mr. Kempling: Those remarks are unparliamentary.

An hon. Member: They are trying to buy votes with it.

Mrs. Mitchell: To me it is cynicism and sadism to deceive people by promising them this tax credit, which was nothing more than a gimmick to get votes. It leads people to think that they will now be able to purchase a home.

The manager of the mortgage department of Canada Trust in Vancouver, who is a supporter of the Conservative party, has said, "High mortgage interest rates have made the hoped-for benefits from Ottawa's mortgage interest deductibility plan an exercise in futility". Lending institutions have also said that there has been a pronounced drop-off in housing business stocks in late October and that it has continued into November. Certainly it will continue into the new year.

Many of my constituents will appreciate a mortgage tax credit, even though it will hardly meet the increased costs of their fuel. On the other hand, they will lose money when the children's allowance benefits are taken away. I am thinking particularly of families who have just come to Canada, and who have struggled to save for down payments to purchase, in most cases, older homes. These people have worked very hard to improve their homes and have rented out parts of their homes to help pay for the mortgage. We must also consider that these people have probably sponsored their grandparents and other members of the family to come to Canada to share their home, thus there are often several wage earners who can contribute. If anyone deserves a tax credit, I would say that these people do.

Many working people and trade union members who are earning decent salaries and paying for mortgages will not say no to this tax credit plan. They, too, need this subsidy, because in more and more families the children are staying at home into their young adult years because they are unable to find jobs. These young people are faced with ever increasing costs and the prospect of not finding work. Should they be so lucky as to find work, their wages will probably not keep abreast of the increasing cost of living.

We in the New Democratic Party do not object to these families receiving such a tax credit because it will help cover exorbitant interest rates and the high cost of living of today. However, I am sure that my constituents would agree that we must be fair, and we know that renters, and young families who are unable to afford a home, would also like a tax credit.

There are many forms of social housing. When talking about affordable housing, this is an essential consideration. For example, a good alternative would be housing co-operatives. With some adjustments to the present system and an increase in monetary support to develop such housing, we could meet the needs of many young families today. Co-operative housing requires a small down payment because the mortgage is taken out collectively. Many of the housing co-operatives in Vancouver have been built on leased land. There is not a huge profit for developers in this form of housing, and as a result the costs are lower. Such a program would provide decent, attractive, family housing in livable communities.

The scheme in British Columbia is based on the concept that this housing will provide mixed, self-reliant communities. Surely that is a program which the government could support. Financially speaking, these housing communities contain average wage earners, 70 per cent; those slightly above the average income of $15,000, 20 per cent; and those below the average income, 10 per cent. Because these people collectively live together, they can meet their costs collectively. These people pay only 25 per cent to 30 per cent of their income toward the mortgage. This is the kind of housing in which the government should invest. If the Conservative party is committed to young families who want to own their own homes, it should provide this kind of housing.

Having talked to many groups in Vancouver and to CMHC officials, I have learned that the amount of money allocated for social housing is being used primarily to pay interest rates to the banks. This money is not being spent on housing. In fact there is very little money left for this year for starting new housing developments. Even in cases where the federal program—and I think that it is a good program—subsidizes interest rates to the point where people are paying 2 per cent for non-profit housing, the subsidy is being paid to the banks in the form of interest.

Another program which the government should continue to support, but unfortunately I do not think there will be any money this year for expansion, is social housing for senior citizens. There are many developments of this nature in many communities across Canada. It is excellent housing and the senior citizens are happy with it. Every year there is an increasing number of elderly people who will be needing this type of housing. Already there are long waiting lists, but no money to put into new developments of this kind. Senior citizens and other people living in subsidized housing are helping to pay for this tax credit to home owners. Even the non-profit groups that supposedly want to build housing for senior citizens receive no tax incentives such as are proposed in Bill C-20.

• (1710)

Public housing in Canada is at a standstill. I have known and worked in huge public housing ghettos in Vancouver such as Skeena, McLean Park and Raymur. That is not the kind of

public housing that we need, as I am sure everyone would agree. What we need is the type of housing that will integrate with communities and allow people to move out of rat-infested dwellings and pay a rent that is 25 per cent of their income. But no public housing is being built.

Under our system, poor people themselves pay the operating costs and capital costs of public housing when they live in it. It is said to be highly subsidized, but actually it is not. The government has actually subsidized the banks. The government is financing the profits and the interest rate, which is three quarters of the cost of the project, and government authorities are the ones that are paying that to the banks. If tax money were used directly for housing, more money could be saved and put into expanded housing programs. Non-profit housing programs for families are at a complete standstill. There are many plans on the books, such as the plan for the Strathcona community in Vancouver. This would provide excellent housing in the downtown area but it will probably not come to fruition unless there is considerable change in federal policy. The tax credit system will not help to meet that goal.

Just yesterday the hon. member for Saskatoon East (Mr. Ogle) spoke in very emotional terms about housing in Third World countries. I share his concerns in this area, but in downtown Vancouver, in the skid row area, there is a third world country that is worse than many of those overseas. Year after year people live in rat-infested and cockroach-infested rooms. Most of the houses are owned by landlords who have ripped off the tax system and have not put anything into improving the housing. Most of the tenants do not have a place to eat where they live. Often there is a dirty washroom, a couple of floors down, which must be shared. The buildings are fire traps, but these people cannot get out of this type of housing.

There are many single people, and couples and immigrants, living in this way. Incidentally, many of the Vietnamese refugees are being forced to live in this way as well. They are competing with the poor for this terrible housing. Native people coming in from the reserves are being forced to live in this terrible housing, or even on the streets. I would particularly like to mention many single and middle-aged women who cannot get into public housing because they have no children. Women are desperately short of housing.

The program being proposed to subsidize mortgages would do nothing to solve the housing problem for the people I have mentioned. A self-help organization in this area, the Downtown Residents Association, has been fighting for years to get something done. They have developed plans for housing but are fed up with the red tape and buck-passing they encounter at every level of government. It is my opinion that under this government, and with the present federal programs, there is no way they will ever get housing in the downtown area. Why should we not be taking the money to help those people, if we have a priority, rather than the people who already have had enough money to get their own houses? This is only a drop in the bucket for them anyway as far as mortgage costs are concerned.

Mortgage Tax Credit

We must address the question of how we pay for social housing. I have already mentioned that most of the federal housing money, which comes out of your pocket and mine through income tax, is going to the banks and not to housing. The government is going to privatize CMHC, if it has not done so already. This means that the total financing will be turned over to the private sector.

The only way we can assure low and middle income people of a decent place to live is through government sponsored housing and co-operatives, and non-profit housing developments, financed by the government, using our tax dollars directly for housing, rather than going through the banks and paying most of the money into bank profits. Through conversations with people at CMHC I know that the allocation of funds for housing, even if they were not paying most of it out in interest, is not enough to make new starts this year.

I do not want to go into any more of the history of this, Mr. Speaker. Since 1967 there has been a dramatic change and the system has been completely switched around. Maybe we should look at the pre-1967 government housing policy, where the money allocated for housing went directly into housing starts.

The policy of both Tories and Liberals is to allow the banks to take over—to bleed profits from the taxpayers' money while government cuts back on the amount of money budgeted for social housing. I have spoken about many non-profit alternatives, Mr. Speaker, which surely must be considered as a priority for the limited dollars available for housing starts in Canada. Of course we would like to see tax credits for home owners in middle income brackets, but not at the expense of other Canadians who have just as much right to decent, affordable housing.

Let us ask tenants if they are willing to pay out of their income tax, or to give up subsidies for housing that they should have, in order to provide mortgage tax credits for the elite few who are in housing now and are paying off their mortgages. Let us ask home owners who have worked very hard, particularly senior citizens who have worked hard to pay off their homes, and see if they are content to have social programs cut and, if they pay income tax, to subsidize a privileged few.

If this government wants to buy votes with a Christmas bonus, I challenge them to pay a tax credit fairly and universally to all Canadians. If we are going to do it for one small group, why not do it for everybody?

I should like to conclude by summarizing what the New Democratic Party would do if it were the government, and I would seriously urge this government to consider these measures in a non-partisan way, as being very important to the direction Canada should go. We would make housing for all Canadians, not just an elite few, a No. 1 priority. We would reduce interest rates, particularly for Canadians who earn under $30,000 or $35,000. This would really help young families, in particular, to purchase a home. We would not pay billions of dollars in interest, which is increasing every year, to enrich the banks. Instead, we would use this money to build housing. We would create jobs. We would provide incentives

for co-operatives. We would provide incentives for new communities, and particularly for young families who would flourish and improve our land.

Some hon. Members: Hear, hear!

• (1720)

[*Translation*]

Hon. J. Gilles Lamontagne (Langelier): Mr. Speaker, I am very pleased to be able to rise in this debate on Bill C-20. To me, this bill is hardly acceptable in its present form for many reasons, and I intend to be as objective as I can in this speech and prove indeed how extravagant, irresponsible and unfair this piece of legislation is.

[*English*]

This bill which has been placed before us today has quite a history. The Prime Minister (Mr. Clark) enumerated deductibility of mortgage interest as his major election platform over a year ago, in September, 1978. We Liberals in government at that time opposed his scheme as fiscally irresponsible, wasteful and unfair. Despite the changes made largely through pressure from our party and many commentators from across Canada, to the Prime Minister's original proposal, the basic philosophy of the bill remains just that. It is fiscally irresponsible, because in a difficult economic period and a time of restraint this government has committed itself to extra billions of dollars of expenditures, $2.87 billion by its own "conservative" estimate by 1982. Goodness knows how much more after that.

It is ironic that the government which has committed itself to reducing government expenditures, cutting back the public service, privatizing everything it sees, is making such an irresponsible, open-ended financial commitment. Moreover, this government has been following a high interest rate policy which will virtually negate any benefits that its tax credit will give to Canadians.

I am sure hon. members have read comments printed in *The Financial Times* of Canada. What does the real estate industry have to say? An article in the Ottawa *Citizen* dated October 18, 1979, pointed out the following:

> Ottawa realtors say if the federal government is genuinely concerned about home ownership in Canada then they should do something about record high interest rates instead of introducing mortgage tax credits. "It's a gimmick, let's face it, it's a gimick," said George Coughlan, manager of Shipman Real Estate's centre town office.

The industry sees this plan for what it really is, not a housing policy, not even a fiscal policy, but an election gimmick.

[*Translation*]

And Mr. Yvan Guay wrote as follows in the daily *La Presse*, on September 19, 1979:

> The Canadian people must therefore ask themselves whether that reduction in tax revenue will be offset by an increase in tax revenue resulting from the new jobs a stimulated building industry will create. Otherwise, the federal government will have to reduce more or less its services to the public. Considering the price of city lots, construction costs, property taxes and mortgage interest rates, all of which are constantly rising, one cannot see how this tax credit could be enough to promote residential construction.

[*English*]

Moreover, as pointed out in *The Globe and Mail* for October 26, 1979:

> —about 874,000 Canadian families have lost the ability to qualify for a $60,000 five-year term mortgage amortized over twenty-five years on a $66,000 home because of the rapid escalation in mortgage rates this year.

The article went on to demonstrate that with this mortgage interest rate rise to 14.75 per cent and even higher, a home owner would have to pay $736.81 per month on such a $60,000 mortgage on a $66,000 house when, at the beginning of the year with interest rates at 10.5 per cent, that home owner would have paid $557 per month. That is an extra $179.81 per month, or $2,157.72 per year. And yet this Conservative government thinks that if it gives home owners, those who fully qualify for both the mortgage interest and property tax credits, $375, people will buy homes and thus will stimulate the housing market. That is just crazy. The home owner we have just spoken of will still be out $1,782.72 since the beginning of this year.

[*Translation*]

In an article which appeared in the November 9, 1978, issue of *Le Devoir*, Statistics Canada stated, and I quote:

> Nearly half of the some 4.8 million home owners in Canada would benefit little or not at all from the mortgage tax credits which the Conservative government has announced, on the basis of the most recent figures from Statistics Canada.

Only some 16 per cent or 17 per cent of Canadians will benefit from this program.

[*English*]

That is just the tip of the iceberg. Since this government took power in June of this year, the cost of living and operating a home has simply soared. In only five months to October of this year, the rate of inflation has risen from 8.9 per cent to 9.3 per cent. The consumer price index has risen 2.8 per cent. The construction material index has risen 3.7 per cent. The residential building input price index has risen by 2.4 per cent, and the cost of regular unleaded gasoline has risen 12 per cent per litre. This will go higher when we know what agreement the Prime Minister has reached with the Premier of Alberta.

In the five-month period from June to October of this year, since the government took power, a mere five-month period, the cost of fuel oil to heat homes, for instance, in Ottawa has risen 19 per cent, from 14 cents per litre to 17 cents per litre. The Ontario gate price for natural gas has risen 7 per cent, and the Tory government tells us that energy prices are going to take an even more drastic rise of $4 or more a barrel. But, Mr. Speaker, that is not the worst of it.

In the six months since the Conservatives took power the consumer loan interest rate has risen 18 per cent, from 13.5 per cent to 16.5 per cent. The rate of a first mortgage has skyrocketed by 30 per cent. It has risen from 10 per cent to 15 per cent.

An hon. Member: Trying to clean up the mess.

Mr. Lamontagne: Indeed, it is fine to attempt to stimulate the housing market, but to claim to do so when the other policies that this government is following make it virtually impossible to buy and keep a home, is sheer lunacy.

The Conservatives are taking away with one hand what they have given with the other. This is not only fiscal irresponsibility, it is of the highest order of fiscal inconsistency, and this from a government which indicated that it would conduct a consistent, predictable fiscal policy supposedly to restore confidence in the economy. All they have done so far is to destroy that confidence.

[*Translation*]

Mr. Speaker, there is no doubt in my mind that this tax credit program is nothing more than a form of wasteful favouritism whose only result will be to deprive small businesses, research and development organizations as well as various industries of the investment they need, and in favour of whom? In favour of the housing industry which is in a relatively secure position in our country and which already benefits from very good programs. These tax credits are also a waste because they are part of a suspicious fiscal policy under the guise of a so-called home ownership assistance program. This is a tax cut and not legislation to improve the housing situation. I am concerned, therefore, when I realize that the money to finance this program will very likely come from the budget envelope marked for housing. Well, if the Progressive Conservative Party wants to spend this money on an item which is strictly a fiscal item, where will it find the necessary funds to meet the real needs of Canadians in the area of housing?

Mr. Speaker, this bill is a glaring injustice. Only a limited number of Canadians, between 16 per cent and 17 per cent, will get any substantial benefits from this bill. The other Canadians, including the have-nots, will be compelled to give their money to benefit a privileged few. Even the distribution of benefits among the various regions of Canada is unbalanced. Several provinces and communities will benefit much less than others. Try as we might to see it differently, it seems that the Progressive Conservatives, in the only program that they have suggested, supposedly to improve the housing situation in Canada, have succeeded in forgetting a number of people, including tenants, home owners who have finally paid off their mortgage after years of hardship, as well as all Canadians in the low income range. I shall come back to this aspect of the problem later on.

[*English*]

After the Prime Minister made his famous election promise, the critiques began rolling in. A group of MPs went to the U.S. to have a look at their mortgage deductibility scheme, and came back with horror stories. Then our economists took a close look at the Clark deductibility plans, and expressed concern and doubt. The C. D. Howe Institute, the Fraser Institute, the Canadian Institute for Economic Policy, University of Toronto economists, and others too numerous to mention, warned of the dangers of mortgage deductibility.

● (1730)

In February, 1979, the Liberal minister in charge of housing, the hon. member for Papineau (Mr. Ouellet), also warned us about mortgage deductibility and suggested alternatives of a shelter allowance and tax credit. Why was this suggestion not implemented then? Mr. Speaker, a responsible government could not see how we could get involved in almost $3 billion of new spending when so many other valuable programs called for so much expenditure and were a priority for us.

Having conducted the election campaign on a platform of mortgage interest deductibility, the new Minister of Finance (Mr. Crosbie) modified the election promise to a mortgage and property tax credit scheme, on September 17, 1979. We on this side felt particularly gratified by the government's change of heart since more than a month earlier the hon. member for Winnipeg-Fort Garry (Mr. Axworthy), myself, and the official opposition on urban perspectives, had made a recommendation. We had recommended that if, despite such opposition, the government was still intent on implementing its plan, it should modify it to become a tax credit scheme instead of a deductibility proposal. We only wish they had listened to us more closely and incorporated a shelter allowance concept so that more Canadians could benefit from the plan with the same amount of money.

[*Translation*]

Mr. Speaker, we must show some understanding and tolerance towards those on the government side. They made a commitment to keep what was a rather popular electoral promise for a time. The trouble is that by implementing a high interest rate policy, they have themselves changed this attractive plan into an extremely extravagant and unfair scheme. We also recognize that the average taxpayer must bear a tax burden that some consider disproportionate, but instead of promising him the moon, we prefer to allow him to make certain improvements to his home, with the help of the government if need be.

This bill is typical of the Progressive Conservative approach to social issues. They ignore Canadians facing real housing problems hoping that others will take care of them, while they try to help those with less pressing needs. This is the type of policy that we Liberals consider irresponsible and shortsighted. By promoting the disparities in the quality of housing, the government is only making the problem worse. The needs of low-income citizens multiply, often at the cost of social peace, which certainly does not improve the situation of middle-income citizens. The latter will benefit only from the short-term advantages of a scheme which could have helped solve the real problems. Overpopulated urban centres, inadequate housing and the urban crime rate are some of the issues which have long concerned us. By turning their backs on the people who are faced with those problems, the Progressive Conserva-

tives are avoiding their responsibilities. This bill is just like their policy and attitude of hiding their heads in the sand.

Mr. Speaker, I want now to show this House and all Canadians the extent of the injustice of that proposal. The mortgage interest tax credit allows certain owners to claim a credit not exceeding 25 per cent of the first $5,000 paid in mortgage interest, to a maximum of $312.50 the first year gradually increasing to $1,250 in the fourth year. In 1979, some 4.5 million, or 48 per cent, of the 9,400,000 Canadian housing units were rented. So their occupants get absolutely nothing under this program. Furthermore, in 1977 some 2,570,000, or 27 per cent, owned mortgaged homes, and they too will not get anything at all under this program. Indeed, only 2,576,000 Canadians, or 33 per cent, of owners of mortgaged housing units were eligible for this program. In short, at least 67 per cent of Canadian households will not get a penny from this tax credit.

[*English*]

Citizens who do not pay income tax, a group which obviously includes the most underprivileged Canadians, get absolutely no benefit from this plan. They get no help at all in resolving their very acute housing needs. A family with two children would, under normal circumstances, have to earn more than $10,490 a year to get any mortgage interest tax credit. In order to receive the full credit in the first year of the program, such a family would have to earn at least $12,609, and for a full credit in the fourth year the family would have to earn the equivalent, in 1983, of $17,105. This means that many of the lowest income home owners will get nothing from this mortgage interest tax credit plan. Yet Statistics Canada has pointed out that in 1977 10 per cent of home owners holding a mortgage were in receipt of an income of less than $10,000, and that 25 per cent of them were receiving less than $15,000. People who pay less than $5,000 in mortgage interest will not be eligible for the full credit.

Not surprisingly, people with a higher income tend to take on larger mortgages to buy more expensive housing. Home owners with lower incomes often cannot afford to carry a mortgage on which they pay $5,000 in interest, that is, about $415 a month. Again we see that the people who need help most get least.

[*Translation*]

A great many Canadian tenants really need urgent help and are already feeling the effects of inflation and rising interest rates. This program will wipe out any hope of owning a home one day simply because they will not be able to afford it. From 1974 to 1979, the number of tenants whose rent accounts for more than 30 per cent of their income increased from 26 per cent to 28 per cent. Half of older citizens spend more than 25 per cent of their income on rent, as do 51 per cent of single-parent families. What will they get out of that mortgage rate deduction program? They can only expect to pay more taxes to subsidize those who will benefit under the program.

[*English*]

According to Statistics Canada, in 1977, 46 per cent of Canadian home owners did not carry a mortgage. Canadians who have worked hard for years to pay off their mortgages will suffer the same penalty of not benefiting from this scheme. Yet they, too, are under the pressures of rising inflation and energy and maintenance costs. Many of these people can hardly afford to keep the houses for which they have paid off their mortgages. The property tax credit will help them somewhat, and that is good, but they get no benefit from the larger mortgage credit.

• (1740)

What does that tell us about the Conservative government's apparent housing philosophy? It tells us we should not be thrifty or make great sacrifices to pay off our mortgages. We should carry our mortgage debt on to qualify for this program. Moreover, we should pay at least $5,000 in mortgage interest per year to get full benefit. This could actually be a disincentive to pay off a mortgage and could encourage more consumer debt.

The most serious problem in this legislation is that by its very nature it accentuates disparities across the country. The distribution of this tax credit in the different regions and provinces is highly unequal and disproportionate, largely because of the specific groups of Canadians at which it is aimed and because of the composition of types of accomodation in different regions.

Some regions of Canada will be indirectly subsidizing other regions. For example, in 1976 in Newfoundland, 80 per cent of householders were home owners, and only 19 per cent were renters. In British Columbia, 65 per cent were home owners, and 34 per cent were renters. In Ontario, 63 per cent were home owners, and 36 per cent were renters. However, in Quebec we find that only 50 per cent were home owners, and 49.6 per cent were renters.

Mr. Huntington: Then help them.

Mr. Lamontagne: It is apparent, therefore, that proportionately fewer Quebeckers will be eligible for this tax credit than Newfoundlanders, Ontarians, British Columbians or all other Canadians, but they will bear an equal burden of the cost of the credits. I think this is simply unfair.

Because the credit does not apply to those who have paid off their mortgages on the homes they own, as well as to renters, the benefits of the program are even more unevenly distributed. In Newfoundland, for example, 82 per cent of home owners do not have mortgages. In British Columbia the figure is 43 per cent. In Ontario it is 43 per cent, and in Quebec it is 41 per cent. We can therefore see that Newfoundlanders will be benefiting little while still sharing the cost.

The results are that the Atlantic region loses out because of the high percentage of people who own homes without mortgages, 70 per cent, and Quebec loses out because of the high percentage of renters, which is 49 per cent. Yet these are two of the areas which are in most need of housing assistance.

The mortgage interest tax credit program is so unevenly distributed that of the four provinces we have examined, Ontario, which has 36 per cent of Canada's population and 37 per cent of the nation's home owners, will receive 45 per cent of the benefits of the program. British Columbia, with 11 per cent of Canada's population and 12 per cent of the nation's home owners, will receive 16 per cent of the benefits. Newfoundland, with 2.4 per cent of Canada's population and 2.4 per cent of the country's home owners, will receive only 1.2 per cent of the benefits. And Quebec, with fully 27 per cent of Canada's population and 22 per cent of Canada's home owners, will receive only 19 per cent of the benefits.

We believe in the redistribution of wealth, but in redistribution to alleviate disparity, not to add to it. The unfair redistribution of this tax credit will create more regional disparity.

[*Translation*]

As I have already mentioned at least a couple of times, the home owner property tax credit, contrary to the mortgage interest tax credit, is more equitable. However, tenants are still being ignored. The scheme remains basically unfair to them because they will not get any direct benefit. Although more equitable, the home owner property tax credit could ultimately lead certain municipalities and provinces to increase their property tax rate and thus siphon off part of the benefits received by individuals. Should that ever be the case, some people could end up losing. Older people and owners with low incomes who do not pay federal taxes and are consequently not eligible for this credit could end up being even worse off.

The fact remains that this tax credit to home owners, amounting to as much as $62.50 in the first year of its implementation and $250 in the fourth, will be of significant help to several owners. But the universal aspect of the measure adds to its unfairness since a number of those who will benefit from it do not need assistance. When one compares that, Mr. Speaker, with the proposals of the Progressive Conservatives aimed at abolishing, reducing or revising family allowances, doing away with its universality, no longer reimbursing to mothers part of the expenses they have incurred in bringing up the Canadian generation of tomorrow, one wonders about the logic of those two measures!

The Minister of National Health and Welfare (Mr. Crombie) says that people whose family income exceeds a certain level will get no help from the government to bring up their children. The Minister of Finance (Mr. Crosbie) says that they will get the mortgage interest credit only provided they belong to the category of those whose income is high enough.

[*English*]

Mr. Speaker, when we look through this bill we realize that in proposing a bill like this the Minister of Finance certainly has a lack of wisdom or lack of foresight, and a lack of imagination. He is hanging on at all costs to such a program. I cannot understand how somebody could vote for this bill as it is presented when we are expecting a budget, when the Minister of Finance tells us that Canadians will have to make sacrifices, when inflation is going up, when the price of heating fuel is going to a record high and still will be higher, when the government talks about the reduction of social programs, and when it talks about unemployment going to 9.5 per cent in Quebec. I think this bill is an injustice.

I would say that we have made a very good effort in trying to convince the Conservative government that this bill should be changed, or perhaps postponed. Perhaps it should be re-written in order to be more just and to benefit many people. We have put up some 18 speakers. I think we have tried our best to convince the government of the unjust nature of the bill before us.

However, we do not want to be accused of filibustering such a bill. In conclusion, I think we cannot vote for such a bill, and we are ready if the government wants to vote now.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker—

Some hon. Members: Question.

Some hon. Members: Filibuster.

Mr. Darling: Mr. Speaker—

Some hon. Members: Hear, hear!

An hon. Member: Filibuster.

The Acting Speaker (Mr. McCain): Order, please. The hon. member for Parry Sound-Muskoka (Mr. Darling) has the floor.

An hon. Member: You are filibustering your own bill.

Mr. Kempling: You are a bunch of turkeys.

Mr. Darling: It is rather amusing to hear that sanctimonious crowd across the way now talking about a filibuster. Having moved over here on October 9 from the other side of the House, we know something about that too.

Mr. Nystrom: About being sanctimonious, you mean?

Mr. Darling: It is certainly a privilege to take part in the debate on Bill C-20 and, as the House is aware, this is a bill which reflects the fulfillment of an election promise by the Prime Minister (Mr. Clark). The Minister of Finance (Mr. Crosbie) and this government have seen fit to introduce the legislation at this time. It is my sincere hope that all parties will co-operate in allowing and facilitating speedy passage of this bill.

An hon. Member: Right now.

Mr. Stollery: Let's go.

Miss Nicholson: Mr. Speaker, I rise on a point of order. The hon. member opposite has just said that he hopes all parties will co-operate in the speedy passage of this bill. On Friday I heard the Prime Minister in Vancouver complaining that the Liberals were delaying this bill. I want to make it clear—

● (1750)

The Acting Speaker (Mr. McCain): Would the hon. member for Trinity (Miss Nicholson) please state her point of order?

Miss Nicholson: Certainly, Mr. Speaker. My point of order is that we are ready to vote now.

Some hon. Members: Question.

Mr. Darling: Mr. Speaker, with all due respect to the hon. member for Trinity (Miss Nicholson), let me point out that some of us here have been interested in housing for many years and I assume that it is our privilege still to present our views. I certainly would like to have a few moments in which to do that. We can hardly be accused of filibustering.

Some hon. Members: Oh, oh!

Mr. Darling: The tax credit will benefit about 3.8 million Canadian families. Of those, 2.3 million will receive both the mortgage interest and the property tax credit, while 1.5 million will receive the tax credit only. Judging from some of the speeches from hon. members opposite, one might think that it is a very small portion of the population that will benefit from this legislation. The figures I have just quoted indicate that a large number of Canadians will benefit from this program. It is no wonder that the polls indicate that 76 per cent of Canadians support the mortgage interest and tax credit plan. After all, shelter is one of the basic necessities of life. A recent survey found that 90 per cent of young Canadians want to own their own home. This initiative on the part of the PC government will make that dream come true for a great many people.

Some hon. Members: Oh, oh!

Mr. Darling: It is an ideal Christmas gift that this government can bestow on a great number of members of the Canadian public.

One aspect of the program with which I am particularly pleased has to do with the property tax credit. Long before I came to this House I advocated such a scheme. I was the reeve of a small municipality for a great number of years, 26 years to be exact. I might say I was very, very young when I was first elected. I also served as vice-president of the Ontario Mayors and Reeves Association for a great number of years. Time and time again we passed resolutions addressed to the federal government of the day, requesting that municipal taxes on a home be deductible from income tax on the basis that it was an unfair arrangement in which the government was collecting a tax on tax. That was something that I had advocated in some of my earlier speeches in the House in 1972. I also brought that most emphatically to the attention of the former government. I see here the former minister responsible for housing. He is well aware of the fact that I had brought up this subject at that time. This is not an idea which was generated in the last six or eight months, or even last fall.

I can assure hon. members that this part of the tax is going to assist every home owner in Canada. According to what we hear from over there, only the rich will benefit. I can assure members of the House that there are a great many senior citizens who live in their own homes and who probably find it difficult to get by, but who are still making enough money to pay taxes. They will certainly welcome this additional money they can spend.

An hon. Member: How about the renters?

Mr. Darling: That is a very good question. First and foremost, the people who will benefit from this measure, as we know, are the home owners who are trying to pay for a house. There are a good many of us who are fortunate enough to have our houses paid up. I managed to get my house paid for, a year ago last January, so I will not benefit from that measure. But there are a great many home owners who are paying high mortgages as well as high taxes. They will certainly welcome this legislation. If the opposition wants to try to defeat this bill, let it be on their own heads. I understand there are two opposition members who have stated they will vote against the bill. I wonder how brave they will be when the time comes to vote.

Some hon. Members: Question.

Mr. Darling: As the Minister of Finance said, let it be on their own heads if they want to defeat this bill. Check the polls.

Some hon. Members: Question.

An hon. Member: Who is the chicken?

Mr. Darling: Do not worry about the chicken, you are the chicken expert from Regina.

Some hon. Members: Oh, oh!

Mr. Darling: Earlier today the hon. member for Vancouver East (Mrs. Mitchell) quoted a great many figures and said that this measure would not help anyone. I presume that the riding of Vancouver East has many working people in it, but I imagine that the illustrious member for Vancouver Centre (Mr. Phillips) also represents gas house—

Some hon. Members: Oh, oh!

Mr. Darling: I mean Gastown, a lower income area.

Some hon. Members: Question.

Mr. Darling: Keep it going. I can take it as long as you can.

Some hon. Members: Question.

Mr. Darling: The hon. member for Vancouver Centre recently sent out his householder.

Some hon. Members: Order.

Mr. Darling: It was mentioned here earlier. In this householder he had a questionnaire. The question was: what do you think of the mortgage tax deduction scheme? That was a

straightforward question. In that Liberal stronghold—I think he won it by 100 votes or so—60 per cent stated categorically they were in favour of our government scheme.

Some hon. Members: Hear, hear!

Mr. Darling: Polls have been taken by newspapers in the last few months and they emphatically reaffirmed that the government's plan for mortgage tax deduction and municipal tax deduction is what people want.

Some hon. Members: Filibuster.

Mr. Darling: So if you people are all gung ho to defeat the bill and go on the election trail, more power to you. I am well aware that there is a different situation now than what we had a week ago on Tuesday. We did probably have some reservations that we might have some worries about getting this bill through before Christmas—

Some hon. Members: Question.

Mr. Darling: After all, I am only a poor little member of Parliament from up in the bush in Parry Sound-Muskoka, but at least I can figure out certain things. I know very well that the official opposition has no intention of going to the people or forcing an election until later next year, and I am willing to bet money on it. I also know that that red hot gang, the NDP, are hot to trot.

Some hon. Members: Hear, hear!

Mr. Darling: Balancing it out, I think that unless the official opposition come out with a great leader—let us hope they bring out a presentable leader who will create a reasonable opposition for us to defeat—on March 26, the Liberals and, if it is similar to our own leadership, the official opposition will have a new leader and they will be euphoric and riding the crest in the late spring—they will do all they can to force an election at that time. But my learned friends across the way in the corner will be looking very carefully before they try to commit hara-kiri as they did in 1974. They said they would come back with a hell of a lot more people.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. McCain): Order.

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Mr. Speaker, it is now six o'clock, but I thought I should indicate to the House that there have been some discussions held with respect to the House business for the next few days. The first thing I should like to do—I guess the proper phrase would be—is to undesignate Friday, November 30, 1979, as an allotted day and indicate that it will be a day devoted to government business, for which I should like to thank the hon. opposition House leader. This would change the normal course of business for the balance of

the week. Because of certain indications I have received with respect to the debate on this bill, it would be our intention tomorrow to call the four references to select committees of the House of Commons, which stand in the names of various ministers, in the following order: rehabilitation, the review of the Foreign Investment Review Act, the review on the voluntary section and, finally, the cost overruns. That would be the order in which I would call them.

● (1800)

Also there have been discussions respecting the freedom of information legislation, so that that bill will be ready to go to committee. The understanding among my colleagues is that we could begin consideration of the freedom of information legislation tomorrow evening at eight o'clock, with the anticipation that the four references to select committees which I have mentioned, plus the second reading debate on the freedom of information legislation, could be completed by the close of business in the House on Monday evening. On the assumption and the understanding that in fact the debate is completed with respect to Bill C-20, it would be the hope of all of us that the vote, if there is to be one with respect to Bill C-20, would be in the early part of Tuesday afternoon. For that purpose, I inform the House that I will be calling Bill C-20 that day.

Further, with respect to the anticipation of the atmosphere of co-operation which I have found, and for which I am grateful, if any votes arise out of the four references—and I have some indication that there might be at least one—then that vote, or votes, would be held immediately afterwards. That is my anticipation of House business. In order to carry that forward, I hope we would be able to complete some things which are rather important to the government, and also move this bill into committee.

Also discussions have indicated that, as soon as the votes are completed, there is some anticipation that we would be moving into Committee of the Whole consideration of Bill C-20. I anticipate that will be generally agreeable to the House. It will be a way to advance the business of the House leading up to the adjournment, which I anticipate will take place on December 21. In any event, those are our plans at the moment.

Mr. Pinard: Mr. Speaker, on the point of order relating to House business, it is true that there is a spirit of collaboration. The spirit was so great that we were even ready to vote tonight on Bill C-20.

Mr. Baker (Nepean-Carleton): I appreciate that.

Mr. Pinard: We understand the debate is now adjourned, that it will continue next Tuesday, and that there might or might not be a vote on that day. I am not sure now. In any case, tomorrow and on Monday we will be dealing with the references suggested by the hon. government House leader. Also we will deal with the freedom of information bill tomorrow night at eight o'clock.

I want to make it very clear that it is true there is a spirit of co-operation, but I want it to be on the record that we told the

government House leader we were ready to vote tonight on Bill C-20. We would not like the House to believe that we wanted the bill to be voted on next week. We agree with the rest of what was said by the hon. government House leader.

Mr. Knowles: Mr. Speaker, it can be said that the government House leader has given a fair summary of the discussions which took place this afternoon. At this moment I should like to make it clear that we are not making any House order, but the statement made by the government House leader as to what we shall try to do in the next three days is correct.

The Acting Speaker (Mr. McCain): It being past six o'clock, this House stands adjourned until 2 p.m. tomorrow, pursuant to Standing Order 2(1).

At 6.05 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, November 29, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

THE HON. MEMBER FOR WINNIPEG NORTH CENTRE (MR. KNOWLES)—FORTHCOMING APPOINTMENT AS MEMBER OF PRIVY COUNCIL—MOTION UNDER S.O. 43

Mr. Yvon Pinard (Drummond): Mr. Speaker, I wish to move a motion under Standing Order 43, seconded by the hon. member for Louis-Hébert (Mr. Dawson):

That this House congratulates the hon. member for Winnipeg North Centre, the dean of the House, on his impending appointment as a member of the Queen's Privy Council for Canada, recognizes this as his first step toward membership in the Senate, and urges the government to consider similar honours for the well respected hon. member for Peace River who is the last excuse for the use of the word "progressive" in the name of the governing party.

* * *

[*Translation*]

COMMUNICATIONS

REQUEST CRTC ENSURE UNIFORM TV SERVICE TO LONGUEUIL—MOTION UNDER S.O. 43

Mr. Jacques Olivier (Longueuil): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an urgent matter of pressing necessity.

Considering the growing dissatisfaction of Longueuil residents about the quality of services provided by the Société Cablevision Nationale, a dissatisfaction increased by the presence in the constituency of two cablevision companies, namely Télécable Vidéotron and Cablevision Nationale which do not provide the same services to their subscribers; and considering the superior quality of the picture and programming given by the Vidéotron Co. Ltd. to meet the needs of the residents of Longueuil, I move, seconded by the hon. member for Laprairie (Mr. Deniger):

That the House urge the Minister of Communications to make the necessary representations to the CRTC so that this federal organization strongly intervene with the Société Cablevision Nationale Ltée and make it come to an understanding with Compagnie Vidéotron Ltée so that the citizens of the constituency of Longueuil will enjoy a consistent service.

Mr. Speaker: The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, in order to be presented such a motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*English*]

THE PARLIAMENT OF CANADA

CRITICISM OF PREMATURE ACTION OF GOVERNMENT RESPECTING PARLIAMENTARY REFORM—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a serious motion to present under the provisions of Standing Order 43. I therefore move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That this House notes the solemn declaration in the government's position paper on the reform of Parliament, tabled on November 23, that the House of Commons is worthy of more than the cynical clichés, "rubber stamp", "flock of sheep", "trained seals", but that this solemn declaration has been torn up like a scrap of paper by the announcement yesterday that the income tax forms for 1979 have been printed and will be mailed before this House has even voted on Bill C-20, the provisions of which are already in the forms that have been printed and are to be mailed shortly, and that this House registers its strong protest against this blatant contempt of Parliament.

Some hon. Members: Shame.

Some hon. Members: Hear, hear!

Mr. Speaker: This motion, pursuant to Standing Order 43, can be presented for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

LABOUR RELATIONS

REQUEST MEMBER FOR LONGUEUIL WITHDRAW CHARGE OF EMBEZZLEMENT—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, under the provisions of Standing Order 43, I request the

unanimous consent of the House to present a motion dealing with an important and urgent matter.

In view of the accusation of the hon. member for Longueuil (Mr. Olivier) concerning the embezzlement of funds paid by the federal government to labour unions for educational purposes and in view of the fact that the hon. member did not prove his allegations, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the House request the hon. member for Longueuil to withdraw his accusation and apologize to the workers for having irresponsibly cast aspersions on their integrity.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

NATIONAL CAPITAL

PUBLIC DISCUSSION BEFORE DEVELOPMENT AT CARTIER SQUARE, OTTAWA—MOTION UNDER S.O. 43

Mr. John Evans (Ottawa Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a serious matter of urgent and pressing necessity. In view of the strong expression of community opposition to the development of non-public uses of Cartier Square in Ottawa, in view of the soon to be finalized decisions to be taken by the federal government in this regard, and in view of the fact that no public or community input was sought by the federal government prior to last night, I move, seconded by the hon. member for Moncton (Mr. McCauley):

That this House supports the request of the residents of Ottawa and instructs the government to freeze for three months all final decisions on Cartier Square in order to allow full public consultation, discussion and input into future land use.

Mr. Speaker: This motion can be presented for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SMALL LOANS ACT

REQUEST FOR IMPROVEMENTS TO FACILITATE LENDING CAPABILITIES—MOTION UNDER S.O. 43

Mr. Gordon Gilchrist (Scarborough East): Mr. Speaker, I rise, under the provisions of Standing Order 43, to seek the unanimous consent of the House. As a result of the high interest rate situation in Canada and restrictions in the Small Loans Act which place limitations on co-operative credit associations and caisses populaires, it is financially impossible for them to lend amounts less than $1,500.

This situation tends to drive the small loan borrower to either borrow more than $1,500, an amount in excess of what he needs, or to seek out other lenders, both scrupulous or unscrupulous, therefore threatening the existence of the co-ops and caisses populaires, the very organizations designed to help the small borrower. Therefore, I move, seconded by the hon. member for Scarborough West (Mr. Wightman):

That this House commends the Minister of Consumer and Corporate Affairs for having commenced urgently needed studies of the inadequacies of the Small Loans Act and that it urges the minister and the Minister of Finance to repeal quickly the said Small Loans Act which unduly restricts the lending capabilities of the co-operative credit associations and caisse populaires and, in so restricting them, reduces and even eliminates their inability to provide appropriate lending service to their lenders and small loan borrowers, thus denying needed funds, forcing greater borrowing—

Some hon. Members: Order.

Mr. Speaker: Order, please. I am sure the hon. member would not want me to encourage the use of Standing Order 43 for members to commend members on their own side of the House.

An hon. Member: Send them flowers.

* * *

[*Translation*]

FISHERIES

GULF OF ST. LAWRENCE—FISHING BY TRAWLERS OF OVER 100 FEET—MOTION UNDER S.O. 43

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, under the provisions of Standing Order 43, I request the unanimous consent of the House to present a motion dealing with an urgent matter.

In view of the representations made this morning to the Standing Committee on Fisheries and Forestry by the Quebec commercial fishing delegation, I move, seconded by the hon. member for Manicouagan (Mr. Maltais):

That the Minister of Fisheries and Oceans announce immediately that large fishing vessels of 100 feet or more can no longer fish cod commercially in the Gulf of St. Lawrence.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DR. RAFAEL SALAS, UNITED NATIONS

Mr. Speaker: Before beginning the oral question period, may I ask hon. members to join with me in signalling the presence in our gallery of a distinguished visitor on an official visit to our country, in the person of the Undersecretary General of the United Nations and Executive Director of the United Nations Fund for Population Activities, Dr. Rafael Salas.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL PRICES—AGREEMENT WITH ALBERTA—GOVERNMENT INTENTIONS

Hon. Marc Lalonde (Outremont): Mr. Speaker, earlier in this House, the Prime Minister indicated that he had an oil pricing agreement with the government of Alberta. Today we have a statement by Mr. Merv Leitch, the minister of energy for Alberta, who specifically said the following:

An oil pricing agreement is months away and certainly will not come in time for the December 11 federal budget.

● (1415)

Will the right hon. Prime Minister tell us who is telling the truth in this game, what the people of Canada can really expect, and where he stands on this issue?

An hon. Member: Who speaks for Canada, Joe?

Some hon. Members: Oh, oh!

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, when there is some quiet on the other side, I can assure the hon. member for Outremont—as I assured members of the House yesterday—that when the budget is brought down on the eleventh day of December, it will reflect the fiscal elements of an energy package. I can assure him, also, that on the basis of the discussions we have had with Alberta we are proceeding directly and immediately with planning and bringing into place elements of a national energy package far more comprehensive than any envisaged by the former government when they were in office.

Mr. Lalonde: The one thing that is clear, Mr. Speaker, about the energy package is that the Canadian public is going to be hit with a massive tax increase, particularly in the form of an excise tax which it appears will increase the price of gasoline by at least 25 per cent in one stroke. I want to ask the Prime Minister, in light of his previous statement, how he can justify such an appalling increase in the price of gasoline, particularly in light of his own statement in this House on July 18, 1975, when he objected to any excise tax on gasoline and stated specifically "that an excise tax on gasoline applies unfairly to the weakest elements of society."

Mr. Clark: Mr. Speaker, the details of the energy package we have been working on, in the absence of that kind of comprehensive work having been done by the former government, will be known fairly shortly. As I indicated yesterday, we have agreement on all of the major principles and are working now on the development of a mechanism to ensure the effective collection of a tax that will allow the federal government to engage in and to help the private sector of Canada engage in energy developments in the country.

We believe that kind of proposal and that kind of package is essential now, because we cannot accept the legacy we received from the former government of increasing Canadian dependence upon insecure foreign sources of oil.

Some hon. Members: Hear, hear!

Mr. Lalonde: Mr. Speaker, since we cannot get a straight answer from the Prime Minister, may I go to the Minister of Energy, Mines and Resources?

An hon. Member: You won't get anything from him, either; it's a waste of time.

Some hon. Members: Oh, oh!

Mr. Lalonde: I will try. As it is becoming more and more obvious that the Prime Minister was taken to the cleaners by the Premier of Alberta during their meeting last Monday, and as it is quite apparent that the government is intent on proceeding with its "baseball bat" approach to energy conservation in this country, will the minister—

Some hon. Members: Oh, oh!

Mr. Lalonde: I see the spokesmen for Imperial Oil are agitated on the other side.

Some hon. Members: Oh, oh!

Mr. Lalonde: Will the minister, rather than bad-mouthing Canadians, as he did last night, impress upon his colleagues in cabinet the necessity of increasing old age pensions and other social benefits by an amount that will be at least equivalent to the unconscionable increases they are talking about in terms of oil and gas prices?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I can only respond to the hon. member by telling him that as part of the energy package we are, indeed, and will be, looking after considerations in respect of the macroeconomic effects of any price increase. I want to assure the hon. member that this is very much in our minds.

There will be a cost exacted in respect of obtaining energy self-sufficiency. This country cannot rely upon offshore oil. The hon. member may point to people on this side of the House or on his side of the House as being representatives of Imperial Oil, but that is much better than being a representative of Seagram.

● (1420)

An hon. Member: You can't drink oil.

OIL SUPPLIES FROM VENEZUELA

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. As the minister knows, on March 29, 1979, a telex was received by his department from the minister of energy of Venezuela, wherein the minister stated that he hoped to strengthen energy relations with Canada through state-to-state energy arrangements, and to increase the volume of oil supplies to customers of Venezuela.

In view of that country's announcement to cut back its oil supplies by 6 per cent, what has the minister done to gain assurance from Venezuela that Canada will have the supplies we were promised and that Venezuela will follow through on the promise it gave last March?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, before any speculative stories get into the press with respect to the possible intentions of Venezuela, I personally visited with General Alfonso Rivard, the head of Petroleos de Venezuela, on Monday of this week to discuss the general relationship between our two countries. General Alfonso informed me that he has a very high regard for the relationship which has existed between our two countries over the course of the last 30 years, and he assured me that Canada would receive priority attention with respect to oil supplies coming from that country. I hope that this information will put the hon. member's mind at rest.

Mr. MacLellan: Mr. Speaker, I would like to be reassured by what the hon. minister has said, but it is difficult in view of his denial yesterday of the accuracy of a report by CTV that oil supplies to eastern Canada are in fact worse than previously estimated, and his confirmation of this very fact today as reported in the newspapers.

Can the minister tell the House what precautionary measures he has taken—such as getting written assurances from the oil companies that they will not divert oil supplies from Canada—to assure Canadians that oil supply will meet the demand this winter?

Mr. Hnatyshyn: Mr. Speaker, I repeat that I have taken a number of initiatives with respect to the oil supply situation for this winter. There is no question about the fact that we are in a very tight and fragile situation, but we are attempting to build up our inventory. I pointed this out yesterday to the hon. member when I was before the committee, and that we in Canada cannot assume that there are limitless supplies of oil. The people of Canada must co-operate to conserve supplies. I make that statement now to the hon. member and to the people of Canada in general. It is a situation that we can overcome with co-operation, and I am sure the people of Canada will do everything they can to get us through the winter.

[Mr. Hnatyshyn.]

* * *

NATIONAL DEFENCE

NEW FIGHTER AIRCRAFT

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, my question is for the Minister of National Defence. It appears that there is a scandal in the making with regard to the fighter procurement program. Has the minister received a confidential memo from a senior departmental official indicating that vital information pertaining to the purchase of new fighter aircraft is being kept from cabinet? If he has seen that memo, what action is he taking, and is he prepared to table it in the House?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I saw the memo in question about two weeks ago. The memo was addressed by an individual to his superior within the department and was never intended to go higher than that.

Some hon. Members: Oh, oh!

Mr. McKinnon: When I heard about the matter, I asked for the memo and I received it. The memo does not say that there is a scandal going on with regard to the procurement of the new fighter aircraft—far from it.

Mr. Sargeant: Mr. Speaker, it is clear that there has been some stonewalling and cover-up with regard to the purchase of the new fighter aircraft. Is the minister prepared to place a moratorium on the purchase of these aircraft, and refer the whole matter of this $4.5 billion purchase to the standing committee for a full and complete investigation and analysis, in order that the Canadian taxpayer will not be saddled with a flying white elephant?

● (1425)

Mr. McKinnon: Mr. Speaker, I disagree entirely with the thesis and the delusion under which the hon. member is operating. As far as debating it in committee is concerned, the hon. member was at the committee, I believe, the day before yesterday and had an opportunity to raise the matter. He will have another opportunity, I believe, within the next five days to do the same thing.

The progress of the new fighter aircraft purchase is proceeding. I see no reason to put it on the shelf, as the New Democratic Party would like us to do to ensure that the armed forces of Canada are completely disarmed.

Mr. Sargeant: Mr. Speaker, in light of the minister's answers to my first two questions, and in light of the govern-

ment's commitment to freedom of information, would he answer the first question I asked? Will he table this memo in the House?

Mr. McKinnon: Mr. Speaker, I do not see much value in tabling it in the House.

An hon. Member: Open government!

Mr. McKinnon: It was almost entirely a rephrasing of Peter Ward's article that ran some three weeks ago. I will be glad to show it to the hon. member in confidence, if he does not have it already.

* * *

HOUSE OF COMMONS

DISPOSITION OF BILL C-20

Mr. Lloyd Axworthy (Winnipeg-Fort Garry): My question is for the Prime Minister, Mr. Speaker. On November 20 I asked the first minister if his government was prepared to accept amendments to Bill C-20. His response was:

—this government, naturally, will consider reasonable amendments—

Yesterday, the government House leader indicated that the government was going to proceed with Bill C-20 without accepting any amendments whatsoever and, in fact, is going forward with printing tax forms without giving any consideration to representations by members of the opposition, thus making a sham of the parliamentary process.

I should like to know from the Prime Minister if he has once again reversed his position, as he has before, and gone back on his statement of November 20. Or is he prepared to repudiate the statements made by the House leader yesterday and allow this House to continue the honourable and orderly discussion of Bill C-20, including the representations and amendments put forward by members of Parliament, as they have a right to do?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, we are, naturally, prepared to have consideration of the bill and of amendments; but the House should know that given printing deadlines—which are well known to members of the former government—it is necessary for us to issue and to put in the mail tomorrow tax forms based upon certain premises. That is a practice that has been followed before, and it is a practice that is being followed now.

If hon. members on the other side want to delay progress of this bill, then we will—as the government House leader indicated the other day—be forced to indicate to the people of Canada that the reason they have been denied the benefits of the tax credit program has been—

Some hon. Members: Oh, oh!

An hon. Member: Blackmail.

Mr. Clark: —an attempt by members of the opposition—who even now are trying to shout me down and, indeed, by their conduct throughout this matter have been trying to delay passage of legislation which we believe is very much in the interests of the people of Canada.

Some hon. Members: Hear, hear!

Mr. Axworthy: A supplementary question, Mr. Speaker. If the Prime Minister is going to the people with these kinds of allegations, is he also prepared to explain why his government waited 41 days into this session to bring the legislation forward? Is he prepared to tell the people of Canada why his government refused to vote on the bill, as this party asked to do yesterday, and prepare to move the bill into committee so it can be given proper consideration? Is he prepared to tell the truth to the Canadian people about the sham allegations he is suggesting now?

Mr. Clark: Mr. Speaker, I certainly am prepared to continue to tell the people of Canada the truth. The truth is—

An hon. Member: Start.

Some hon. Members: Oh, oh!

Mr. Clark: I am interrupted by the hon. member for Outremont, that expert on the truth—

• (1430)

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Clark: —whose expertise is such that when it is noted, it is celebrated by one of his former colleagues.

Some hon. Members: Oh, oh!

Mr. Clark: The fact is, as is well known to the House, that the reason the tax credit legislation was introduced when it was, was that members of the Liberal party in particular delayed substantially consideration by this House of Commons of budget measures carried over from the budget introduced by the former Liberal government.

Some hon. Members: Oh, oh!

Mr. Clark: We were obliged, Mr. Speaker, to deal with business that they could not get dealt with before calling the election. Once that was dealt with, we introduced the tax credit legislation so that there would be a wide and adequate opportunity for the House to debate it and for Canadians to receive the benefits of the program.

Some hon. Members: Hear, hear!

BILL C-20—SHELTER ALLOWANCE FOR THE ELDERLY AND SINGLE-PARENT FAMILIES

Mr. David Berger (Laurier): Mr. Speaker, my question is also directed to the Prime Minister. In the debate on Bill C-20 we have tried to demonstrate the extravagance of the bill and to propose reasonable alternatives, such as a shelter allowance for the elderly and single-parent families, which would have a relatively small cost of $145 million per year according to CMHC estimates. Can the Prime Minister tell us when he will introduce legislation to provide for a shelter allowance for people in need?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I cannot give that information now. I can say to the hon. member that the question of shelter allowance is actively being considered within the government. I welcome the indication of interest on the part of the hon. member and I hope it is shared by several of his colleagues in co-operating with the government in taking this first step toward helping Canadians—the first step being the tax credit program. Other measures we are certainly prepared to consider, including a shelter allowance.

Some hon. Members: Hear, hear!

Mr. Chrétien: Start with the rich.

* * *

CONSUMER AFFAIRS

SPRAY-ON COOKING OILS—BANNING OF PRODUCTS CONTAINING FLUOROCARBONS

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment. In view of the information that seven teenagers are reported to have died after inhaling fluorocarbons from pressurized cans of cooking oil, in view of the fact that the Minister of Consumer and Corporate Affairs refuses to regulate spray-on cooking oil cans under the Hazardous Products Act, and in view of the fact that some uses of fluorocarbons are already in the process of being banned under the Environmental Contaminants Act, I ask the Minister of the Environment to tell us whether he is prepared to add fluorocarbons in cooking oils to the list of uses of fluorocarbons to be banned under the Environmental Contaminants Act, for the protection of human health and the environment?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, I will consider the representations of the hon. member.

[Mr. Clark.]

[*Translation*]

LABOUR RELATIONS

FUNDS FOR LABOUR EDUCATION—INQUIRY WHETHER FINANCIAL REPORTS HAVE BEEN RECEIVED

Mr. Jacques Olivier (Longueuil): Mr. Speaker, earlier this week I put a question to the Minister of Labour. In spite of the problems he had understanding it, can he tell us now whether he has received, as provided for in agreements signed by labour unions of Canada, the financial statements on expenses for labour education under the $10 million labour education program covering a five-year period? Can the minister tell us now whether there were any irregularities and, if not, can he confirm that he has received the report and will table it?

[*English*]

Hon. Lincoln M. Alexander (Minister of Labour): Mr. Speaker, I want to thank the hon. member for bringing this matter to my attention once again. The hon. member is quite right when he indicates that there is a $10 million program regarding labour education over a period of approximately five years. I can assure the hon. member that those who have entered into contracts—that would be the CLC, the CSN and others, including other teamsters—under the contract have to submit progress reports, or reports on their activities. These are audited by the audit service.

I can further advise the hon. member that with respect to the contract, as he very well knows, after the second year that the program has been in place there should be an evaluation study made by independent, impartial people. There are three people who are doing just that. Also, after the fourth year, notwithstanding the interim study, there will be a full study as to the effectiveness and the efficacy of the program.

With respect to the member's important question—as he may think—whether there are any irregularities or investigations, I have had a thorough interview with my officials with respect to this matter: we have found no irregularities, and as far as we are concerned there are no investigations in progress. But I think, Mr. Speaker, in all fairness, if the hon. member wants to help—and I know he does because this is the role he plays as an opposition critic, as I did—he should perhaps indicate to me—

Some hon. Members: Order.

Mr. Alexander: —the people he thinks—

Mr. Speaker: Order.

[*Translation*]

LABOUR UNIONS—AUTHORITY UNDER WHICH RCMP INVESTIGATED ALLEGED IRREGULARITIES

Mr. Jacques Olivier (Longueuil): Mr. Speaker, first, it is precisely because the cause of labour education is very important to me that I asked these questions. Second, I expected the minister to state his position and deny these accusations. My

supplementary question is for the Solicitor General. Under what authority is this inquiry being carried on? Are RCMP officers actually investigating under the pretext or on the assumption that there have been irregularities within labour unions regarding the labour education program? Can the Solicitor General tell us why they are using that pretext and, if such is not the case, under what authority can they investigate certain procedures used by union officers?

[*English*]

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, as a result of the member's general inquiry the other day, I made inquiries at the commissioner's level and the headquarters' level of the RCMP about these general allegations. They professed as much ignorance as I professed as far as any investigation at the headquarters' level is concerned. There may well be some criminal investigation at a detachment level across this country about which headquarters knows nothing, about which the commissioner knows nothing and, subsequently, about which I know nothing.

It would certainly help me if the hon. member, either publicly or privately, would be more specific as to the particular union he is concerned about and what particular funds. I would then be able to give him a much more specific answer.

* * *

THE ADMINISTRATION

ALLEGED PATRONAGE CONTRACTS

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I have a very gentle question to direct to the Prime Minister.

Some hon. Members: Oh, oh!

Mr. Rose: Yesterday, the Prime Minister, in response to a question by the hon. member for York Centre, said he would look into a $100,000 patronage contract obtained by Decima Research Limited which is associated intimately, I am told, with the Progressive Conservative Party. I would like to ask whether he will, as well, look into why Decima also received—again without competitive tender—a $50,000 research contract from the Department of Energy, Mines and Resources in late August, early September; and is the Prime Minister now prepared to tell the House that he is going to stop the use of patronage in awarding government contracts and services which are paid for by all the taxpayers of our country?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I appreciate the question from the hon. member. We are continuing to look into the question raised yesterday by the hon. member for York Centre.

I shall certainly report to the House the results of that inquiry. I can now give the hon. member and the House of Commons the undertaking that because of the very real confidence the government has in the competence of the organization referred to, and to allay any suspicion as to the effectiveness of the work or the uses of the work, we will be quite prepared to make available to hon. members—or, indeed, to the House, if that is desired—the results of the polling once that polling is completed.

Mr. Rose: Mr. Speaker, while we are on this lovely, tender topic, I would like to ask the minister whether he would now investigate, as well, the awarding last summer of a $30 million contract to Media Buying Services Limited, headed by one Peter Swain who directed the Progressive Conservative advertising campaign during the recent federal election.

Some hon. Members: Oh, oh!

Mr. Rose: Would he explain to the House why this contract was awarded—again without competitive tender—to provide services which are presently and currently being supplied by the Department of Supply and Services?

Some hon. Members: Oh, oh!

Mr. Clark: Mr. Speaker, the hon. member is a little confused as to the details of some of the allegations he has placed before the House. But I can indicate to the hon. member and to the House that, because this government was determined to reduce the amount of spending on advertising by the Government of Canada—

Some hon. Members: Oh, oh!

● (1440)

Mr. Clark: —and because we were determined to bring some pattern and co-ordination into the advertising programs of the Government of Canada, we instituted a new agency, working through the Department of Supply and Services, which we are convinced will, among other things, increase the effectiveness of government advertising and reduce the possibilities of abuse.

Mr. Bob Kaplan (York Centre): Mr. Speaker, I have a question for the Prime Minister on the same subject. It arises out of a visit I paid this morning to the Agency of Management, on Albert Street. Since the election, that firm has opened two large offices in different Canadian cities to give away government contracts for advertising and for research. In spite of the allegation by the Prime Minister that this is being done to establish things on a more businesslike basis, no contract has been signed with the Agency of Management.

Does the Prime Minister feel that he has friendly enough relations with the owners of this private company to ensure that, after all the work they have done and the investment they have made, he will be able to enter into a contract with them that will be fair to them and to the Canadian taxpayers as well; or does he intend at the end of it to make them an offer they cannot refuse?

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, I appreciate the hon. member's concern for the company. I can assure him that, simply as a result of the high reputation of that company, there is no concern about their position. I can also indicate to the hon. member that it is a deliberate decision of the government—and a view to which we adhere very strongly—that the Agency of Management approach which we have introduced, as a government, to the field of federal government advertising is significantly preferable to the positions that prevailed previously in their ability to reduce abuses and in their ability to reduce the costs of advertising to the government and to the people of Canada.

Mr. Kaplan: Mr. Speaker, we will see about the costs of advertising toward the end of the year. My supplementary is to the minister responsible for multiculturalism, whose official said, in his presence, at a meeting on his estimates that the $100,000 which was being paid to Allan Gregg would not be coming out of the half-million dollar advertising budget allocated usually and by the past government for advertising in the ethnic press.

I now have a document from the Agency of Management indicating, in fact, that that $100,000 is coming out of the advertising budget, and that that frozen fund has been reduced from $500,000 to $400,000. Will the minister take steps to protect that fund which has always been used for advertising in the ethnic press and which supports the viability of the ethnic press as a voice of an important part of the Canadian people? Will he take action to ensure that the ethnic press will continue to have the support of the Government of Canada?

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism): Yes, Mr. Speaker, the reason we do this type of research is simply so that we can get various departments of government to take a very active part in advertising in the ethnic press. That is the reason we have revised the estimate, to look at it very carefully.

* * *

HUMAN RIGHTS

PLIGHT OF CHRISTIANS JAILED IN SOUTH KOREA

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Secretary of State for External Affairs. As a Canadian delegate to the Conference on Human Rights, National Security and Peace, held in Seoul, South Korea, three years ago with the aim of alleviating the plight of persecuted Christians held in jails there, I was distressed to learn that there have been two mass arrests in Seoul during the past four days, primarily of Christian students, outside the Christian Building and outside the YWCA. Can the minister advise what steps the Canadian government has taken, or plans to take, in order to alleviate this deplorable situation?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for his question.

An hon. Member: Give him a medal.

Miss MacDonald: I want to tell him that in the cause of human rights—and I trust this will be of interest to members on the other side who seem to be making jokes about this subject—in this case we have already followed up with our ambassador in Seoul, South Korea, and have asked him to bring to the attention of the Korean authorities our concern about the way in which the human rights of these 96 people have been violated.

* * *

[*Translation*]

SHIPBUILDING

CONSTRUCTION OF ICE-BREAKER BY ONTARIO FIRM—INQUIRY WHETHER TENDERS WERE CALLED

Mr. Jean-Louis Leduc (Richelieu): Mr. Speaker, my question is directed to the right hon. Prime Minister. This week the government awarded a contract for the construction of an ice-breaker to a company operating in Port Wheeler, Ontario. According to the Quebec Minister of State for Economic Development, Bernard Landry, this $60 million contract was awarded without a call for tenders. Is this true?

Hon. Roch La Salle (Minister of Supply and Services): Mr. Speaker, I answer this question with great pleasure. First, I urge the hon. member to get information from a more reliable source than this one, since it is not true that this contract was awarded without a call for tenders. When the hon. member finds out how wide is the gap between the bids, he will understand why the Ontario firm got the contract.

INQUIRY WHETHER QUEBEC SHIPYARDS WILL OBTAIN GOVERNMENT CONTRACTS

Mr. Jean-Louis Leduc (Richelieu): Mr. Speaker, I would like to put a supplementary question to the Minister of Supply and Services. The government is supposed to provide $150 million to alleviate the critical situation prevailing in the shipbuilding indutry. Since $60 million out of $150 million has already been allocated, can the minister tell us whether the amount left will go to the shipyards in Quebec?

Hon. Roch La Salle (Minister of Supply and Services): Mr. Speaker, I assume that hon. members are familiar with the tendering procedure. I think everybody is. The Quebec shipyards have been required to submit their tenders. I follow very closely the critical situation prevailing there and like all my colleagues, I hope that the Quebec shipyards can make acceptable tenders and I will be most happy to recommend them at that time.

[*English*]

COMMUNICATIONS

CHAIRPERSON OF CRTC

Mr. Maurice Harquail (Restigouche): Mr. Speaker, I have a question for the Secretary of State. In view of the broadcasting problems in the province of New Brunswick, specifically with respect to equipment and facilities of the CBC, and in view of the general decline in moral standards in broadcasting generally—speaking specifically of the CTV program "Pyx", prime-time family viewing—can the minister tell the House when he expects to name the new chairman of the CRTC and who that gentleman, or lady, will be?

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, it is not possible at this time to indicate who the new chairman of the commission will be. I can inform the hon. member that we have had excellent co-operation from a number of the provinces, people in the industry and in the general public in terms of giving us their best suggestions so that we can make a first-rate appointment to this post.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

GASPÉ NATIONAL PARK—FUNDING THEREOF

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, my question is directed to the hon. Minister of Regional Economic Expansion. In April, 1978, Ottawa and Quebec signed a $76 million agreement for tourist development in Quebec, including $11.6 million to be allocated to the lower St. Lawrence and Gaspé areas. Among those projects there was one regarding the Gaspé national park which was to take $5 million and now we hear that this project has been set back another year. Could the minister talk to his counterpart in the province of Quebec so that the funds available to the Government of Canada be used without undue delay to start work in the Gaspé national park and create jobs in that area which has such a high unemployment rate?

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, I want to thank the hon. member who gave me notice of his question.

● (1450)

[*English*]

Also, I want to report to the hon. member that the administrative responsibility, as he knows, is with the Quebec ministry of recreation. I am informed, or given to understand, that the first phase of this project will begin next summer. The work will take place in the La Galine-Lac Cascapédia region. There will be a reception area, sanitary facilities, parking facilities and a small campground commenced. Estimated preliminary costs for this phase are around $600,000. It is a beginning.

* * *

INDIAN AFFAIRS

BUDGET FOR FRIENDSHIP CENTRES

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for the Secretary of State. Considering that more than 40 per cent of our status Indians are living off reserves in large cities, that that number is growing, that these people are joined there by many non-status Indians, Metis and Inuit, that they confront many serious economic and social problems in the cities and that the most effective, sensitive and understanding services for those Indians in the cities is given by the Friendship Centres, would the minister consider exempting the budget for the Friendship Centres from the government restraint program, so they can meet these very serious commitments in the cities? And would the minister also consider, or will he make the Migrating Native Peoples Program a permanent program so that the friendship centres can plan ahead and make their work even more effective?

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, I agree very much with the importance the hon. member has attached to this question. There is no doubt that we have a major responsibility, as Canadians, to the Metis and non-status Indians who are living off reserves in this country. The hon. member referred specifically to one program, the migrating native peoples program and, in particular, friendship centres.

I had an early opportunity to meet with the national organization of friendship centres to explore their particular situation. We are very conscious of their budgetary requirements, and I can assure the hon. member that we will not make the kinds of cuts he has indicated might be projected in an area which provides a basic and important service to people who are very desperately in need.

* * *

AIRPORTS

STATUS OF AIRPORT AT SAINT JOHN, N.B.—UPGRADING THEREOF

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, my question is to the Minister of Transport. Is the minister aware of representations by the city of Saint John and others regarding the status of the Saint John airport, and can he give this House some indication as to his department's intention with regard to upgrading this facility?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am aware of the consultations which have taken place between the Saint John representatives, particularly the Board of Trade, and Transport Canada. I would also like to

inform the hon. member that representations were received by my office from officials of the community of Saint John in connection with the airport.

The airport development concept is part of a master plan study which was concluded in 1976. Because the traffic projections into the year 1985 are being re-evaluated, the whole concept is being re-examined with a view to ensuring that we can establish the best facility to meet future needs. In the meantime, there are ongoing improvements such as the building of a new maintenance centre. The matter will be evaluated. The evaluation will be concluded very shortly and we will be in a position to make an announcement shortly as to timetable and concept.

* * *

ATOMIC ENERGY

DEVELOPMENT OF BRINEX URANIUM MINE IN LABRADOR

Mr. Peter Ittinuar (Nunatsiaq): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources, and it concerns the Brinex uranium mine in Labrador. The provincial government in Newfoundland has volunteered to co-ordinate environmental impact studies on the mine. However, the majority of the data is being provided by Brinex. This data is technically deficient and contradictory information has been submitted to the Atomic Energy Control Board.

As the AECB is responsible for issuing the licence to develop this mine, what will the minister do to ensure that an adequate assessment of environmental impact is carried out; and will he support the implementation of an environmental assessment review process?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I want to inform the hon. member that the Atomic Energy Control Board, in the course of its deliberations on licensing with respect to this particular matter, will of course ensure that full and sufficient environmental impact studies are carried out, ones on which the data can be relied upon. I want to indicate to the hon. member that my information is that the process is now taking place. There will be public hearings with respect to a provincial application with regard to that mine.

So I can give the hon. member the assurance that the Atomic Energy Control Board is very much concerned, as I am, about the environmental impact studies. I hope that will satisfy the hon. member's inquiry.

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EXTERNAL AFFAIRS

MR. RICHARD STANCZYK

Mr. Jesse Flis (Parkdale-High Park): Mr. Speaker, I have a question to direct to the Secretary of State for External Affairs. My question concerns the case of Mr. Richard Stanczyk, who is a Canadian citizen and who is believed by all concerned to be jailed in Poland. Mr. Stanczyk came to Canada, by way of Germany, from his native Poland—

Mr. Speaker: Order, please. Would the hon. member put his question.

Mr. Flis: Yes, Mr. Speaker. I would like to ask the minister what the government is doing to help Mr. Stanczyk return safely to Canada, since I drew this question to her attention on October 17, five weeks ago.

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, I would like to correct some inaccuracies in the hon. member's statement, and I appreciate the concern he has raised. I would like to tell him that Mr. Stanczyk is a dual Polish-Canadian citizen. He travelled to Poland in July of this year on his Polish passport. Having done that, he exposed himself or became liable to the charge in Poland of having departed the country illegally because he was on his Polish passport. Under such circumstances, there is very little Canadian authorities can do. People who travel on dual passports are warned beforehand about what might occur.

Nevertheless, having said that, we have asked our embassy in Warsaw to try to follow this matter up and to offer whatever services it possibly can to Mr. Stanczyk.

* * *

[*Translation*]

SOCIAL SECURITY

POOR FINANCIAL SITUATION OF OLDER PERSONS—ADOPTION OF MEASURES TO CORRECT

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is for the Minister of National Health and Welfare but in his absence I will direct it to the acting minister. Considering that we know now from the report of the Economic Council of Canada that the majority of elderly Canadians are living under the poverty line, and considering also that such a situation is very drastic, is the minister in a position to advise the House and take steps to settle that problem which is becoming more and more serious?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the Minister of National Health and Welfare is absent but I can answer that question. It might be, however, that the minister himself will give a more elaborate answer. We think the best we can do to help older persons in this country is to take steps to reduce the inflation rate. That is the primary objective of our policy. Furthermore, as I have indicated in the House on many occasions, the energy policy will include a program aimed at helping Canadians, including the elderly and the poor, meet the pressures which will result from that policy.

REQUEST THAT $200 MILLION RECOMMENDED BY ECONOMIC COUNCIL BE APPLIED TO ELDERLY PERSONS

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, I have a supplementary question. I should like to ask the Prime Minister if this assistance designed to protect elderly persons against inflation, those who have remained below the poverty line, could reach the amount of $200 million required and recommended by the Economic Council of Canada in its recommendation No. 1, in order to bring these persons above the poverty line.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, progress has been made by the minister in his review of recommendation No. 1 of the Economic Council of Canada. In view of the present state of the economy in this country, I doubt, however, that we will be able to agree to such a proposal. Of course, if we are more successful than the former government in our fight against inflation, not only the elderly but all Canadians will benefit by it.

* * *

● (1500)

[*English*]

ENERGY

OIL—TANKER TRAFFIC FROM ALASKA

Mr. Jim Fulton (Skeena): Mr. Speaker, I have a question for the Prime Minister. Given today's decision by President Carter to delay his recommendations on the movement of additional Alaskan oil to the lower 48 states, can the Prime Minister assure the House that he will communicate to the president that this government intends to proceed with tough legislation to minimize the risks posed to Canada by existing and new tanker traffic from Alaska?

Right Hon. Joe Clark (Prime Minister): I will certainly consult with the Minister of the Environment regarding new measures that might be contemplated by the government that should be communicated to the United States. But I can give the hon. member the asssurance, now—as I have given it before in the House—that it is the intention of this government, and my own personal intention, to be in touch with President Carter to indicate our very serious concern about the consequences to Canada, particularly to the west coast, of tanker traffic.

Mr. Fulton: Mr. Speaker, the Prime Minister said:

Nobody has developed a technology that can deal effectively with oil spill clean-ups—

That is a direct quotation. Can the Prime Minister indicate exactly what action is intended for the existing tanker traffic, as well as the potential increases in that traffic?

Mr. Clark: Mr. Speaker, through the Department of the Environment and through other agencies of the government we are looking for means that can improve our technical capacity

to deal with problems of that kind, should they arise. We have no new programs that we can indicate at the moment.

We believe that the most effective action we can take is to continue to make the government of the United States aware of our very real reservations regarding tanker traffic along the west coast of Canada. Naturally, if the hon. member has any specific proposals that he thinks should be considered seriously by the Government of Canada and communicated to the United States, we would be delighted to receive them.

* * *

[*Translation*]

NATIONAL DEFENCE

INQUIRY WHETHER GOVERNMENT INTENDS TO REVISE RENTAL POLICY FOR MARRIED QUARTERS

Mr. Raymond Dupont (Chambly): Mr. Speaker, my question is for the Minister of National Defence. Last July 31, a letter was sent to all married quarters informing tenants of a 50 per cent raise in rents. Could the minister tell the House whether he intends to review his position as soon as possible, considering the uncertainty suffered by the families concerned who live on military bases throughout the country?

[*English*]

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I am glad the hon. member asked me that question, because I can correct the misconception from which he is suffering. I remember no time when we considered increasing the rental for married quarters by 50 per cent as an average of the rent increases. Now we have put caps on the amounts that rents can be increased at various ranks and income levels, and I have asked the department to provide me with what I would consider a more equitable way of setting rents on married quarters.

As soon as I get the report—which I expect will be in the next day or so—I will be taking it to Treasury Board. I am not against our paying the going rates: it is simply that we have some terrible inequities in the system that I have inherited.

* * *

POINT OF ORDER

MR. BALDWIN—REQUEST THAT OFFICIAL SECRETS ACT BE DEBATED WITH BILL C-15

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I did send Your Honour notice of a question of privilege and I also notified the President of the Privy Council (Mr. Baker), but it seems to me that with a view to a more expeditious and orderly conduct of the business of the House I might well at this time reserve that question of privilege and bring this up as a point of order. It is based on the following circumstances.

On October 18, the House was good enough to pass a motion that a standing committee be established and given

terms of reference to review the terms of the present Official Secrets Act and, *inter alia*, that no claim of Crown privilege be allowed to limit the extent of the inquiry by the committee. On November 8 I asked my learned friend, the President of the Privy Council, if he could proceed with the engrossing of a form of motion because it would be very sensible to put this motion together with the second reading of the bill on the freedom of information. Within a day or so I did receive from the President of the Privy Council a proposed draft motion, but it contained no reference to the question of Crown privilege.

I am told that an opinion has been received that it might not have been proper for the House to have passed the motion in the form that it did. This is something that I reject out of hand and it would form the basis of a question of privilege if I were to bring it up. If not, I will acknowledge that any motion which passes in this House must be subject to the statute law of Canada, but, in my opinion, when a motion of this kind has been passed, there is no inherent right of prerogative by which Crown privilege can be exercised against a committee of the House. That is something with which we can deal later.

Unfortunately I think the fault may be mine because I was unable to get in touch with my friend the President of the Privy Council to work out the details, and I assume he had his problems as well with his counterparts opposite. However, I understand that last night the hon. gentleman indicated that second reading of Bill C-15, the freedom of information act, would commence this evening at eight o'clock. I think it would be most sensible for that debate to take place contemporaneously with the debate on the question of the Official Secrets Act. The hon. member said himself that having a freedom of information act without challenging the Official Secrets Act is like flying with only one wing, and I agree with him.

So I hope that between now and eight o'clock, or certainly by no later than tomorrow, something can be worked out so that this motion can be incorporated in terms acceptable to other House leaders, and I think I should have some interest in it so that when we commence that debate, we can be debating both these issues at the same time. I know my hon. friend faces the inexorable tyranny of the clock and the calendar; he is learning this problem and he is not being helped too much by hon. members opposite. But I hope that it would be possible and sensible to have both the motion for second reading of the bill and the motion for the establishment of the committee debated together, so that when the committee does receive the bill, it will also receive the terms of reference. I think it would be idle to proceed with one and not the other. So I will leave it at that, reserving the right to bring up the other issue at a later date if necessary.

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): Mr. Speaker, I want to thank my friend for his kindness in giving me notice of the question of privilege. It might be very helpful to see, if this could be resolved, the authorities upon which he relies. I want to say to him that I would have no objection at all to indicating to him the opinion that has been expressed to me because I think the issue is an important one. So it might be that this matter will be resolved. If possible, I want him to know that he would have my co-operation in attempting to resolve it. If not, I want him to know that I regard the consideration of the Official Secrets Act to be very important with respect to the freedom of information law, and I think he was there when I made that statement.

Perhaps we can leave it at that, for the moment, Mr. Speaker, and we will see what we will do with that.

* * *

PRIVILEGE

MR. CHENIER—COMMENT OF MINISTER OF STATE FOR SMALL BUSINESSES AND INDUSTRY

Mr. Ray Chenier (Timmins-Chapleau): Mr. Speaker, in reviewing *Hansard* of last week, the debate of Friday afternoon, I read that following my speech the Minister of State for Small Businesses and Industry (Mr. Huntington) said:

I could probably take the hon. member to the very desk at 235 Queen Street where that speech was written for him, but I will resist.

Mr. Speaker, I find this comment to be a personal insult because I am quite capable of writing my own speeches. Second, I find it is also an insult to the employees of this government, and I would like to comment on that if possible.

Mr. Speaker: The hon. member will realize that while he might not like what has been said, there is nothing in it that is unparliamentary or contrary to our procedures. Therefore, I cannot call on the minister to change that statement which, while critical, is entirely within our parliamentary precepts.

• (1510)

[*Translation*]

MR. OLIVIER—ALLEGED ATTACK BY MEMBER FOR YORKTON-MELVILLE

Mr. Jacques Olivier (Longueuil): Mr. Speaker, I rise on a question of privilege. This afternoon we have seen that Standing Order 43 can be used to attack the reputation and integrity of an hon. member who cannot reply right away and show how vicious and dishonest these attacks are. In fact, they are moved by intellectuals who know nothing about labour relations and who actually use the rules of the House to show that they are concerned about the workers when in fact they are really interested in finding electoral support.

Mr. Speaker, in the motion introduced under Standing Order 43 by the hon. member for—where does this big dope come from, wait—the hon. member for Yorkton-Melville (Mr. Nystrom), this lesser hon. member, said, Mr. Speaker, that the hon. member for Longueuil had deliberately insinuated, to have the House and the public believe, that there had been fraud against the workers, against the government and against the credibility of the workers. And I quote from the last part of the motion under Standing Order 43 calling on the hon.

member for Longueuil to withdraw his accusations and apologize to the workers for questioning their integrity.

First of all, Mr. Speaker, I must remind you that under the provisions of our Standing Orders I asked a question on November 27. It appears at page 1737 of *Hansard* and anyone who reads it will see that not only did I not question the integrity of anybody, but aware that a very good government program was being jeopardized by this kind of accusation—

Mr. Speaker: Order, please. The hon. member will certainly understand that there is a great difference between a remark made during a debate and a motion. It very often happens that an hon. member moves or tries to move, under Standing Order 43, or any other section of our Standing Orders, a motion containing allegations against another hon. member or a minister, and the minister will always disprove these allegations. And this is exactly the case now, where it can be suggested that the House should debate the terms of the motion. That is one aspect of the problem. If an hon. member, during a debate, puts forward allegations such as these, it is a different matter, but it is very difficult for the Chair to eliminate or reject the ideas put forward in a motion which, after all, must be accepted or refused by the House pursuant to Standing Order 43. Even if the House allows a motion to be put, the ensuing debate or a negative vote by the House have nothing to do with the terms of the motion. A motion must be duly moved by an hon. member to be dealt with by the House. That is the situation in which the House finds itself this afternoon. The hon. member for Yorkton-Melville (Mr. Nystrom) was refused the right to put a motion criticizing a minister or the government in general. That is the problem.

Mr. Olivier: I am ready to abide by the Chair's ruling, but I want to say, Mr. Speaker, that the hon. member—that big dope from Yorkton-Melville—has imputed motives to me, and if on that basis you feel that my question of privilege is founded, then I would like to pursue it.

Mr. Speaker: I will examine the wording of the motion to see if it is really as reported by the hon. member for Longueuil, because no member may transgress the rules or the precedents of this House either by a motion or by a statement, although it is difficult to prevent such statements made in a motion.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, unfortunately I do not have on hand the motion I proposed under Standing Order 43.

[*English*]

But I am sure that if Mr. Speaker looks at the motion, he will find that there is nothing contrary to the rules of the House. What I said in the motion was very simply that the member could not prove his allegation; therefore, he should not make an allegation and should apologize to the workers because the allegation he made was a bit of a smear against the working people of this country. That is the only thing I said in my motion.

It is no different, as Mr. Speaker said, from many other motions made in the House. In fact, in question period today the hon. members posed similar questions to the Minister of Labour (Mr. Alexander) and the Minister of Labour said, "If you have allegations, make them". He posed a similar question to the Solicitor General and Minister of Consumer and Corporate Affairs (Mr. Lawrence), if I recall. Again the Solicitor General said that there have been no concrete allegations made and that he knew nothing about it. My motion really indicated that it is fine to make allegations, but if one makes those allegations, please provide the facts and the proof. He did not do that. My motion called upon him to do so, and also called upon him to apologize to the workers.

[*Translation*]

Mr. Yvon Pinard (Drummond): Mr. Speaker, I understand you are going to look into the questions and the motion. But the point is whether the hon. member who introduced the motion used that procedure to impute motives to the hon. member for Longueuil (Mr. Olivier) by virtually accusing him of attacking the integrity of the workers. If you read the two questions put by the hon. member for Longueuil on November 27, 1979, to the Minister of Labour (Mr. Alexander), you will see all the hon. member did was ask the Minister of Labour if he was aware that an investigation had been made by the RCMP as to whether or not funds had been used for labour education. That is not attacking the integrity of workers, quite the contrary, the hon. member for Longueuil was standing up for the workers. As to the question, I am getting to it, because I do not want to misuse the time you are giving me. I appreciate your courtesy, Mr. Speaker, but when the hon. member uses a motion he may well be in order in introducing it but that does not give him the right to use that procedure to make insinuations, attack the hon. member for Longueuil and impute motives to him. That is contrary to our parliamentary procedure, and to the spirit of Parliament. And I agree with you, Mr. Speaker. You should take time to read the questions of the hon. member for Longueuil, to analyse the conclusions of the motion which are very serious and attack the integrity of the hon. member for Longueuil and indirectly also really attack the workers.

So if someone is doing a poor job in defending the interests of workers in this House, it is not the hon. member for Longueuil, it is the hon. member from the New Democratic Party who introduced this kind of motion which is unacceptable.

[*English*]

Mr. Speaker: Order, please. Members will realize that I have great difficulty in ruling out the text of a motion, particularly when a motion is being put to the House pursuant to Standing Order 43. First of all, it must be accepted by the House with unanimous consent before it can be debated; and then, of course, if it is accepted, it can be debated and refused.

Within the application of that rule, it is still necessary to stay within the bounds of parliamentary precedence. But it is quite a different matter to put something of that sort in a motion which is to be debated, than it is to include it in a remark by a member, which in fact is an actual accusation. Nevertheless, I still have the obligation to the hon. member to examine the text of the motion to see whether anything contrary to our practices has been done. I will do so and advise the House of my decision tomorrow.

The last notice of a question of privilege which I have is from the hon. member for York Centre (Mr. Kaplan).

MR. KAPLAN—BUDGET FOR ETHNIC ADVERTISING—ALLEGED MISLEADING STATEMENTS

Mr. Bob Kaplan (York Centre): Mr. Speaker, my question of privilege arises out of a clear, apparent misleading of the House in two conflicting statements coming from two sources about a $100,000 payment which is being made by the Government of Canada to Allan Gregg, a former or present Progressive Conservative worker through a contract to him.

The estimates of Canada provide for a $500,000 advertising budget under the Minister of State for Fitness and Amateur Sport and Multiculturalism (Mr. Paproski) for advertising in the ethnic press. At the committee meeting on estimates, I asked the minister if the $100,000 to which I have referred is coming out of that $500,000 fund and if, as a result of giving that $100,000 to Allan Gregg, there will be $100,000 less for advertising in the ethnic press. I received an answer at the meeting on November 27 from Mr. Orst Kruhlak when he referred to the $100,000. He said:

> The funds are coming out of a special budget allocation called Professional and Special Services where we have funds reserved for research activities. It is not coming out of the advertising vote.

Now, I have a document under the letterhead of the Agency of Management, 75 Albert Street, dealing with that $100,000 contract and authorizing it to Decima Research International. It indicates—

Mr. Baker (Nepean-Carleton): Mr. Speaker, a point of order.

An hon. Member: Privilege over order.

Mr. Speaker: Order, please. As I have indicated in the past, the hon. member will have to persuade me that in fact he has a question of privilege. I understand that he has a contradiction. I have to hear how he has a question of privilege.

● (1520)

Mr. Kaplan: This document suggests that two ministers, the Minister of State (Treasury Board) (Mr. Beatty), and the Minister of Supply and Services (Mr. LaSalle), have directed that the $100,000 is to come out of the half a million dollars provided in the estimates for advertising. It states that the balance of advertising program is $400,000 and the balance to remain frozen at this time. Someone is misleading the House, either the two ministers who have authorized this $100,000 to come out of the advertising fund, or the Minister of State for Fitness and Amateur Sport and Multiculturalism and his officials, who denied at the committee meeting that it is coming out of the advertising vote. Which is true and what has happened to that $500,000 advertising fund?

[Mr. Speaker.]

Mr. Speaker: Order, please. The hon. member will realize that while a contradiction remains a matter of debate and argument, or perhaps in the area of political sanction, it does not fall within procedure unless there is an allegation that there has been a misleading of the House in a deliberate way. There is no such allegation in front of me at the present time. In fact, the answer the hon. member got is not an answer which was given in the House. The hon. member may want to take some advice or give some consideration in respect of vehicles that are left open by which he can pursue the matter, and there are several. However, I have to tell him that one of those is not a question of privilege in the form in which he presented it today.

* * *

POINT OF ORDER

MISS BÉGIN—INQUIRY WHY LAZAR REPORT NOT YET TABLED

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, as you know, we are discussing today for the third time a motion under Standing Order 43 passed unanimously by this House on October 24 requiring the government to table immediately the so-called Lazar report on pensions. It is now five weeks since this was requested. Is the government breaking the rules of Parliament or what is happening? The Minister of National Health and Welfare (Mr. Crombie) was absent today, but he told us yesterday that he had lost the report. He did not know where the report was. We asked the President of the Privy Council and Minister of National Revenue (Mr. Baker) to look into the matter. We were vaguely told that it was at the printer's. I would like to have a date as to when this report will be tabled.

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I was here yesterday and heard the hon. member, and I indicated I would look into the matter. I am, in fact, looking into it. I want to assure her that I will report to her outside the House so she will know in advance when it will be available and when we will be answering what I think is a legitimate point made by the hon. member in the House of Commons. I do want to assure her that I am attempting to get that answer for her.

ROUTINE PROCEEDINGS

[*English*]

PETROLEUM INDUSTRY

TABLING OF MONITORING SURVEY FOR 1977-78

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to Standing Order 41(2), I am pleased to table two copies in both official languages of the Canadian Petroleum Industry Monitoring Survey for 1977-78.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos 5, 42, 60, 153, 222, 257, 259, 275, 293, 300, 314, 543, 554 and 565.

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

[*Text*]

PUBLIC WORKS—PORTRAIT OF FORMER GOVERNOR GENERAL

Question No. 5—**Mr. Cossitt:**

1. Did the Department of Public Works arrange and authorize the painting of a picture of the former Governor General and his wife by Mr. Lemieux of Sillery, Quebec and, if so (a) on what date (b) what is the name of the highest ranking government official who authorized the painting (c) who was the Minister of Public Works at the time?

2. (a) On what date did the artist commence painting and on what date did he complete his work (b) on how many occasions did he personally attend the former Governor General and his wife?

3. Was the sum of $35,000 paid to Mr. Lemieux and (a) if so, for what reason was this amount charged (b) if not, what was the amount paid?

4. What are the exact dimensions of the portrait and where is it located?

Hon. Erik Nielsen (Minister of Public Works):

1. Yes, after the work was reviewed as being suitable.
   (a) Authorized January 5, 1976.
   (b) Hon. C. M. Drury.
   (c) Hon. C. M. Drury.
2. (a) Painting commenced in late October 1975 and was completed in mid-January, 1976.
   (b) Mr. Lemieux did not personally attend the Governor General and his wife, as it is his custom to research and work with photographs.
3. Yes.
   (a) The fee was considered fair and reasonable value for the work performed. Advice in this respect was sought from the National Gallery and outside sources.
   (b) Not applicable.

4. The portrait is 49⅝ inches × 71 inches and is presently in storage at the Lorne Building.

ATOMIC ENERGY CONTROL BOARD

Question No. 42—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice-presidents of the Atomic Energy Control Board?

2. What is the annual salary in each case?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Atomic Energy Control Board reports as follows:

1. (a) J. H. Jennekens
   (b) There is no provision for such a position.
2. (a) $48,500—$65,500
   (b) Not applicable

CENTENNIAL COMMISSION

Question No. 60—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice-presidents of the Centennial Commission?

2. What is the annual salary in each case?

Mrs. Diane Stratas (Parliamentary Secretary to Secretary of State): 1. The Centennial Commission was formed to celebrate Canada's 100th anniversary of confederation. It ceased as a commission in 1968. The commissioner was Mr. John Fisher, and the Associate Commissioner, Mr. Gilles Bergeron.

2. Not applicable

GRAIN—DEMURRAGE CHARGES

Question No. 153—**Mr. Herbert:**

What were the grain demurrage charges for the period (a) October 1976 to October 1977 (b) October 1977 to October 1978 and, what were the charges for (i) West Coast ports (ii) Great Lakes ports?

Hon. Don Mazankowski (Minister of Transport):

Demurrage charges paid by the Canadian Wheat Board during the periods (a) November 1, 1976, to October 31, 1977, and (b) November 1, 1977, to October 31, 1978, were:

(a) November 1, 1976, to October 31, 1977

(i) West Coast ports	$1,054,009.12
(ii) Great Lakes ports	None

(b) November 1, 1977, to October 31, 1978

(i) West Coast ports	$4,431,750.28
(ii) Great Lakes ports	None

NOTE: The phrasing of the time period in the question has been interpreted in the above answer as being November 1 to October 31.

Order Paper Questions

PUBLIC WORKS—PROJECTS IN ABITIBI

Question No. 222—**Mr. Caouette:**

Did the Department of Public Works (a) carry out any projects on the present boundaries of the Constituency of Abitibi between 1974 and 1978 (b) plan any projects for the current fiscal year and, if so, what are they?

Hon. Erik Nielsen (Minister of Public Works): The list below of projects over $5,000 are both Public Works and other government departments-funded. Please note that as per our policy on the provision of historical expenditures for constituencies, the information for 1974-75 through 1978-79 uses the old constituency boundaries for Abitibi while the forecasts for 1979-80 use the new constituency boundaries for Abitibi.

(a) Expenditures in the Constituency of Abitibi (Old Boundaries)
Projects over $5,000
1974-75 to 1978-79

	1974-75	1975-76	1976-77	1977-78	1978-79
Radisson (Baie James) Interior Fits-ups			2,086		21,547
St. Marc de Figuery Farm School Heaters		28,029			
St-Mathieu de Figuery Lac Figuery Wharf Repairs			13,756	487	
Taschereau New Post Office	158,000	5,000			
Val d'Or Enlargement and Renovations to Federal Building		111	20,360		
Val d'Or Fit-ups, Federal Building				9,243	218
Lac Mourier (Malartic) Wharf and Approach Repairs			22,193		
Lac Preissac Tourist Wharf			15,177		
Laferte (Lac Lois) Wharf and Approach Repairs			7,011		
LaSarre 223 rue Principale Fit-ups-2nd Floor-CMC		66,000	54,000		
LaSarre Post Office Modifications		20,000	12,000		
Launay, Lac Chicoby Wharf and Approach Repairs			9,977		
Matagami Improvements to Post Office			257	18,417	
Palmarolle (Riviere Dagenais) Wharf Repairs			7,794		
Poste-à-la-Baleine New Post Office Modifications and Warehouse					341,317
Amos Post Office Modifications		23,000	14,000		
Amos Canada Manpower, Interior landscaping		2,572			
Baie James (Joutel) Instal Postal Module					15,245
Clerval/Lac Abitibi Tourist Wharf	23,520	109			
Clerval/Lac Abitibi Repairs to Wharf and Ramp				25,599	
Duparquet Wharf Repairs			18,432	489	
Fort Georges Protection Work	1,291,000				
Great Whale River Purchase of Mobile Home					9,000
Joutel, Riviere Harricanna Wharf and Launching Ramp			22,602		
Lac Chibougamau Tourist Wharf	23,645				

(b) Expenditures in the Constituency of Abitibi (New Boundaries)
Projects over $5,000
Planned for 1979-80

	1979-80
Cadillac Wharf and Ramp Repairs	20,000
Mobile Clinic, Health and Welfare	35,000
Val d'Or 550 3rd Ave. Interior Fit-ups	272,000
Val d'Or 903 2nd Ave. Conveyor Installation and Minor Modifications	45,000

PUBLIC SERVICE—SUPERANNUATION

Question No. 257—**Mr. Knowles:**

1. What was the total amount at credit in the Public Service Superannuation Account as at March 31 (a) 1976 (b) 1977 (c) 1978?

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

3. What amount of interest was credited to the Public Service Superannuation Account during the fiscal years ending March 31 (a) 1976 (b) 1977 (c) 1978?

4. What was the total amount paid out of the Public Service Superannuation Account during the fiscal years ending March 31 (a) 1976 (b) 1977 (c) 1978?

[Mr. Mazankowski.]

1. The total amount at credit in the Public Service superannuation account as at March 31,

(a) 1976 is $7,312,248,146

(b) 1977 is $8,147,817,891

(c) 1978 is $9,041,851,849

2. The rates of interest earned by the Public Service superannuation account during the quarters ending

June 30, 1975	1.6612
September 30, 1975	1.6742
December 31, 1975	1.7109
March 31, 1976	1.7209
June 30, 1976	1.7471
September 30, 1976	1.7488
December 31, 1976	1.7707
March 31, 1977	1.7891
June 30, 1977	1.8102
September 30, 1977	1.8204
December 31, 1977	1.8372
March 31, 1978	1.8508

3. The amount of interest credited to the Public Service superannuation account during the fiscal years ending March 31,

(a) 1976 $263,884,375

(b) 1977 $297,217,070

(c) 1978 $336,428,438

4. The total amount paid out of the superannuation account during the fiscal years ending March 31

(a) 1976 $211,647,033

(b) 1977 $280,409,339

(c) 1978 $287,329,035

SUPPLEMENTARY RETIREMENT BENEFITS ACCOUNT

Question No. 259—**Mr. Knowles:**

1. What was the total amount contributed (a) by employees (b) by the government, to the Supplementary Retirement Benefits Account during the year from April 1, 1977 to March 31, 1978?

2. What was the total amount paid of the Supplementary Retirement Benefits Account, during the year from April 1, 1977 to March 31, 1978, in the form of pension supplements, and to how many individuals were such pension supplements paid at any time during that period?

3. What was the balance at credit in the Supplementary Retirement Benefits Account as at March 31 (a) 1977 (b) 1978?

Hon. Sinclair Stevens (President of Treasury Board):

1. (a) $64,260,542

(b) $64,260,542

2. Pension supplements totalling $170,236,195 were paid to 125,538 individuals during fiscal year 1977-78.

Of this amount $5,539,234 was charged to the supplementary retirement benefits account and $164,696,961 was charged to the consolidated revenue fund.

3. (a) $205,928,464

(b) $345,512,632

Order Paper Questions

MEMBERS OF PARLIAMENT—PENSIONS

Question No. 275—**Mr. Herbert:**

1. How many former members of Parliament are not eligible for pensions resulting from their parliamentary service?

2. What percentage was paid as interest on pension monies contributed by and then returned to such MPs?

Hon. Sinclair Stevens (President of Treasury Board):

1. Five hundred and four since the Members of Parliament Retiring Allowances Act came into force on November 20, 1952.

2. Since 1975 interest on returns of contributions has been paid at 4 per cent. Five MPs did not receive any interest because they had insufficient pensionable service.

PUBLIC SERVICE—PERSONS RELEASED

Question No. 293—**Mr. Herbert:**

Of the 552 persons released from the Public Service in 1978, how many were released for incompetence and how many for other reasons?

Mrs. Diane Stratas (Parliamentary Secretary to Secretary of State): I am informed by the Public Service Commission as follows:

Persons released for:	Incompetence	22
	Incapacity	82
	Breach of discipline or misconduct	110
	Abandonment of position	338
		552

ESTIMATES FOR POST OFFICE FACILITIES

Question No. 300—**Mr. Herbert:**

1. In each of the past five years, what amount was carried in the Estimates under the Department of Public Works for the Post Office Department's construction program?

2. For the same years, by province, what is the breakdown of the figures?

Hon. Erik Nielsen (Minister of Public Works):

1. For the years 1974-75 through 1978-79, the actual costs incurred and funded from the Accommodation Capital Program of Public Works Canada for the Post Office Department were as follows:

	($000's)
1974-75	72,322
1975-76	82,927
1976-77	88,814
1977-78	114,033
1978-79	80,227
Total	438,323

Order Paper Questions

2. The breakdown, by province for the above figure is as follows:

Province	($000's) 1974-75	1975-76	1976-77	1977-78	1978-79
Newfoundland	3,701	4,444	1,164	393	239
Nova Scotia	188	129	2,446	8,171	4,572
New Brunswick	3,886	4,072	257	1,400	195
Prince Edward Island	—	14	5	8	—
Québec	15,617	38,593	58,713	80,374	54,355
Ontario	43,774	28,654	14,444	13,748	14,113
Manitoba	412	597	167	1,396	977
Saskatchewan	283	685	623	755	1,064
Alberta	2,662	403	812	2,540	1,593
British Columbia	1,684	5,336	10,112	5,185	2,878
Northwest Territories	115	—	66	63	241
Yukon Territory	—	—	5	—	—
Total	72,322	82,927	88,814	114,033	80,227

Corrected reply:

Question No. 2223—**Mr. Herbert**—Tabled 77-08-04—page 8010

In the preparation of the reply to question No. 300 of this session, it was discovered that a similar question, although not by province, was asked by Mr. Herbert in March 1977.

Due to a clerical error in the compilation of the regional data, the answer to the previous question was not correct.

The answer to question No. 2223 is hereby amended as follows:

	($000's)
1972-73	28,952
1973-74	69,346
1974-75	72,322
1975-76	82,927
1976-77	88,814
Total	$342,361

PUBLIC SERVICE SUPERANNUATION ACCOUNT

Question No. 314—**Mr. Herbert:**

1. What was the balance in the Public Service Superannuation account on March 31, 1979?

2. What amount was (a) added to (b) paid from the account in each of the past five years?

3. For each of the same years, what average rate of interest was paid by the government for the use of the funds?

Hon. Sinclair Stevens (President of Treasury Board):

1. The balance in the Public Service Superannuation Account on March 31, 1979 was $10,092,716,663.

	1974-75	1975-76	1976-77	1977-78	1978-79
2. (a) Amount added to the Public Service Superannuation Account	$1,177,627,004	$1,103,597,288	$1,115,979,084	$1,181,363,872	$1,395,031,425
(b) Amount paid from the Account	$ 184,831,352	$ 211,647,033	$ 280,409,339	$ 287,329,914	$ 344,166,611
3. Average rates of interest paid by the government for the use of the funds	6.6 per cent	6.9 per cent	7.2 per cent	7.5 per cent	7.9 per cent

[Mr. Nielsen.]

DISCOVERY TRAIN PROGRAM

Question No. 543—**Mr. Friesen:**

1. (a) What was/were the rate/rates of inflation used in calculating the financial requirements for each of the five years of the Discovery Train program (b) in each case, how and where were these figures obtained?

2. (a) How many display items are on the Train (b) how many of these items were specifically commissioned for the Train (c) what is a description of each item commissioned?

3. (a) Were all of the items commissioned/requested for use in the Train in a usable and/or acceptable condition upon completion and, if not (i) how many were not (ii) what were they (iii) what was the average cost of these unusable/unacceptable items (b) what was the average cost of all the items purchased for display (c) were any of the unacceptable/unusable items replaced and, if so, were additional funds expended and what was the amount of these additional funds?

4. How many contracts were involved in the establishment/setting up of the Train in its' first season of operation on the (a) operational (b) capital side?

5. How many of the contracts were based on oral arrangements on the (a) operational (b) capital side?

6. On oral arrangement contracts, were any basic or maximum ceilings of expenditure established from the time of the original discussions and (a) if so, what were they (b) if not, for what reason?

7. (a) Did any of the Train contracts have a maximum ceiling of expenditures outlined in the contract and, if so (i) how many (ii) did any of the contractors exceed the maximum outlined in their contract (b) in contracts where maximums were outlined, was any penalty established for exceeding the budget?

8. Did any of the Train contracts have a quality of workmanship type clause to protect a portion of the investment on any item the corporation might not find acceptable upon receipt and, if not, for what reason?

9. Did the corporation ever consider adding items to the displays over the five year period in order to have more control over both financial and quality matters in the very short lead time available before June 22, 1978 and, if not, for what reason?

10. On what date (a) was the Train purchased (b) was it decided that an additional four cars would be required (c) were the additional four cars purchased (d) did the corporation find out that the CNR would not upgrade these cars as was agreed they would do for the original cars purchased from the United States?

11. (a) How many people in the National Museums Corporation were involved in the program (b) what were their job classifications (c) did the Corporation second any assistance from other government departments other than the CNR and, if so, how many and what were their job classifications from the date the corporation took over the program to the end of the first season?

12. How many people does the Corporation estimate will be directly involved in the (a) technical (b) administrative operations for the program in each of the next four years?

Mrs. Diane Stratas (Parliamentary Secretary to Secretary of State): I am informed by the National Museums as follows:

1. (a) No rates of inflation were used in the calculation of the five years of the Discovery Train Program. The estimates were submitted to Treasury Board in 1978 dollars and so specified.
   (b) N/A.
2. (a) There are 1200 artifacts and specimens on the Train, and 80 mannequins and figures.
   (b) The mannequins were all specifically designed for the Train.
   (c) A descriptive list of each item is not readily available. The 14 display cars treat the following subjects:
      (1) Discover Canada (1) : East Coast
      (2) Discover Canada (2) : Eastern Woodlands to the Grasslands
      (3) Discover Canada (3) : The West/Beringia
      (4) Pre-historic Man (C. 14,000 BC—C. 5,000 BC)
      (5) The Indians and the Inuit (Post-Contact)
      (6) New France (1534-1689)
      (7) British North America (1689-1885)
      (8) Immigrants from Central Europe (1898-1900)
      (9) Pioneering (1885-1910)
      (10) Boom and Bust (1910-1935)
      (11) The Second World War (1939-1945)
      (12) Here and Now (1945-present)
      (13) Folk Tuba Time March
      (14) Finale.
3. (a) Yes.
   (b) Average cost of display items is not available. The total display cost for the fourteen cars, including design workshop and display services was $2,108,233.
   (c) N/A.
4. (a) 23.
   (b) 494.
5. (a) 3.
   (b) 7.
6. Yes.
   (a) In three cases a fee was established for the delivery of a stated product or service. The amounts involved were $600, $9,000, $14,000.
   (b) In the remaining cases it was considered that definition of the end-product was too difficult to permit establishment of a fixed price within the time frame available. The end-products involved innovation of technique or material and were of an experimental nature.
7. (a) Yes.
      (i) 510,
      (ii) Yes.
   (b) No.
8. Formal quality of workmanship clauses were not included in Train contracts. This device is most useful when deficiencies might be concealed within a device or structure. It was the practice on this project to inspect work in plant as it was being completed. This approach facilitated early identification and correction of deficiencies. Where deficiencies were noted, progress and/or final payments were withheld pending correction.
9. No. It was considered essential to provide as complete a display as possible from the beginning because the train will visit locations in Canada only once. Starting with an incomplete display would have been unfair to those communities visited early.
10. (a) August 12, 1977,
    (b) Mid-February 1978,
    (c) March 31, 1978,
    (d) Although indications earlier indicated that CN would have difficulty in meeting the NMC's request, the negative decision was accepted as final in August 1978.
11. (a) 11,
    (b) SX-1, PM-7, 2 PM-5's, PM-4, IS-4, AS-3, EG-ESS-11, CR-5, 2 ST-SCY-3's,
    (c) One AS-2,
12. (a) 24,
    (b) 12.

GOVERNMENT BUILDINGS—SMOKE DETECTORS

Question No. 554—**Mr. Cossitt:**

1. Were smoke detectors or other similar devices installed in government buildings for fire protection purposes and, if so, in what locations are the buildings?

2. Will the government give consideration to the installation of smoke detectors or similar devices in government buildings, particularly the historical buildings on Parliament Hill, to aid in providing adequate fire protection?

Hon. Erik Nielsen (Minister of Public Works):

1. Yes, smoke detectors and smoke alarms are installed in federal government buildings for the early detection of a fire condition (smoke or flame). Such devices are installed in all new construction, or major renovation projects, of federal government construction projects in locations required by the National Building Code. Smoke detection and smoke alarm devices are also installed in all existing federal government owned or occupied buildings where a serious life hazard is

recognized. This policy applies to buildings in all regions of Canada.

2. Yes. The dominion fire commissioner's staff during their programmed inspections of federal properties, particularly prestigious buildings on Parliament Hill, constantly check on hazardous conditions and recommend installation of smoke detectors, or other detection and fire suppression equipment, where necessary for the safety of occupants and protection of property. Recommendations are made on a cost effectiveness basis, and implemented by priority as funds are made available.

TREASURY BOARD—LEVIED PENALTIES

Question No. 565—**Mr. Herbert:**

1. Does Treasury Board circular number 1979-20 dated July 27, 1979, state "... a penalty may be levied against the responsible department in an amount up to twice the total over-run"?

2. Will any such levied penalty be expected to be absorbed in the authorized spending estimates of the Department or would such items be submitted to Parliament in supplementary estimates?

3. Will the Treasury Board estimates include as a separate and distinct item any revenues resulting from such levies?

Hon. Sinclair Stevens (President of Treasury Board):

1. Yes.

2. Any penalties levied would be expected to be absorbed by the department.

3. No revenues will accrue. Penalties will be held as frozen allotments for which spending authority will lapse at the end of the year.

[*English*]

Mr. Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

Mr. Elzinga: Mr. Speaker, I rise on a point of order. I have had a question on the order paper for four sessions; this session and three sessions of the previous Parliament. It is question No. 333 and I wonder if I might bring it to the attention of the parliamentary secretary. It is a very simple question dealing with various travel arrangements of the presidents and chairmen of various government commissions and agencies, and how they have used their special travel passage on Air Canada. I would like to receive some type of commitment that we might have a speedy answer to the question.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. MacEachen: Mr. Speaker, if I am able to break into his conversation, apologetically, I would ask the President of the Privy Council what the business is for the next few days, and can he confirm publicly what the business will be for the next while in view of the discussions we have had?

[Mr. Nielsen.]

Mr. Baker (Nepean-Carleton): Mr. Speaker, just before we rose last evening at six o'clock I made a statement that I hoped would suffice for the hon. gentleman and the House. It was in respect of the business that we had agreed upon. I am grateful in that regard, but in order that the House may know what we agreed upon, we are calling for this afternoon government motions Nos. 5, 6, 7 and 8 in relation to the four select committees; one relating to rehabilitation, one relating to the Foreign Investment Review Act, one relating to voluntarism, and finally cost overruns. We will see how far we can go this afternoon with those four on that list.We are calling them in the order that I had indicated, in accordance with the discussions that were held among House leaders.

There has been an arrangement made by which we can begin debate this evening on the freedom of information bill, Bill C-15. I am grateful that this can take place. It is hoped by all of us that the items I have listed can be completed by the time of the adjournment on Monday evening, and that is in accordance with the discussions.

Given the discussions we have had among House leaders, on Tuesday, December 4, we will be calling again second reading of Bill C-20, the property tax credit legislation, for the purpose, as I understand it, of having the vote and sending the bill to Committee of the Whole.

If there should be any votes arising out of the motions in respect of the committees, we would hope those votes could be taken at the time.

For the balance of the week we will be dealing with Bill C-20, the property tax credit legislation, according to the present schedule. I understand Thursday, December 6, is an allotted day. If that is the case I am prepared to allot that day.

Mr. MacEachen: Mr. Speaker, I thank the minister for giving us that additional elaboration. We intend to carry forward in the spirit in which we discussed these arrangements yesterday. I am not sure whether the hon. minister has "dedesignated" tomorrow, which was originally intended to be an allotted day; we do not propose to take it out.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I just wish to confirm for my friend that I did in fact dedesignate that day.

Mr. Knowles: Mr. Speaker, this is the eighth week in which we have been in session and I have again the same question I have asked for six of those weeks. I did not have to ask it last week as the minister volunteered a statement. I feel very strongly that the government ought to bring in its promised bill having to do with veterans. I hope that in the arrangements that are being made for the work of the House between now and Christmas there will be time provided to deal with that bill. I am sure that the House will deal with it quickly and get the bill to committee so that the benefits it will give to veterans, their families and survivors might be agreed to by this House before Christmas.

● (1530)

Mr. Baker (Nepean-Carleton): Mr. Speaker, the concern of the hon. member for Winnipeg North Centre is shared by the Minister of Veterans Affairs and he has acted upon that concern. It is a concern which, I am sure, is shared by all members of the House of Commons. As soon as I leave the House this afternoon, I will go to a cabinet committee which is considering this bill. I expect to be in a position—and this will be confirmed in our process—to introduce the bill into the House next week. It is my intention to have that bill called and I hope, indeed I am sure, that there will be co-operation on all sides of the House to deal with that very important piece of legislation which deals with bringing the changes in the pension legislation for veterans into law. I thank the hon. gentleman for raising this issue.

GOVERNMENT ORDERS

[*English*]

DISABLED AND HANDICAPPED

APPOINTMENT OF SPECIAL COMMITTEE TO INQUIRE INTO NEEDS

Hon. Walter Baker (for the Minister of National Health and Welfare) moved:

That a special committee of the House of Commons be appointed to inquire into and report upon the special needs of the handicapped and disabled in Canada and the extent to which those needs are being met;

That the committee, taking into account the nature and scope of current federal policies, programs and services directed to the general public or established specifically to assist physically and mentally handicapped and disabled persons, report its conclusions and recommendations with respect

(1) to their impact in providing opportunities for handicapped and disabled persons to lead independent and fully integrated lives,

(2) to their relationship to the programs, services and activities now being carried out by the voluntary sector and the provinces; and

(3) to measures which may be required to meet more fully the special needs of the handicapped and disabled

together with such other matters as the committee considers relevant;

That, without limiting the generality of the foregoing, the committee may examine the special needs of the handicapped and disabled in the following areas: fundamental and civil rights; employment opportunities; vocational training and work preparation; business incentives including loans and grants; provision for special income tax deductions and income supplement programs; health services and medical rehabilitation; social rehabilitation community support services; transportation; housing; access to public buildings and services; information and communication; travel, sports and leisure activities; services for handicapped and disabled native peoples; quality of life of severely disabled and institutionalized persons; role of handicapped and disabled persons and voluntary organizations in policy and program development; co-ordination within and between jurisdictions; and data base development;

That the committee take into account the work of other standing and special committees dealing with subjects which affect the handicapped and disabled, in particular the provision of pensions and disability benefits to disabled and handicapped persons and measures to strengthen the role of voluntary organizations representing handicapped and disabled persons;

That the committee be composed of seven members of the House of Commons to be designated at a later date;

That the committee have the power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of its powers except the power to report directly to the House;

That the committee have the power to sit during sittings and adjournments of the House of Commons;

That the committee submit reports from time to time, as appropriate, with a first report to be submitted as early as possible in 1980 and a final report by December 31, 1980;

That the committee have the power to invite the views of interested parties and the public, to send for persons, papers and records, to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee have the power to adjourn from place to place within Canada and such other places to be determined at a later date; and

That the committee have the power to retain the services of expert advisers and to commission studies or research to assist in its work and that it also have the power to retain such professional, technical, clerical and stenographic help as may be required.

Mr. Speaker: The hon. member for Brandon-Souris (Mr. Dinsdale).

Mr. MacEachen: Mr. Speaker, I have a point of order. It is with regard to the absence of the Minister of National Health and Welfare (Mr. Crombie), in whose name this motion was put before the House. This is a government motion, and neither the minister nor his parliamentary secretary is present. We have the unusual situation of a member of the House, albeit quite a distinguished member, who has no status in so far as the government is concerned either as a minister or as a parliamentary secretary, rising to speak to this government motion as a lead-off speaker. I do not wish to embarrass any further the hon. member, who has a deep interest in this subject, but I would like to advise the President of the Privy Council (Mr. Baker) that it is a precedent which, I suggest, should have a very short life.

Mr. Baker (Nepean-Carleton): Mr. Speaker, the motion is on the order paper in the name of the Minister of National Health and Welfare. Unfortunately, the minister could not be here today, and it was called in my name as a minister of the government. I am advised that the parliamentary secretary is present.

I am sure that members on all sides of the House are aware of the tremendous contribution that the hon. member for Brandon-Souris (Mr. Dinsdale) has made and the recognition he has received from the public with respect to the problems of the handicapped. According to the rules of the House, and having moved the motion, I would be deemed to have spoken in that debate.

I am aware of what my hon. friend is saying, but I hope that there will be no objection under the circumstances if such a distinguished member of the House, who has made such a contribution in the field that is the subject matter of this motion, were to be the first speaker in this debate. I believe that the hon. member can bring to this particular issue expertise that could not be introduced by any other member. I can inform the House that the government will endorse what the hon. member for Brandon-Souris will say in the debate.

Mr. MacEachen: Mr. Speaker, it is much more than a technical matter; it is a question of ministerial responsibility to the House of Commons. When we were sitting on that side, we received many lectures from the hon. members who were over here on this sort of situation.

Mr. Knowles: The more they change, the more they are the same.

Mr. MacEachen: When I raised the question I was ready to accede to this situation. I hope that what the minister has said is a clear undertaking that this will be considered an exceptional arrangement and that a private member, no matter how distinguished, will not in the future be the spokesman for the government on a government motion moved under government business.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, the Speech from the Throne included these interesting words:

> My ministers were given a mandate to change the direction of the Government of Canada, as we enter the 1980s. The basic purposes of that change will be to enhance the rights, freedoms and opportunities of individual Canadians and re-establish the spirit of partnership and renewal which are fundamental to our Federation.

Further along in the same Speech from the Throne, these words are noted:

> To demonstrate the capacity of Parliament, you will be asked to approve the immediate establishment of four select small committees, with the resources and powers necessary to inquire fully into the special needs of handicapped and disabled Canadians; measures to strengthen the role of the voluntary sector in our society—

I presume that the reason I find myself speaking to this motion this afternoon as the first speaker for the government is because new administrations are always enthusiastic about participation and involvement in dealing with long outstanding problems.

● (1540)

No one can deny that the subject matter of the motion before us is one that has been aired from time to time in this Parliament and other places in Canada over the years. As a matter of fact, I introduced the motion on February 23, 1972. As is the time-honoured custom in this House, it was unfortunately talked out. In each successive year there has been a debate, with the same result. I am not unmindful of the fact that historians tell us that from the time an idea is first introduced into Parliament until it is presented and accepted in legislation, usually about 37 years pass. We are doing a little better with the motion that is before us and I want to congratulate the new government for making it possible to present it. I hope that as members on all sides of the House take part in the discussion this afternoon they will give a positive response and we will have early approval of the motion. As I look around the chamber and see the upturned faces of hon. members who I hope will take part in the discussion, I remember that they have supported us in the past and I am confident that this will be the case today.

While we are proceeding to implement the premise of the motion in a much shorter period than 37 years, I think we should know at the outset that the history of the rehabilitation movement in Canada covers a longer period of time. I think this is the appropriate moment to make some reference to it.

Actual rehabilitation of disabled citizens, both physically disabled and mentally handicapped Canadians, is a rather modern concept. There was a time when both the physically disabled and mentally handicapped were excluded completely from the community and, in more recent years, provided with a pension. Still, it was a pension and a shrug. The possibility of severely disabled people being integrated into the community and becoming part of the community, usefully employed and making a positive contribution, is a quite recent experience.

It was the tragedies of World War I and World War II that really gave impetus to the concept of rehabilitation. We pay tribute to the work of the Department of Veterans Affairs in this regard, and the continuing work of the Canadian War Amps which introduced for the first time the use of modern technology to ease the lot of the physically disabled with prosthetic or orthopedic aids.

Canada, under the impetus of the tragedy of two world wars, established rehabilitation institutes. These operate right across Canada and provide a comprehensive rehabilitation program, at least for the physically disabled. Our mental health centres, as we now call our mental hospitals, have emphasized returning mentally handicapped citizens into the community with so much success that the populations of these institutions have decreased radically in recent years.

The real work of rehabilitation was done by the voluntary organizations and groups in Canada. There are some 48 voluntary groups that play a positive and useful role in this regard. Obviously they are too numerous to mention but I will mention two. The one in the field of the physically disabled, the Canadian Rehabilitation Council for the Disabled, founded by Dr. Keith Armstrong in the immediate post-war period of World War II, has provided an umbrella under which agencies which work in the field of rehabilitation among the physically disabled have been able to function.

I think the most encouraging aspect of the rehabilitation movement is the recent involvement of the disabled themselves in the program of integration and prevention. The first conference of a new organization was held in Ottawa lask weekend. I am sure many hon. members had a chance to talk to some of the 190 delegates who attended. For the first time we had a coalition of the provincial organizations of the handicapped coming to Ottawa, holding a conference, meeting with members of Parliament and becoming part of the answer to the problem.

This organization of consumers, which calls itself COPOH, is—and let me repeat and underline this—one of the most useful and positive developments in the rehabilitation movement in recent years. They want to solve their own problems and be regarded not as a segregated group but as first-class Canadian citizens with all the rights, opportunities and privileges, as well as responsibilities, of Canadian citizenship.

I could spend a long time talking about the work of the voluntary organizations—service clubs, churches, the Chamber of Commerce with its "Employment for the Handicapped" program, and other groups that are now becoming deeply involved in the whole movement of bringing handicapped citizens into the mainstream of Canadian life.

Over the years a multiplicity of policies have been developed on behalf of the disabled. One of the reasons I first became interested in this subject was because of the jungle of confusion and the lack of co-ordination I found in the rehabilitation field. I think it is fair to say that most of the people who are deeply involved in some aspect of the rehabilitation movement are those who have had severe disability within the bosom of their own families. That was certainly my case. As I attempted to find solutions, I found that the confusion of red tape, the bureaucratic multiplicity of programs and the lack of co-ordination and co-operation, was a jungle impossible to penetrate.

If hon. members refer to my original motion introduced in 1972, they will see that the idea was to initiate co-operation and co-ordination of the programs and, of course, as we move now toward setting up a formal committee, this will be one of our major functions in dealing with the problem.

Some of the programs are excellent. We have, perhaps, one of the best medical and hospital programs of any country in the world. This led to an emphasis on institutional care, very expensive and sometimes not completely positive, with respect to moving the disabled person back into the community again, so much so that they were often referred to as human warehouses for the chronically ill and the severely disabled. It provided them, as I say, with a bed and a pension but little opportunity of moving out beyond the confines of an institutional situation. This program is enormously expensive and yet negative in its results on behalf of the disabled person.

● (1550)

Some of the programs have been excellent, but again not applied evenly. The vocational rehabilitation training program has been one of the more positive programs and most members will be acquainted with its operation. It has become evident that a legislative program is required in order to co-ordinate and bring together the multiplicity of policies and programs, unco-ordinated as they are.

The United Kingdom is moving ahead in this field. On the statute books of the United Kingdom there is an act for the chronically ill and the severely disabled. That act was passed in the early 1970s. The wording of the chronically ill and severely disabled act indicates that already the United Kingdom has moved to bring together those areas of concern for the senior citizens and the severely disabled.

In many respects the problems are similar. We all know that in the next few years Canada's population will be an aging one. It is said that by the end of the century 15 per cent of our population will be over the age of 65. This means that rehabilitation services will be used to a greater extent by a population that is becoming increasingly older. I would think that eventually Canada will have to have a legislative background to update its social security programs and its social welfare programs that have grown like Topsy to meet specific needs, much the same as the voluntary associations have grown to deal with specific disabilities, such as deafness, muscular dystrophy, arthritis, mental illness, mental retardation and all the other difficulties to which the human flesh can fall heir.

There has been an attempt to bring about co-ordination in a social services act, as hon. members who have been in previous Parliaments know. An orange paper was presented in 1973. There was elaborate discussion over the years and finally last year the social services act disappeared from the order paper because the method of financing was changed from shared cost to block funding. Therefore, we have to begin from square one again in the very complex program of co-ordinating a legislative program that will bring into focus the contemporary needs of the disabled and chronically ill population in Canada.

I do not want to anticipate what the committee will do but I think that we shall be very much preoccupied with this problem of legislative backup for rehabilitation programs. The committee will come into operation at a very important time in the rehabilitation movement. In the next two years not only in Canada but around the world there is going to be a high profile of interest in the problems of disabled and handicapped peoples.

From June 22 to June 27 next year at the convention centre in the city of Winnipeg, Canada will be hosting the Rehabilitation International Congress which will bring to our shores 6,000 leaders of the rehabilitation movement from around the world. The themes of the congress are prevention and integration and will produce a charter for the 1980s. Already there are committees working on the charter for the '80s which will present guideline parameters within which the rehabilitation movement can operate in all countries of the world. Here is one area upon which the human family can agree.

It is interesting to note that immediately following 1980 there will be an observance of the Year of the Disabled, which observance was approved unanimously by the United Nations in December 1976. Not too many motions receive unanimous approval at the United Nations but here is a humanitarian interest which was approved unanimously. In 1981, flowing out of the Rehabilitation International Congress to be held in Canada in 1980, the Year of the Disabled will bring into focus some of the matters that we will be considering in our committee, certainly issues that will come out of the congress in Winnipeg. They will be tied hopefully to the charter for the 1980s which will be a by-product of the Winnipeg congress. The Year of the Disabled was sponsored at the United Nations initially by Libya. So we cross an interesting number of political differences as we come together to bring into focus the needs of disabled citizens around the world in the year 1981.

The proposal of a committee has stimulated some interesting activities in Canada. Let me just recite a few of them before I conclude my remarks in introducing this motion. Just last spring the Department of National Health and Welfare established a bureau of rehabilitation under the direction of

Andre LeBlanc. The Department of National Health and Welfare, as I have indicated, sponsored the first meeting of COPOH, the consumers group that has come together to resolve its own problems. It is a coalition of the handicapped, not a coalition for the handicapped. That is a vital point of differentiation and these disabled people themselves are bound that they are going to become a vital part of Canadian society.

For the past three days in Ottawa, the Department of Transport has been conducting a hearing on transportation for the handicapped at the Lester Pearson building. The original intention was to conduct hearings over a period of two days on all aspects of transportation for the disabled. There were so many applications to be heard and so many briefs to be presented that it became necessary to extend that conference by one day.

● (1600)

Incidentally, Mr. Speaker, there was a meeting in Los Angeles some two weeks ago. It had international connotations, but Canada was vitally involved in that too through its membership in the International Commission on Technical Aids and housing and transportation for the handicapped. ICTA has been sponsoring resolutions encouraging access to the skies. The meeting in Los Angeles two weeks ago involved major aircraft manufacturing companies in the United States and Europe to ensure that their next generation of jumbo jets will be accessible to the disabled people. Transportation, of course, is absolutely essential if there is going to be any possibility of integration into the community.

Supply and services have also got into the act. They are conducting a study on sheltered workshops. That is a noble idea that came out of World War I but which have tended to be a dead-end street for the disabled. They are a good idea if they are part of the process of bringing disabled citizens back into the community. Supply and services will be conducting this study.

The adult retraining act is being redirected by the Department of Employment and Immigration more to the retraining of disabled Canadians. With regard to human rights, we got our toe in the door two years ago on human rights when employment of the handicapped was included. Last Friday morning the COPOH people met with the Minister of Justice. We now have a commitment from the Minister of Justice and perhaps I should put it on the record because certainly our committee will want to come to grips with this subject. Here is a letter dated November 23 signed by the Hon. Jacques Flynn on this subject:

> So that no doubt can be fostered as to the nature of the government's commitment, I would like to reiterate the words of the Prime Minister, as embodied in a letter to the Coalition, from the Leader of the Opposition, on May 1 of this year:
>
> "protection from discriminatory practices should be provided for under the (Canadian) Human Rights Act in a manner consistent with the coverage provided for other protected groups, and we are prepared to amend the existing act to provide for this".
>
> [Mr. Dinsdale.]

Accessibility to public buildings, particularly federal buildings, will be guaranteed by 1983. We still have three years to go on that.

The question of income maintenance is being reviewed at the present time by the parliamentary committee that will look into the subject of pensions as they apply to the needs of the disabled. Sometimes our pension program has introduced a legislative disincentive. If a disabled person was able to earn some income, the pension operated in such a way that the income maintenance program was completely discontinued and the disabled person was not encouraged to continue in the labour market.

These are just a few of the activities that have been stimulated and are under way as a result of the renewed interest in the problems of and policies for the disabled, which in turn has resulted from the motion that we are discussing here today.

I should perhaps refer to the work of the National Research Council which has a special branch dealing with technology for the handicapped. The council is supporting an interesting effort in which I think all hon. members will be interested. In co-operation with the NRC the Canadian Rehabilitation Council for the Disabled, CRCD, has established an agency known as TASH—technical aids and systems for the handicapped—which will make it possible to introduce the sophisticated electronic technology that is now available and make it more readily accessible to the handicapped. This means that totally disabled people, for example those afflicted with muscular dystrophy, will be able to control their immediate environment. Some of them will be able to get back into the work force, particularly those who were professionals, because these environmental electronic controls make it possible for a totally disabled person to handle a typewriter and use the telephone.

I could tell some interesting stories of how this has revitalized the whole lifestyle of some of these chronically and severely disabled persons. Very often in the case of a severe disability, it is sometimes said that you cannot add years to the life but you can certainly add life to the years by using some of this sophisticated technology that is available.

The committee program is outlined before us today, so there is no need to go into it in detail. I think it is important to note that it is a small committee made up of seven. The official opposition and the government will be evenly divided and we will have a representative from the New Democratic Party. I am sure all those serving on the committee will have a personal interest and commitment.

The intent of the committee will be to get in touch with the voluntary sector that I outlined briefly, which is so numerous, and to get into touch with the provinces. Inevitably with any rehabilitation program it is the province that must deliver the services. We will establish close liaison with all government departments and agencies involved in rehabilitation; I understand there are at least 30. It can be seen that our task will not be an easy one.

We will hopefully have attached to our committee, seconded from government departments, as many disabled people as

possible. Since the committee was announced, I have been amazed at the number of telephone calls I have received from disabled people who are occupying important positions in various government departments in research, labour, employment and immigration. We have all the talent we need to staff our committee. We will have an additional advantage if we are able to retain the services of some of these disabled people who are highly motivated, sensitive and knowledgeable in the whole field of rehabilitation services.

We want to get as much publicity as possible for the work of the committee. It has been said that perhaps the handicapped person's greatest handicap is our attitude. In recent months some hon. members might have been aware of an information program sponsored jointly by the Department of National Health and Welfare and the Canadian Rehabilitation Council for the Disabled which has used the slogan as its theme "The handicapped's biggest handicap can be your attitude".

We want to use the work of the committee as an educational and informational process so that we might dissipate some of the myths about disability, both the physical disability and the mental handicap. In so doing, we want to assist, accelerate and aid the process of making it possible for disabled Canadians to become a vital part of the community.

• (1610)

We hope to have an interim report in time for the congress in Winnipeg, which would mean in the spring, and in that report will be recommendations for action which can be followed up immediately. Then, as our mandate indicates, we hope to bring in our final report by the end of the year 1980. There have been many studies undertaken, but no attempt has ever been made to bring the information together. This will be the challenge of our committee.

One study—and I close my remarks with this reference—came through with a message which was crystal clear. A questionnaire was sent out to disabled persons, and the response was that they wanted in—into employment, into community living, into maximum participation in community life and into the planning of systems and services designed to help them. At the same time they wanted out—out of institutions, out of dead-end sheltered workshops, out of welfare, out of being pitied and out of being thrust to the sidelines with a pension and a shrug. I hope that as a result of the work of our committee we will be able to achieve this desirable goal.

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, the official opposition welcomes this government's initiative and offers sincere and complete co-operation with this committee. I would like to add my personal words of congratulation to the hon. member who has just spoken for his unstinting efforts on behalf of the handicapped.

However, having said we welcome the initiative, I think it behooves me also to mention one grave reservation we on this side of the House have regarding this initiative. The reservation really stems from the wording of the preamble to this motion when it refers particularly, and I quote, to "the nature and scope of current federal policies". If Canadians today know anything at all about the policy of the present federal government, they know that it is one of restraint, and there hangs our reservation.

The previous speaker mentioned that the handicapped of Canada do not want another study. They want into employment, into community living and so forth. Some of the things they want could very well and probably will involve some kind of spending. Some kind of funding is necessary if they are to achieve what they really want. Under those circumstances I think it would be the cruelest injustice and the greatest disservice to the handicapped and disabled people of Canada if this committee, albeit unwittingly but by its very formation, were to raise unrealistic expectations among the handicapped and disabled of Canada.

In other words, I think this must be a committee which has some teeth so that we can prove to the people not only that we are listening to them, but also that we do have at least some authority to carry out their legitimate aspirations. If for every legitimate aspiration the handicapped and disabled of Canada tell the committee they have, the committee is to put up its hands in horror and say, "I am sorry, that costs money; the federal government is on a restraint policy, we cannot help," that is the kind of very cruel injustice which I think we should avoid.

As I said, the handicapped and the disabled of Canada need action. They do not need another study. Another study would be a waste of time, and it would be, as I said before, a cruel disservice.

The hon. member for Brandon-Souris (Mr. Dinsdale) mentioned that he had started this way back in 1972. I was not around in 1972 to help in his efforts, but I was around in 1975 to help in his efforts and, if I may quote one of my speeches at that time, given on April 21, 1975, as recorded at page 5055 of *Hansard*, I said:

> Some years ago, Mr. Speaker, I was paralysed. It is a sobering thought to realize that if I had been elected at that time it would have been extremely difficult, if not impossible, for me to take my seat, since I could not have manoeuvred my wheelchair into this chamber.

Look where I am standing now. If I were in a wheelchair now, I do not think I could manoeuvre it in here.

> Indeed, had it not been for the grace of God and the indefatigable efforts of skilled doctors—

People skilled in rehabilitation.

> —I would not even have been able to go to the visitors' gallery. On that point, I am saddened to see only three wheelchairs in the gallery today—

Coming back to 1979, I do not see one, but that is irrelevant. What is very relevant is that on April 21, 1975, I said:

> We might start putting our own house in order by building a ramp so that the handicapped could visit that gallery, or any others if they want to, without having to perform acrobatics.

That was said in 1975. As I look around the galleries today, I do not see ramps. I heard from press reports the other day that the same situation exists today. I think one of the members of the New Democratic Party was unable to bring some of his constituents to the parliamentary dining room

because there was not sufficient accessibility for them. The situation has not changed. I raise this point not so much to point a finger at any one particular agency, or even the House of Commons itself much less, but I raise it to indicate the kind of frustration handicapped people do feel. They hear many people talking about things. They hear many people saying, "You should have this" and "You should have that", but they do not see too much action. We must avoid this kind of frustration in the future.

I am very happy that the hon. member for Brandon-Souris raised the probability that this committee by its very formation would help to create an awareness in the public mind of the very legitimate needs and aspirations of handicapped people.

In that same context I am wondering if perhaps we will not need to define the word "handicapped" or the word "disabled" in order to be able to do justice to the whole question. Incidentally, I am very glad to notice that the terms of reference are very broad. They can encompass very much. I think they can encompass more or less what the committee members themselves want to embrace. However, I think it will be essential to define what "handicapped" and "disabled" mean.

I will give an example. Again back in 1975 as a backbencher and neophyte in the House, I was instrumental in having certain regulations changed as they referred to the Income Tax Act. For instance, effective as of the 1975 taxation year the cost of external breast prostheses could be claimed as medical deductions. Similarly—and I think it was the same taxation year—there was another regulation in which I was also instrumental. Wigs made to order for individuals suffering abnormal hair loss owing to disease, medical treatment or accident would be allowed as medical deductions. The story behind those regulations I think has to surface, and I hope it will surface very clearly when the committee has its meetings. The people to whom I was referring and who benefit most from these regulations are victims of cancer.

Unfortunately very often we "normal" people—who is normal?—think of wigs as frivolous things that we can do with or without. However, the point is that many medical treatments—I am thinking particularly of chemotherapy—do cause tremendous loss of hair. I do not know how long that lasts because I am not a doctor, but there are many medical treatments which do have that effect. That is not a frivolous matter. I do not want to be sexist about it. It is not frivolous for a man, but in the case to which I was referring initially it was a disaster for the woman involved because she was a receptionist, and society, being what it is, was not prepared to accept a female receptionist who did not have her hair. It was a tragedy. In other words, it was an obstacle to her finding gainful employment.

● (1620)

It is much the same with a prosthesis after a mastectomy. We are talking about the whole person, the mental health of the patient as well. We can argue as to what society expects women to look like, for instance, but that will not help the women who, unfortunately, because of a disease or an operation, do not conform to what society expects them to look like. These are the people who are being hurt by society. It so happens that these particular women are victims of cancer. Would they, in the broadest terms of reference of this committee, be considered handicapped or disabled? Not that I want to put them in a category. I will tell hon. members what I want to do for them: I want to save those individuals the embarrassment, the loss of privacy and the loss of dignity that they would have had to undergo to get the Department of National Revenue to recognize that they have a legitimate expense. There is one thing about every human being—and I think it becomes more important when you are disadvantaged for some reason—and that is that human pride and human dignity become much more important when you have lost some of your other faculties. I make no apology for the fact that I want to defend their pride just as much as I want to help them to be productive members of society. These are the kinds of things that we should, in humanity and in fairness, investigate.

I should like to say a few words about people with impaired hearing. I have been told that they are the largest handicapped group in Canada. However, in 1978 some firm in Kitchener, I believe, came up with a new device which converted sound to light. It was a marvellous device for a hard of hearing mother with a new baby, for example. When the baby cries, the sound would turn on a light over the crib and the deaf mother would then know the baby is crying and could go to attend it. If the door bell rings, she can see the light and answer the door. This device, of great benefit to the hard of hearing, became inaccessible to many of them because it was too expensive. In order to get a reduction or an elimination of the federal sales tax, the bureaucracy required is incredible. The firm which had initiated this device had to go through all sorts of departments to prove it would help some people. In the meantime, this device is being made that much less accessible to the very people who need it most. This is the kind of thing I mean when I say we should open up the whole thing. I wish we could have some kind of government department on the lines of class action where, instead of going to every single department of government, there would be just one corner, one counter or one bureau where all these new inventions and all the people who need help can go.

In November of 1976 again I was lucky in acting on a extremely good report put out by the Canadian Chamber of Commerce on the employability of the handicapped. I decided that it should not gather more dust, as so many of those reports do, and that a seminar should be organized on the employability of the handicapped. That seminar was held in November of 1976 in my home city of Toronto. I was very proud that it was held in my city, but what I am not proud of is the fact that that seminar was not repeated in any other centre in Canada. Does that mean that the handicapped of Montreal, of Vancouver, of Winnipeg, or elsewhere, do not need this equal kind of treatment where employers will be made aware of the employability of the handicapped rather than their disadvantage? This is the kind of thing that should

be done on a national scale, and not just once because, as the hon. member for Brandon-Souris pointed out, people's attitudes must be changed. You can do so much in changing attitudes if you can educate the public.

To come back to the subject of the employability of the handicapped, I think we are again speaking of awareness and attitudes. I believe the federal public service will have to take a leading role in employment counselling. Our counsellors will have to realize that they must look at the entire person, not just at one facet. They should not adopt a soft approach to counselling but a whole, comprehensive approach so that they can see the whole person, what a person can do rather than the difficulty which that person has. This is absolutely vital when it comes to the counselling of the handicapped who are looking for jobs.

I think the private sector can be very much influenced by what happens in the committee and what happens with its recommendations. I think the Department of Labour in particular could do a great service with many of the studies it is now carrying out. For instance, a study could be done on job satisfaction as it relates to worker productivity. I am sure it would go a long way toward encouraging the private sector to hire more "handicapped" people.

This is especially important in these days of increasing automation. Let me give you an example, Mr. Speaker. In one of the plants in my riding—and I have been through it—there is a particular section which is extremely automated. The work there is mind-numbing. At present that work is being carried out by "normal" people who are bored stiff. There is no challenge there. If that same work could at least be offered to the mildly retarded, they would find it challenging and, as a result, productivity would increase. As I said, this kind of thing is particularly relevant in the present climate of increasing automation.

Finally, let me refer to the closing paragraph of the motion before us. I am delighted that the hon. member has mentioned the people we now have around us who happen to be handicapped or disabled. I hope the required "professional, technical, clerical and stenographic help" will, so far as possible, reflect the legitimate aspirations and indisputable abilities of the handicapped. I do not ask for a quota, I ask only for equality.

Some hon. Members: Hear, hear!

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, 1981 has been proclaimed by the United Nations as the year of the disabled. With the striking of this special committee on the needs of the handicapped and the disabled, we are taking what I hope will be a significant step toward substantial Canadian action in an area of concern that is attracting global attention, as societies mature to the point where it is recognized that physical, mental or emotional handicaps should not wipe away an individual's inherent right to live a full life.

The establishment of this special committee can be an important step in ensuring that the special needs of the handicapped and disabled are met, as it has traditionally been only through governmental initiative that the quality of life for various disadvantaged groups has been significantly improved. Needless to say, market forces have not been sufficient.

The inadequacy of the current situation in Canada is self-evident. For too long we have been unwilling to permit the disabled to work in many jobs that they are perfectly capable of doing, and to allow them the normal social interaction that would facilitate their integration into normal society. They have instead been hidden away in segregated institutions. This must no longer continue. In fact, the handicapped themselves will not let it continue.

● (1630)

They have begun to defend their humanity, and their aggressiveness in doing so has a lot to do with the existence of this committee. The meeting this last weekend in Ottawa of the Coalition of Provincial Organizations of the Handicapped, and the representations to the Canadian Transport Commission in these last few days, are evidence of what I am talking about. Similarly we in this House, and particularly the government, will not be spared their righteous anger if good recommendations are ignored—or if the committee turns out to have been a delaying mechanism, a way of putting off action. They have good reason to be cynical about the work of committees and subsequent recommendations, having seen many of them come and go without significant improvement in their situation.

It would be silly to pretend that as a New Democrat I will not be coming to the work of the committee without some preconceived notions of what steps could be taken to improve the Canadian response to the needs of the handicapped and disabled. I keep saying "Canadian" deliberately becaue I think we must ever keep before us the unfortunate fact that as a nation we are far inferior to many other western countries when it comes to our record of action to integrate the disabled into the full life of the community.

As a New Democrat I will be coming to the work of the committee, backed by a resolution passed at our recent national convention which called for, among other things, an amendment of the Canadian Human Rights Act so that handicapped persons could be protected in the areas of services and accommodation, residential and commercial. It called also for direct government action to ensure employment of the disabled by the public service and by those who contract with the Department of Supply and Services.

We must put our own house in order to set an example for the private sector. The federal government, which should be in the vanguard here, has the image of being a very poor employer of mentally and physically handicapped people. The previous government acknowledged this problem in a report presented by the then president of the treasury board, the hon. member for Thunder Bay-Nipigon (Mr. Andras). It was entitled: "Government Plans for Increasing Opportunities for Employment of Physical and Mentally Handicapped in the Federal Public Service". However, little if anything has been done, largely due to the restraint policies of the Liberal government.

Employment is crucial to the well-being of the handicapped and disabled. Self-esteem is tied to work in our society. Therefore, employment opportunities are indispensable to the integration and normalcy which the disabled seek. Let us be clear about this. They are not seeking favours or charity, only that their abilities be assessed carefully, that they receive the necessary rehabilitation and training, and that their jobs correspond with their abilities, all of which makes for a situation in which an employer is not getting less for his money but rather a worker as qualified as anybody else to do a particular job.

However, it does not do any good to be qualified and hired for a job if you cannot get to or into the work place. Indeed, if a disabled person were elected to the House of Commons, our experience of this Monday would suggest that such a person would have a difficult time getting into the chamber or into the centre block, through any entrance. Such a person would have difficulty getting into the parliamentary dining room, as was demonstrated on Monday when the hon. member for Vancouver-Kingsway (Mr. Waddell) and myself met with some disabled persons for lunch. They had a difficult time getting in. The tremendous physical, architectural and transportation reform required to realize the goals of the handicapped and the disabled will be expensive, but necessary if we are serious about their needs.

The terms of reference of the committee speak of the need to reflect on the role of the voluntary sector. This is an important task, to ask what they mean by the voluntary sector and what role it ought to play. Too often disabled people, like other groups, have been placed under the well-intended guidance of agencies which sometimes create unwarranted domination over their lives, however much these agencies have done. Certainly everyone would acknowledge the contribution of these agencies and the necessity of the work they have done over the years. Nevertheless, when we talk about the voluntary sector, we must neither forget the necessity of government direction and action nor the fact that in many cases "voluntary" or "private" sector must come to mean self-help and the active participation of the disabled in decisions and policies which affect their lives through support for their own organizations and input into government decision-making. I hope this is an insight which will be reflected in the processes and eventual recommendations of this special committee.

Another problem this special committee will have to live with and seek to solve is the lack of detailed information on the size of the group of people whose needs it is addressing. Information is lacking on the number of handicapped people in Canada, the number employed, by whom and where, etc. We have relied on extrapolating United States data. We must set up a way to gather our own data so that public policy in this country can be guided by what is actually happening in Canada.

This is just the beginning of what I hope will be an extremely fruitful process, and that is the work of the committee. I know the chairman of this committee is earnest about the purposes of this committee. I am also. Whatever the committee suggests will be expensive. I hope the setting up of this committee by the government is a sign that it regards this area as an area where restraint is not in order, but rather one requiring meaningful and long overdue government spending. Equality, the equal treatment of all human beings for the simple reason that they are human beings and therefore equal to each other, a goal which New Democrats have worked for and continue to work for in other areas as well, will have a price. It is a price I hope the government is prepared to pay.

I know there are many things left unsaid in my remarks. It would be impossible to try to say everything in the time given. For that matter, it would be inappropriate to try to say everything at the beginning of the process. I wanted merely to describe the context in which I see the committee's work. I have much to learn and I look forward to the work of the committee.

In conclusion, I want to say that no amount of legislation by itself will overcome the attitudinal roots of this problem. Discrimination and neglect are as often as not the outcome of fear and stereotyping as they are of deliberate malice. But legislation can and will help as people are put into situations, as a result of legislative actions, where they must come face to face with the inadequacy of their way of looking at and relating to the handicapped and the disabled, as they come face to face with the humanity and abilities of disabled and handicapped persons.

Attitudes can change through direct action and the reality such action imposes upon people. Education alone has never been and never will be enough. It is the non-handicapped and the non-disabled who are the problem. This committee will have to do a lot of listening to those who are handicapped and disabled to be part of the solution.

Mr. Stan Schellenberger (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I want to speak very briefly on this subject. I have a few words to say about the establishment of the committee. As members of Parliament, I find that we have the ability to see through many things because we are very deeply touched by people. We represent great numbers of people, and because of that we must at times try to find solutions to their problems. I know that each of us is aware of the many handicapped people who have come to our constituency offices or have met us on the street, bringing forward the problems they have in dealing not only with the federal government, but with the governments of the provinces as well as cities. They have brought forward problems they have as handicapped, a number of which have been mentioned by hon. members who have spoken before me, including difficulties in gaining access to buildings and participating in the active part of our way of life.

● (1640)

I have a great deal of confidence that the committee, which will be chaired so ably by the hon. member for Brandon-Souris (Mr. Dinsdale), will be able to go through a number of very adequate studies that have already been carried out. I am sure that committee will be able to relate to the people who come before it with the problems they face, and that the chairman

will be able to bring forward recommendations that he and his committee feel it necessary that this House should consider. I feel sure that the House will in fact deal with them very quickly and diligently.

A number of people have come to me with problems they have experienced regarding the veterans' acts, the Canada Pension Plan and the Income Tax Act. The committee will have as one of its first problems defining the scope of the disabled so that when we bring forward legislation we will not have problems in the sense of being ombudsmen in our constituencies, having to deal with the situation when constituents come to us with the many problems they have in these areas. In this area the committee will have very important work to do.

I was amazed when looking at some of the statistics regarding the numbers of people afflicted with various handicaps. We who are generally physically able often complain about minor ailments. We really do not have too much to complain about when we consider some of our constituents who do have grave difficulties because of handicaps as a result of accidents or with which they were born. Let me just give very briefly some of the numbers that we are talking about, and these are the 1978 figures.

There are some 15,000 paraplegics in Canada, 13,000 people registered with the National Institute for the Blind, 75,000 Canadians with visual impairments severe enough to cause employment problems, 226,000 Canadians suffering from serious hearing impairments, 50,000 known cases of mental illness, and 250,000 persons treated through outpatient facilities for mental disorders. The committee has responsibility for dealing with a great number of Canadians who must live with disabilities, so the committee has a very important job before it.

I listened with great interest to the speech of the hon. member for York South-Weston (Mrs. Appolloni). One of the things that touched me was the ability of our scientific community to come up with ways to assist these handicapped people in the work they have to do. Yet, as always, we find that we must work through various kinds of forms and make great efforts to get that scientific knowledge to the people who can put it into application. This is the type of thing the committee will have to take into consideration and, hopefully, bring forward recommendations.

It is the right of every handicapped Canadian to live a fruitful, creative and independent life within the context of family and community. This is something we as legislators must never forget. Employment is a great part of every Canadian's life and we must not only provide the financial assistance, but provide the framework within which our disabled and handicapped can find constructive employment. In this way they will be able to perform and get ahead just like any other person who is physically and mentally able.

In 1975 Canada sponsored the declaration of rights for disabled persons which was subsequently adopted by the U.N. General Assembly. That is one of the reasons we are having a conference in Winnipeg in 1980 where discussions will take place on the various problems of the handicapped of the world and how we can deal with their problems in legislative ways.

I am sure the committee will be able to bring to the forefront in a way that we as Canadians can all see the belief that the disabled and handicapped are able, given certain legislative measures and the help of the community, to obtain employment and to work their way through the impediments before them. I am sure the House of Commons committee will have an ability in that regard equal to that of any other group.

I am reminded of a Lions Club meeting I attended in my local community. The guest speaker was a lady in a wheelchair who had just competed in the Olympic Games for the Handicapped. We were amazed at the training program she had undergone and the problems she had overcome in order to compete in those games. We were amazed by the ability she showed in the performance of her line of sport. The people in that audience were deeply moved by that experience. They felt after hearing from that person that there were many things they could do to assist in providing more opportunity for the disabled in their communities to participate in recreational activities and sports. That small function convinced the people in that community that there was much they could do to assist the handicapped people.

I am sure there will be much coming out of this committee, but one of the most important things will be the bringing to light by this parliamentary committee of this whole question in a public way, thereby showing the country how the people can assist in helping our many handicapped.

I commend the choice of chairman in the person of the hon. member for Brandon-Souris, who has brought this subject before the House many times in the past. I hope I can be of assistance to the committee as it performs its duties in the next year.

[*Translation*]

Mrs. Céline Hervieux-Payette (Mercier): Mr. Speaker, like my colleague, I too am very happy that a new committee of the House is being appointed to look into the special needs of the handicapped. After acquainting myself with the terms of reference of the committee, Mr. Speaker, may I be allowed to point out its most important functions. I do hope it will make it a point to insist, first and foremost, on the respect of the individual and not on the differences.

There are a few other areas which this committee should tackle with considerable courage and determination, and which the many committees created in the past did not even touch upon, among others, that of housing. Mr. Speaker, as we already know, the federal government has, through its programs, helped to improve housing across Canada, whether it be public housing, income property or others. I therefore hope this committee will look into the matter and that wherever the federal government invests funds, it will see to it that something is done specifically to help out the handicapped. The same goes for transportation for which the federal government is also making a financial contribution especially for public

transport. In that connection, I think that we could also demand that future investments in that area may enable the handicapped to go anywhere. As the parliamentary secretary mentioned a while ago, we cannot ignore the question of sports which have experienced substantial development in previous years and which, I hope, will continue to receive financial assistance since I feel such an approach to facilitate the integration of the handicapped in the community is one of the best and surest to ensure the quality of life of those individuals.

In the area of education, Mr. Speaker, I hope that provincial jurisdication will be taken into consideration and that our recommendations will be to that effect. I think it would be clumsy for the federal government to intervene in the field of education proper and rehabilitation as far as young handicapped are concerned.

One of the areas in which this committee could play a leading role is that of the public service. In spite of the announcements made in the throne speech and everything we have heard about a reduction in the public service, I feel that a 4.5 per cent objective for the hiring of handicapped employees is both valid and desirable, but that it must be reached over a reasonable period of time. I feel also that this committee should look into the fiscal policy of the government and use every means at its disposal to facilitate the integration of the handicapped in the labour force. While I am aware that a number of handicapped must be exposed to a sheltered type of work, I think that this committee should strive essentially to bring back into the normal stream of life the people who are affected by a handicap instead of making them a special group apart from the rest of society.

On the constitutional level, Mr. Speaker, the committee should make recommendations and make sure that the federal-provincial conferences take into account the important factor of human rights which could be protected if they were already included in the Canadian constitution.

We agree with government members that we must tackle this problem immediately, and I hope the committee will not be only a front for inaction. If that were the case, Mr. Speaker, you can be sure that Liberal members would object to the continuation of the committee's work because I think this committee must lead to concrete action without further delay.

Before resuming my seat, Mr. Speaker, I would like to draw attention to the work rehabilitation programs which already exist and which are going to be cut back because of a cut in funds allocated to Manpower Centres. I spoke yesterday on the phone with the Quebec Manpower Centre and learned that federal funds might be cut back and perhaps even cancelled by next spring, after projects under way are completed. If that is the case, I think the Minister of Employment and Immigration (Mr. Atkey) should study this question very carefully, because a committee cannot be created at the same time as funds for the handicapped are being cut.

[Mrs. Hervieux-Payette.]

Mr. Speaker, I should like to refer to one of the methods used in Quebec to facilitate the return of the handicapped to the labour force and which has proved rather interesting. I am talking about the famous Canada Works Program. Mr. Speaker, I urge the government to maintain the Canada Works program, a formula known internationally whose past and present merits have been acknowledged. I hope the government will soon approve some projects and pursue this worthy initiative, thus enabling the handicapped to hold a regular job after a training or instruction period. So, I am willing to co-operate with the committee and I hope it will be in a position to recommend concrete measures to the government before its term expires.

● (1650)

[*English*]

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Mr. Speaker, I am pleased indeed to have the opportunity to speak on this motion because to me it is one that is very timely, particularly in view of the fact the United Nations has passed a resolution with regard to the Year of the Disabled, and also because it is a matter of grave concern to all members of Parliament and Canadians generally. It is one of those issues which cuts across all party lines.

This special committee of the House of Commons will be appointed to inquire into and report upon the special needs of the handicapped and disabled in Canada and the extent to which those needs are being met. I congratulate the hon. member for Brandon-Souris (Mr. Dinsdale) who was really responsible for bringing this matter before the House of Commons once again. I recall that on December 1, 1977, the same hon. member introduced this topic in the form of a private member's motion. He moved that:

—the government should set up a special subcommittee of the Standing Committee on Health, Welfare and Social Affairs, to investigate and report on the needs of Canada's physically and mentally handicapped citizens, in order to provide a basis of information, necessary in avoiding the current costly duplication and overlapping of services, and essential in planning legislation for a comprehensive program of services at the federal, provincial and municipal levels of government—

The hon. member went on to indicate exactly what that Committee should do and how it should be carried out. At that time I had the good fortune to be the parliamentary secretary to the then minister of national health and welfare. I stated at that time, and I will restate again because it is fundamentally important in so far as the handicapped are concerned:

Those considered physically handicapped represent a sizeable 10 per cent of the population, and yet, whenever normalization and integration of this group is discussed, two kinds of barriers are mentioned with respect to the physically handicapped, architectural and attitudinal barriers; and for the mentally and socially handicapped, attitudinal barriers. According to a number of professionals in the rehabilitation field, it is really a toss-up as to which kind of barrier is the most important cause preventing the handicapped from full participation in community life. Many of them, in fact, are convinced that attitudinal barriers are the most pervasive kind of negativism. They feel that eradication of these should be a first priority.

I was pleased to hear other members who have spoken today mention the architectural and attitudinal barriers, because

they are so fundamentally important. I also stated in that same speech:

It is also necessary to provide these persons with services required to live independently. They might include the following:

1. Attendant care to permit a disabled person to perform such activities as dressing and bathing.
2. Day care services for those who work and have family responsibilities.
3. Homemaker services.
4. Meals on wheels.
5. Recreation services.
6. Adequate transportation services.
7. Access to all community services and employment.

All those matters are very, very important to the handicapped and must be considered. It is very important that the committee examine these special needs of the handicapped and disabled in a number of different areas. My time will only allow me to mention a few of these areas. The first is employment opportunities; second, transportation; third, access to public buildings. Statistics are lacking in Canada in so far as employment opportunities for the disabled are concerned. It is important that we get adequate statistics to indicate how many disabled there are, where they are located and how they can be helped.

The Acting Speaker (Mr. McCain): Order, please.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. McCain): I have the honour to inform the House that a message has been received from the Senate informing the House that the Senate has passed Bill S-4, an act to implement conventions between Canada and Spain, Canada and the Republic of Liberia, Canada and the Republic of Austria, Canada and Italy, Canada and the Republic of Korea, Canada and the Socialist Republic of Romania and Canada and the Republic of Indonesia, and agreements between Canada and Malaysia and Canada and Jamaica.

● (1700)

I have the honour to inform the House that a message has been received from the Senate informing the House that the Senate has passed Bill C-6, to amend the Old Age Security Act, without amendment.

THE ROYAL ASSENT

[*English*]

The Acting Speaker (Mr. McCain): I have the honour to inform the House that a communication has been received which is as follows:

Adjournment Motion

Government House
Ottawa

November 29, 1979

Sir,

I have the honour to inform you that the Honourable W. Z. Estey, LL.D., Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 29th day of November, at 5.45 p.m., for the purpose of giving royal assent to a bill.

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. McCain): It is my duty pursuant to Standing Order 40 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Restigouche (Mr. Harquail)—Forestry—Action taken to protect industry—Funds for expansion of pulp mills; the hon. member for Laprairie (Mr. Deniger)—Air Transport—Sale of Nordair—Inquiry whether question will be referred to CTC; the hon. member for Burnaby (Mr. Robinson)—Combines Investigation Act—Possible prosecutions—Role of transport minister in discussion.

Mr. Kempling: Mr. Speaker, I rise on a point of order. I believe the hon. member for Etobicoke-Lakeshore (Mr. Robinson) had almost finished his remarks and he is the last speaker on this resolution on rehabilitation. I wonder if the House would be agreeable to not seeing the clock in order to allow him to complete his remarks. In that way, when we convene tomorrow we could continue with one of the other motions on the order paper. Would the House be agreeable to that?

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

DISABLED AND HANDICAPPED

APPOINTMENT OF SPECIAL COMMITTEE TO INQUIRE INTO NEEDS

The House resumed consideration of the motion of Mr. Baker (Nepean-Carleton) (for Mr. Crombie):

That a special committee of the House of Commons be appointed to inquire into and report upon the special needs of the handicapped and disabled in Canada and the extent to which those needs are being met;

That the committee, taking into account the nature and scope of current federal policies, programs and services directed to the general public or established specifically to assist physically and mentally handicapped and disabled persons, report its conclusions and recommendations with respect

(1) to their impact in providing opportunities for handicapped and disabled persons to lead independent and fully integrated lives,

(2) to their relationship to the programs, services and activities now being carried out by the voluntary sector and the provinces; and

(3) to measures which may be required to meet more fully the special needs of the handicapped and disabled

together with such other matters as the committee considers relevant;

That, without limiting the generality of the foregoing, the committee may examine the special needs of the handicapped and disabled in the following areas: fundamental and civil rights; employment opportunities; vocational training and work preparation; business incentives including loans and grants; provision for special income tax deductions and income supplement programs; health services and medical rehabilitation; social rehabilitation; community support services; transportation; housing; access to public buildings and services; information and communication; travel, sports and leisure activities; services for handicapped and disabled native peoples; quality of life of severely disabled and institutionalized persons; role of handicapped and disabled persons and voluntary organizations in policy and program development; co-ordination within and between jurisdictions; and data base development;

That the committee take into account the work of other standing and special committees dealing with subjects which affect the handicapped and disabled, in particular the provision of pensions and disability benefits to disabled and handicapped persons and measures to strengthen the role of voluntary organizations representing handicapped and disabled persons;

That the committee be composed of seven members of the House of Commons to be designated at a later date;

That the committee have the power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of its powers except the power to report directly to the House;

That the committee have the power to sit during sittings and adjournments of the House of Commons;

That the committee submit reports from time to time, as appropriate, with a first report to be submitted as early as possible in 1980 and a final report by December 31, 1980;

That the committee have the power to invite the views of interested parties and the public, to send for persons, papers and records, to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee have the power to adjourn from place to place within Canada and such other places to be determined at a later date; and

That the committee have the power to retain the services of expert advisers and to commission studies or research to assist in its work and that it also have the power to retain such professional, technical, clerical and stenographic help as may be required.

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Thank you very much, Mr. Speaker, I appreciate this opportunity to complete my remarks.

[The Acting Speaker (Mr. McCain).]

There seems to be a lack of co-ordination in the federal and provincial programs, and even in municipal programs, as far as the handicapped are concerned. There are three departments at least of the federal government that should be involved, namely, the Department of Employment and Immigration, the Department of National Health and Welfare and the Public Service Commission.

I understand that a study was carried out some time ago by the Canadian Chamber of Commerce which indicated that most employers are totally unaware of the proven benefits of hiring handicapped workers, and the handicapped themselves are quite often not aware of the kinds of programs that exist in this country to assist them.

In other countries, such as Germany, France, Italy and England, there is a quota system which, through legislation both in the private and in the public sector, obliges employers to fill a certain percentage of positions with disabled workers. The United States has what they call an affirmative action plan where federal government departments and prospective private contractors are required to fill out forms indicating the numbers of handicapped people that they will be able to use in carrying out a contract.

I conducted a poll in my riding with regard to transportation, Mr. Speaker, and I found that, generally speaking, most people said it was quite adequate. The complaints that I received were basically from the handicapped who said, in effect, that the buses are not adequate, the GO trains are not adequate, the subways are not adequate, and in fact all of the designs that we have in the transportation area do not cater to the handicapped person travelling alone. It seems to me that the only way they can get about is by special buses fitted with special apparatus for the handicapped. This situation is totally inadequate, Mr. Speaker, and must be changed.

The last point I want to make is the question of access to public buildings. A couple of weeks ago there was an item on the news about a reporter who went out to find out what it was like to be a handicapped person. He spent the day in a wheelchair and discovered that carpets in public buildings are a nuisance. He discovered how dangerous curbs are and that most sidewalks do not have a ramp so that the person in the wheelchair can leave the sidewalk and go across the intersection. He also found that opening and closing doors takes tremendous physical effort for people who are handicapped. It requires not only physical strength but mental strength as well. This means, in effect, that public and government buildings must be redesigned and equipped for the handicapped so that the handicapped can play their role in society just like anybody else. We must see to it that the architectural and attitudinal barriers are removed.

I am pleased that there will be a Rehabilitation International Congress held in Winnipeg from June 22 to 27, 1980. I hope I will have an opportunity to attend.

I think Canada is to be congratulated for the measures it is prepared to take on behalf of disabled Canadians. It is my hope that the recommendations and conclusions of the special

committee will provide a positive contribution and lead to a step in the right direction with regard to the handicapped.

In conclusion, Mr. Speaker, I think the credo of the Canadian Rehabilitation Council for the Disabled bears repeating: "When you see a disabled person, see a person."

Some hon. Members: Hear, hear!

Motion agreed to.

The Acting Speaker (Mr. McCain): There being no items on the order paper under the heading of private bills, the House will proceed to notices of motions (papers).

Mr. Kilgour: Mr. Speaker, there are two notices of motions before No. 30. I wonder if we could have the unanimous consent of the House to deal with No. 30 and to stand Nos. 19 and 22.

The Acting Speaker (Mr. McCain): Is it the pleasure of the House to stand, by unanimous consent, motions Nos. 19 and 22?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

CONSUMER AND CORPORATE AFFAIRS—SOFT DRINK BOTTLES

Miss Aideen Nicholson (Trinity) moved:

That an order of the House do issue for copies of all socio-economic impact studies carried out by the Minister of Consumer and Corporate Affairs in connection with banning returnable soft drink bottles.

She said: Mr. Speaker, on June 28, following reports of injuries caused to consumers by carbonated soft drink bottles which exploded when tipped over or dropped, the Minister of Consumer and Corporate Affairs (Mr. Lawrence) announced his intention of regulating, under the Hazardous Products Act "all pressurized glass containers causing bodily harm from flying glass".

The minister at that point requested soft drink manufacturers to stop distribution of, and retailers to remove from sale, the torpedo-shaped, narrow-neck 1.5 litre bottles. In the course of that statement, the minister further said, "I will discuss with the provinces any problems that might be caused by provincial legislation concerning bottles".

On August 7, the minister announced that all 1.5 litre or larger carbonated soft drink bottles, wide-necked as well as narrow-necked, would be regulated under the Hazardous Products Act. He said:

Broader based standards covering other pressurized glass containers are also being developed and will eventually be made operative so that all such containers will have standardized safety tests.

Socio-Economic Impact Studies

On August 28 the minister announced that the ban on all 1.5 litre carbonated soft drink glass bottles would continue until bottle designs provide substantial protection from injury from flying glass. He went on to say:

When such a bottle is developed by using either a plastic film coating or some other means of retention, I intend to propose that the ban be rescinded and that appropriate regulations be introduced for 1.5 litre glass bottles or carbonated non-alcoholic beverages. I also want to make it clear that although 1.5 litre bottles have posed the greatest and most immediate problem, regulations for other sizes of carbonated soft drink bottles will be phased in over a period of time.

● (1710)

Since August 28, the minister has apparently made no further move, and in response to questions in committee said that the ball was in the industry's court, that it was up to the industry to come up with safe containers. But also, even more surprisingly, he said that it was up to the industry to propose the tests against which safety will be measured.

I find this abdication of responsibility on the minister's part very difficult to understand. The minister acted quickly in placing the bottles under the Hazardous Products Act because he considered the matter important from the point of view of public safety. No one would question that the duty of a minister of consumer affairs is indeed to act to protect the public safety. But the minister has been seized of this problem since June and now at the end of November, practically six months later, he is no nearer to offering the consumer clear information on standards.

While soft drinks are not an essential nutritional item, they do find a place in most families' budgets. The consumer who can no longer buy the family size bottle has no assurance from the minister that the smaller bottle is safe either.

The minister has spoken of plastic coated bottles. There is an expensive Japanese technology for plastic coating bottles which is likely to add considerably to the cost of the product, a cost which will eventually pass to the consumer. A Canadian company is developing a technology and has applied to the Minister of State for Small Businesses and Industry (Mr. Huntington) for assistance to develop that process, but we do not know whether the Minister of Consumer and Corporate Affairs has consulted his colleague, the Minister of State for Small Businesses and Industry on this matter.

The minister undertook to consult with the provinces. We do not know from the minister what the response has been. The deputy minister of the environment in Ontario has publicly criticized the ban imposed by the minister of consumer affairs; the Quebec minister of the environment has also criticized the ban. The provinces, for environmental reasons and for reasons concerned with energy conservation, prefer the use of returnable glass bottles rather than further use of non-refillables. In fact, Saskatchewan has an absolute ban on the sale of soft drinks in non-returnable bottles.

The bottling industry, which in most cases means small Canadian-owned franchise operations, finds itself with thousands of dollars of unusable inventory of 1.5 litre glass bottles which was used as collateral for bank loans. As the banks call

in the loans, some of these bottlers go out of business, and more are expected to. The industry has produced figures which emphasize the loss of Canadian jobs, and the minister of state for small businesses has told the industry that he is prepared to be their advocate in government on the issue.

There are always conflicting interests to be reconciled in this kind of decision, but surely the minister has had time since May to collect and evaluate information and do just that. There are questions which must have been asked and answered in his department. For example, is there a difference in safety between new bottles and bottles which have been re-used? If so, has the department been able to arrive at a safe number of times a bottle may be reused? Does the design of the bottle matter? Was there a substantial difference in wide necked and narrow-necked bottles? Would a different method of tempering glass affect shattering one way or the other? Could a safety valve or tap of some kind be used on existing bottles so that the contents would pour out on impact and prevent an explosion? Is the volume of liquid and of gas in the bottle a factor? Would changing this alter the safety factor? With a change in the carbonation process, could safety be increased?

The minister surely must have answers to some of these questions in his department unless, of course, he thinks that all glass containers should be withdrawn in favour of, for example, thermoplastic polyester.

In all these choices there are environmental factors and there are cost factors. There is the possibility that in reducing the risk of injury from glass one may be increasing other health risks if the choice is an increased use of plastic. The minister's choice is not easy but his mandate to protect the safety of Canadians is, of course, the overwhelming consideration. Surely consumers are entitled to expect that the minister will indeed make a choice and we will have the reasons for that choice.

The minister has been seized with the problem for five months. He initially began by saying that he would regulate all containers. On November 13 he said in committee that the 750 millilitre container was not dangerous, but this is not what the minister said some months ago, nor has he yet said it publicly. While consumers remain concerned about safety, the industry is concerned about jobs. After six months of inaction the minister can say nothing more but that the ball is in the industry's court.

Since the minister appears to be paralysed by criticisms from the provinces and industry, I would suggest that he make all the background studies available to the House that his department has done. With two former ministers of consumer affairs on this side as well as other interested people, we will be delighted after examining the evidence to help him make his decision.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I would like to assure the hon. member opposite that the minister is not paralysed but has in fact been working very steadily toward an eventual resolution of this problem, one that I hope will satisfy both the best interests of the consumers and the bottlers in this country.

I am pleased to have this opportunity to speak about the problems that have been encountered with 1.5 litre carbonated soft drink bottles and to detail the government's course of action in this area.

There are three distinct breakage problems that exist with respect to these bottles. First are the spontaneous explosions. These are associated with bottles fatigued by 20 to 25 trips back and forth from the consumer to the bottler. Second, breakage from being knocked over from the vertical position on to a concrete floor. Third, breakage from being dropped from a height such as might occur on slippage through the hands or falling from a shelf.

The problem is that the flying glass resulting from explosion or breakage can cause serious physical injury. In fact, an analysis prepared by the U.S. government consumer product safety commission in April, 1975, reported that more than 32,000 persons were treated in hospital emergency rooms for injuries related to carbonated soft drink bottles. Long glass fragments and the distances they were propelled were cited as major factors in causing these injuries. In Tel Aviv a shopper reportedly died from injuries received when a 1.5 litre carbonated soft drink bottle spontaneously exploded on a supermarket shelf. And in this country, Mr. Speaker, there have been numerous reports of injuries sustained when such bottles broke or exploded.

Further, in May of this year Professor David Barham of the University of Toronto notified the product safety branch of consumer and corporate affairs of the results of studies he carried out on carbonated soft drink bottles. Professor Barham concluded that the narrow-neck bottles on the market at the time broke and exploded in a violent manner on the first tip when tilted. Because of this alarming evidence of injury, technical assistance was sought from other departments to thoroughly investigate the safety hazard associated with the bottles. I was shocked to learn from our laboratory studies that the bottles dispersed large shards of glass over distances of 20 feet when exploded under the tip test.

The government reviewed 263 complaints received by the Department of Consumer and Corporate Affairs and determined that the majority referred to spontaneous explosion and indicated injuries to the eyes, face and arms. In addition, Ontario workmen's compensation board records indicate the bottles were often the cause of injuries from flying glass.

At this point, the product safety branch began putting 1.5 litre bottles through a tip test for regulatory development purposes. The test, very similar to that used by Professor Barham, involved tipping the bottles over on to a vinyl-covered concrete surface. The test revealed that all of the bottles with a torpedo-shaped, narrow-neck design consistently broke on the first impact and projected flying glass with enough force to penetrate the flesh of a chicken carcass suspended in the test area. I would like to assure hon. members that they were not imported chickens. I shudder to think of the effect if a small child rather than a chicken carcass had been the victim.

With this negative evidence in hand, Mr. Speaker, we urged the soft-drink industry to remove the narrow-necked bottles from the marketplace, indicating that if voluntary removal did not occur, the department would proceed with regulatory action. Total co-operation was not forthcoming, so consumer and corporate affairs developed a safety standard for all 1.5 litre carbonated soft drink bottles, wide necked as well as narrowed-necked designs.

● (1720)

The standard, based on the best data available at the time, was established under the Hazardous Products Act. It required that glass containers of a capacity of 1.5 litres or larger containing carbonated soft drink pass a tip test. The test for compliance involved tipping the bottles over with a standard measures velocity on to a vinyl-covered concrete surface after they had been allowed to stand unopened and unagitated for two hours at a temperature of 22 degrees Celsius. These conditions simulate events which might occur in a house, apartment or store. Bottles were declared non-complying if randomly selected samples broke and projected flying glass through a four-sided, light-gauge, aluminum foil shield suspended in the test area. In these circumstances their importation, advertising and sale was forbidden.

At the time the standard was established, consumers were urged to return any empty 1.5 litre carbonated soft drink bottles in their possession to local stores in order to facilitate the process of modifying the bottles to provide for compliance with regulatory requirements. At the same time the minister again sought the full co-operation of the industry in clearing the marketplace of the 1.5 litre bottle as rapidly as possible. The response left something to be desired.

But, Mr. Speaker, it soon became obvious that the standard did not ensure complete protection from injury from flying glass under all conditions. A particular bottle design might pass the tip test on one occasion where new bottles were used, and fail it on another where recycled, structurally weakened bottles were used. In effect, the tip test does not fully measure the degree to which bottles become weakened and are made potentially dangerous due to abuse in the recycling process. And because bottles make up to 25 trips there is a long-term risk of physical injury to consumers. Also, 1.5 litre carbonated soft drink bottles have spontaneously exploded on several occasions, and spontaneous explosion, Mr. Speaker, is something that is impossible to control by selective regulation. The control on returnable refillable bottles is not always adequate, as may be seen from their condition on a visit to soft drink displays in major supermarkets.

Because of this shortcoming in the tip test, the minister had no choice but to take more drastic action in order to protect consumers from injury from flying glass, and on August 28, introduced an absolute ban on the importation, advertising and sale of all 1.5 litre carbonated soft drink bottles. Because this outright ban on the importation, advertisement and sale of 1.5 litre carbonated soft drink bottles is viewed by some as a heavy-handed step with potentially severe economic consequences for the soft-drink industry, it is important that I stress the safety hazard that has been virtually eliminated pending development of adequate preventive measures.

A 1.5 litre bottle full of soft drink weighs approximately eight pounds, and this weight, coupled with an awkward bottle shape, makes it susceptible to droppage, especially by children or others with small hands. The situation becomes particularly hazardous if the bottle is being removed from the refrigerator and the surface is slippery with moisture due to condensation. On top of that, the height of the bottles relative to their diameter makes them extremely easy to topple—again, a particularly hazardous situation when young children are involved.

During the tests conducted by the product safety branch, shards of glass from exploding bottles penetrated the flesh of a chicken carcass and shredded aluminum foil shields. It does not take much imagination to visualize the effect those shards would have on human flesh, particularly the eye.

Finally on this point, I want to say that in the development of 1.5 litre carbonated soft drink bottles, economic necessity was the mother of invention. The cumbersome design of the narrow-neck bottle allowed bottlers to use existing bottling and washing equipment, and thus save a considerable amount of capital expenditure. Economic considerations may have been the reason for their birth, but consideration for the lives and safety of human beings is the reason for their demise in their present form.

Given that the importation, advertising and sale of 1.5 litre carbonated soft drink bottles in their present form is forbidden under the Hazardous Products Act, soft drink manufacturers are now turning their efforts to the development of a safe container, one that does not spontaneously explode or project flying glass when tipped or dropped.

I do not presume to know the specific design that would be acceptable to the government, but it would probably involve some sort of plastic encapsulation technique for the glass bottle. I understand that a plastic coating on bottles would prevent explosive fragmentation under all the conditions I have just cited and would minimize the possibility of injury should any breakage occur. Unfortunately, officials from both government and industry inform me that time will be required to introduce equipment for the large volume application of coatings. It might also be noted that it is anticipated that such coatings will have the further advantage of extending the useful life of the bottles.

Another possible solution to the problem is the use of plastic bottles. But here arrangements would have to be made with the provinces which are concerned with solid waste disposal and littering problems associated with these designs. If plastic bottles were deemed acceptable, some sort of deposit scheme might have to be introduced to ensure the return of bottles for destruction to avoid ecological problems.

In conjunction with the development of an acceptable alternative to the all-glass 1.5 litre carbonated soft drink bottle, there must be the development of an adequate safety test to

ensure that bottles in the marketplace are truly safe. As I have mentioned, the tip test has limitations with respect to detection of potential for spontaneous explosion.

Whatever test is finally developed, it will have to simulate spontaneous explosion, which is initiated by a surface flaw. In practice, the source of the flaw is usually rough handling in service and on rare occasions it may be a defect incurred during manufacture. The driving force that expands the crack to critical depth may be a further jarring of the container such as that caused by impacting one bottle against another or by setting a flawed bottle heavily on a counter. Temperature changes may also be the cause; uneven heating or cooling will cause differential expansion of the glass, introducing further stresses and effectively reducing the critical depth necessary for crack propagation and subsequent bottle failure. But whatever the specifics, the critical elements necessary for spontaneous explosion are a surface flaw and a force to drive that flaw to critical depths, and both these elements are provided by the puncture test.

There is full co-operation with the Canadian soft drink industry to develop the requirements necessary properly to evaluate the fragment retention characteristics of flying glass from soft drink bottles.

Now, through the identification of the problem and the development of standards, tests and regulations under the Hazardous Products Act, through the entire process there have been critics who have taken the government to task for failing to properly consult with the parties involved. Nothing could be further from the truth. Officials of consumer and corporate affairs have been in constant touch and communication with the soft drink bottlers and manufacturers, the Canadian Soft Drink Association, provincial ministers, the Retail Council of Canada and U.S. consumer product safety people, to list just a few. At every step along the way all parties concerned have been completely briefed and fully informed. In fact, between May and November there have been no less than 60 meetings with concerned parties.

Let me deal with the question of the submission of a socioeconomic impact analysis of the 1.5 litre carbonated soft drink bottle situation. First of all, when public safety may be in jeopardy it is sometimes important to take immediate and urgent action to prevent or eliminate a known risk. There is no question that all regulatory actions should ideally be based on very extensive and careful advance assessment of their every aspect and potential impact. And I am aware that established procedures for the promulgation of statutory instruments recognize this principle by generally requiring the preparation and consideration of formal socioeconomic impact analyses prior to any major regulatory action. But those same established procedures also recognize that the development of such a detailed analysis can be a lengthy process and that the luxury of prolonged deliberation, in circumstances where human lives and safety are at risk, is not always affordable.

Provision is therefore made for pre-emptive emergency actions to be taken and followed by the required formal analyses. This has been the case with respect to the government's action to ban all sales of 1.5 litre soft drink bottles pending product safety improvements.

Also, the ban is simply an interim measure to allow the industry to develop acceptable bottling techniques, and up to this point any analysis would have been a costly procedure that ultimately would have been rendered redundant. However, I can assure the House and the hon. member whose motion is before us that every effort is being made to expedite the completion of the required socioeconomic impact analyses and that they will be tabled at the earliest possible date.

I would point out that these actions would not have been necessary had the industry co-operated fully when the problem was identified.

• (1730)

Throughout my remarks I have tried to emphasize one critical fact, namely that the key issue here is not one of economics, marketing practices or effective bottle design. Those are certainly factors that have to be taken into account, but none of them represents what really counts—an assurance to the Canadian public that the marketplace is a safe place, a place where the products available constitute a minimal hazard to the health and lives of consumers and their families. And surely it is not too much to ask of the Canadian soft drink industry that the products they provide do not break and project flying glass, either from spontaneous explosion or from any type of minimal impact, when the technology is really available.

There is no question that the technology currently exists. I have mentioned plastic coatings as a possible alternative to the all-glass 1.5 litre carbonated soft drink bottle. While there are a few problems associated with plastic encapsulation, they are of a relatively minor nature, and I am sure they can be eliminated if the proper expertise is brought to bear.

I am confident that the application of industry know-how, in conjunction with a spirit of co-operation, will result in the near future in the replacement of a product that was a significant threat to the safety of Canadians. I leave it to the creative imagination of the industry to propose an effective solution.

[*Translation*]

Mr. Robert Gourd (Argenteuil): Mr. Speaker, I join my colleague, the hon. member for Trinity (Miss Nicholson), in blaming the Minister of Consumer and Corporate Affairs (Mr. Lawrence) for his inaction. His decision affects the Canadian bottling industry and has created a serious inequity. And if I refer to this decision, I quote, Mr. Speaker, the transcription of the program Market Place aired by CBC on September 24, when that same minister said:

[*English*]

"I'm afraid my temper flared up, and I said, 'The heck with it all' ".

[*Translation*]

Well, Mr. Speaker, that is how a minister makes a decision. Without thinking, without reflecting on the impact of his

decision, that same minister said, "Very well, let us just do away with this industry. Mr. Speaker, we immediately realize that the minister did not control his emotions and that he created a serious inequity towards this industry.

Furthermore, Mr. Speaker, I have the proof in an article published in a bottling industry periodical which states that the 1.5 litre bottle accounted for 20 per cent of sales in Canada. So, if 20 per cent of the bottles are destroyed, you can imagine what prejudice has been caused to that industry. I have figures to prove it. The total number of such bottles then used in Canada was 350 million. So, Mr. Speaker, you can easily understand that by taking those 350 million bottles out of the market extensive damage was caused to an industry which is very important for our economy. Those 350 million bottles created more than 1,000 jobs which, as my colleague said, were used as a collateral by small bottlers for banking business.

In my riding, the Coca-Cola bottler will have to close his plant very soon and lay off 12 people. Those are the problems arising from the irrational and emotional decision made by the minister.

I was listening to my colleague on the other side of the House who eloquently demonstrated the danger. Here is a compilation of 219 reports from American hospitals as the system does not exist in Canada. Those American hospitals reported that the most serious accidents requiring emergency care occurred in staircases, second, bicycles, third, glass of doubtful origin, fourth, baseball, and I can continue, Mr. Speaker, by saying that thirteenth is beds, chairs, fourteenth, drinking glasses, eighteenth and finally, in forty-fifth position, soft drink bottles. That is concrete proof, Mr. Speaker, that the minister when he made his decision was really unfair and irrational in dealing with that industry.

Furthermore, Mr. Speaker, the minister never suggested any alternative. I listened to my learned colleague on the other side of the House say that there are ways of plasticizing those bottles. It is true they exist but there is only one, and it is in Japan. The same process was examined by bottlers in Canada, and it would cost the companies $30 million to import that Japanese process. Furthermore, Mr. Speaker, that same Japanese process for plasticizing our bottles would not pass the test the minister imposed on bottlers in this country. Why then stay under those spotlights because that is dangerous, it is glass, it can explode? I believe even the minister and his assistant both wear glasses like me, and we should not be wearing them because it is dangerous. Ketchup and pickle bottles should be eliminated because they are dangerous. So where does the industry go now, Mr. Speaker?

I blame the minister seriously for what he did. I think he committed an injustice and he is also creating unemployment. So that is the government of action the right hon. Prime Minister (Mr. Clark) has been boasting about. Furthermore, Mr. Speaker, there is a very important factor in that industry. The minister is properly called the Minister of Consumer and Corporate Affairs, so he must protect the consumer. Well, who is going to pay for it, Mr. Speaker? It is again going to be the poor father who can afford to buy somewhat larger containers for his family because smaller ones cost more. It is still the little guy who is going to pay for the big one. It is another error on the part of the minister. However, I am convinced he will review his decision and co-operate with an industry that is totally prepared to co-operate, but not if I refer once again to what the minister said in that famous interview:

[*English*]

"But given the appropriate evidence, you wouldn't hesitate to move against the other sizes?"

[*Translation*]

To which the minister answered: "Oh no, not at all".

Here is a minister who did not think long before giving this interview. It was probably a new experience for him to be in front of the television cameras and he was a little nervous. However, Mr. Speaker, it is indeed irreparable damage done to an industry that proved its good will, and I am not thinking about bottlers only, but also about the whole glass industry, about the prejudice being done to these various manufacturers. I will quote from another magazine called *Canadian Packaging* which under the heading "Top Brass in Glass" features an interview with Tom Tinmouth from Consumers Glass Co., a man who has 30 years' experience in this industry and who tells us:

[*English*]

—customers, had maintained a close liaison with the government departments concerned. No advance notice has been given of the crackdown, which stemmed from the sale of 1.5 litre bottles that failed a tip-over test designed by the minister's department. The test had not been part of the glass container industry's own extensive testing procedures.

● (1740)

[*Translation*]

There you are! We say that the industry is doing everything possible to ensure that consumers will be protected when they use these bottles. When I hear my learned colleague on the other side of the House speak about the dangers of these bottles or containers, I find it very strange that one sector of the industry has been singled out. Why is it that we can find wine in 1.5 litre bottles in Quebec grocery stores? Why are these containers not pulled out?

Mr. Speaker, I repeat that a grave injustice has been done to this industry and I am convinced that when the minister decided to get all these containers off the market, he did not think about the serious consequences of his actions because, with the forthcoming holiday season, which is one of the most profitable for soft drink bottlers, they will find themselves with stocks of empties that they will be unable to use as collateral and they will be unable to obtain enough bottles from the manufacturers to meet the demand in what used to be a good season for them. Once more, the little guy, the family man

with a lower than average income, will have to pay because of the rising interest rates and runaway inflation imposed by our Tory friends. I believe that the minister should immediately reconsider his decision and suggest some other means to solve this problem to the industry. I have discussed this matter with people in the industry and they are quite willing to co-operate by commissioning a new design which would probably be satisfactory. I am convinced that if the minister agreed to reconsider his decision, the industry would find his action quite acceptable. Thus he would use his portfolio to protect the consumer, and even more important, Mr. Speaker, to protect those people who will buy soft drinks for the holiday season in containers large enough for their whole family.

Mr. Speaker, I would like to say in closing that if the minister does not reconsider his decision, his action will be seriously prejudicial to this industry, as I said earlier. In my opinion, these industries make very large contributions to the Canadian economy, not to mention the employment they have created and continue to create.

[*English*]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I understand there is not much time left before there is a knock on the door here. I want to say at the outset that I support the motion to have the economic impact studies tabled in the House. I support the motion from just one point of view, that is, freedom of information. I think most of the Conservative members would support me when I say that we should have as much information made public as possible.

I want to say that I strongly support the action of the Minister of Consumer and Corporate Affairs (Mr. Lawrence), and I do not support some of the remarks that were made by the Liberal member who has just spoken. If I understood him correctly, he said that the Minister of Consumer and Corporate Affairs has created a grave injustice in this country by the banning of bottles. I want to say to that member that if the minister had not banned the bottles, he would have created an even graver injustice in the country because of the danger of exploding bottles.

I want to say to you, Mr. Speaker, and to hon. members here, that it is not just a recent phenomenon that we are talking about here. We have had problems with exploding bottles for a number of years, but the previous government saw fit to do nothing about it.

I should like to quote from an article in the Toronto *Star* of June 30 this year written by Marilyn Anderson. It reads:

> Lawrence Cohen, son of a Montreal restaurant owner, suffered permanent damage to his left eye when a bottle of soft drink he was about to place in a cooler exploded in his hand.
>
> William Hart, a 44-year old Port Colborne bank manager, lost 80 per cent of vision in his right eye, when a soft drink bottle—sitting between two others in a supermarket aisle 12 feet from where he was pushing a shopping cart—exploded.
>
> These are not recent incidents. Cohen was injured by flying pop bottle glass on September 4, 1957; Hart on April 2, 1966.
>
> Both accidents were the result of spontaneous explosions, apparently caused by internal pressure in weakened returnable pop bottles. And, in both cases, the soft drink manufacturer was held responsible and ordered to pay damages.
>
> [Mr. Gourd.]
>
> Cohen was awarded damages of $8,600 in an appeal case before the Supreme Court of Canada on May 23, 1967; Hart won damages of $17,686.66 in an appeal before the Supreme Court of Ontario on March 4, 1968 . . .
>
> In fact, in the ruling on the Cohen case 12 years ago, the Supreme Court of Canada made passing reference to "the numerous decided cases involving the explosion of bottles containing such beverages."

I think it is clear that it was a great injustice in this country not to have had the bottles banned before now. We have all heard the stories of people who sustained eye damage, the stories of the two cases to which I have referred, as well as the case of the little boy in Toronto—I am sure we all remember the case very well—who had his eye actually cut out by glass from an exploding pop bottle. When that type of thing happens, it is imperative that the government of the day defend the consumers against inaction of this sort, and I take off my hat to the Minister of Consumer and Corporate Affairs for the decisive way in which he has handled the case.

The multinational corporations which dominate the soft drink industry chose to make a purely economic decision about this evident danger, or so it would appear when one looks at their response. They and some local bottlers had to pay out damages in the occasional court case. Still, these damages would never come close to equalling the cost involved in producing a bottle designed to contain glass fragments should the bottle explode. The large corporations realized something which was repeated, in that same issue of the Toronto *Star*, by the hon. member for Windsor West (Mr. Gray), the former minister of consumer and corporate affairs, who is quoted as having stated:

> It's irrelevant to say a person can sue a big company, considering the cost and time involved.

I think that is a very enlightened statement when it comes to the ordinary citizen suing a large company, be it Coca-Cola or some of the other large companies involved in the soft drink trade.

The hon. member for Windsor West is something of an old dog and something of an old war horse regarding these matters in this Parliament.

An hon. Member: What is he, a dog or a horse?

Mr. Nystrom: Sometimes the most effective hecklers come from one's own party. He is "a rose by any other name."

The hon. member for Windsor West long ago realized that Canadians need legislation like the Hazardous Products Act, plus a large and well equipped staff to administer the act, to protect themselves from members like the hon. member for Mission-Port Moody (Mr. Rose), but also from other hazardous products in this country, because, as he said last June "It's more helpful to prevent the injury rather than let the individual fend for himself".

The present Minister of Consumer and Corporate Affairs is not an old dog in this matter—he is a new person in the portfolio. Indeed, it was quite apparent in the months of June and July that the minister was little more than a pup when it came to situations where he had to handle large corporations motivated entirely by short-term profit considerations. I do not

want to describe in detail the first weeks of indecision, but in the words of the hon. member for Mission-Port Moody, all I can say is that results of this case show that one can teach an old dog new tricks, or certainly one can teach a new dog some tricks. It is quite a trick for a member of the Conservative party to stand up to the profit motive, when that motive clearly was threatening public safety.

● (1750)

By August 8, 1979, the minister took a step which was requested by the hon. member for Windsor West, the hon. member for Burnaby (Mr. Robinson), myself, and many others. We had requested that he ban the sale of 1.5 litre pop bottles. As I said before, I commend the Solicitor General and Minister of Consumer and Corporate Affairs for the decision which he took. I think it was very good and very progressive, and he has stood by it. In answer to a question posed recently by the hon. member for Moncton (Mr. McCauley) in the House, the Minister of Consumer and Corporate Affairs rejected out of hand the latest series of merchandising gimmicks which have been the only response from the large soft drink firms to the danger of exploding bottles.

The history of bottle explosions has demonstrated very clearly that the one option which meets safety and environmental concerns is the returnable bottle with a coating or sleeve that contains the glass should the bottle explode. As has been mentioned before, other countries such as Japan and the United Kingdom have developed such containers. It is unfortunate for Canadian bottlers, their employees and consumers, that Coca-Cola, Pepsi-Cola, and their sister corporations would not adopt such a modification in this country until they are forced to do so.

I see some activity at the door to the chamber, but I gather that I have another minute or two. It is very unfortunate that some members of the Liberal party are changing their minds on this issue and have not been standing up for what should be the interests of the consumers. I realize, as I am sure members of the Conservative party realize, that there is some economic hardship suffered by laid-off employees of bottlers. That is real, but surely the fault lies with the dominant corporations which decided that they could lie low, pay off the occasional lawsuit, and haul in profits by sticking with a very dangerous product. I urge the government to investigate the amendment of industrial assistance programs to cover situations such as that which hit the bottling industry, and shield workers from problems which are not of their own making.

Again I congratulate the minister on the tone and content of much of what he has said on this matter since August. I hope he will stick by his guns in making sure that we have legislation which will protect consumers in the future, as he has done to this particular stage. I have defended the Conservative party, the Conservative government, the Solicitor General and Minister of Consumer and Corporate Affairs, and everyone for long enough. Perhaps before taking my seat I should say that I find it very difficult to understand the positions of some of the Liberal members in this debate. They seem to be more concerned about protecting Coca-Cola than protecting some of the consumers.

In closing, I should like to say that I support the motion before the House that we make the economic studies public. I have every confidence that those studies will show that the advice the minister acted upon was the correct advice and that he did the right thing. I appeal to my friends in the Conservative party, even though I have defended their action, that they support the Liberal member and the rest of us in this House by saying that it is very important to respect the spirit of freedom of information law, and to make these studies available to the public so that we can have a look at them and decide for ourselves.

Miss Nicholson: Mr. Speaker, I rise on a point of order. In the course of my address I asked specifically for certain kinds of information that should be in the department and that should be in the public domain. I asked some very specific questions at the end of my remarks. I just wanted to say that I think it is passing strange a motion for the production of papers somehow has been turned around into a suggestion that, by asking for information concerning alternatives, one does not care about safety.

Mr. Rose: No, not you.

Mr. Nystrom: We were not talking about you.

Mr. Gurbin: Mr. Speaker, I rise on a point of order. More than one speaker on the opposite side of the House spoke on this motion. Indeed my impression was, at least from one of the members, that there was an intimation of a disregard for safety.

Mr. Speaker: Order. Evidently I will be deprived of the opportunity of deciding this fascinating point of order by the arrival of the Gentleman Usher of the Black Rod.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

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

[*Translation*]

And being returned.

Mr. Speaker: Order. I have the honour to inform the House that when the House went up to the Senate chamber, the

Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bill:

Bill C-6, an act to amend the Old Age Security Act—Chapter 4.

[*English*]

It being after six o'clock, I do now leave the chair until eight o'clock this evening at which time, pursuant to an order or an agreement made previously, the House will move to the consideration of Bill C-15.

At 6.10 p.m. the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

FREEDOM OF INFORMATION ACT

MEASURE RESPECTING ACCESS TO GOVERNMENT RECORDS

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue) moved that Bill C-15, to extend the present laws of Canada that provide access to information under the control of the Government of Canada and to amend the Canada Evidence Act, the Federal Court Act and the Statutory Instruments Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, as I rise to support the principles of this bill, I shall not speak very long because there are other hon. members who wish to speak, but I cannot help but think that all of us in this chamber are embarking upon a major reform to our system of government. I hope that reform will make the system better, and I believe it will; that it will be enduring, and I believe it will endure long after all of us in this Parliament are gone, and regardless of what government sits on the treasury benches.

At the outset, Mr. Speaker, I want to pay particular tribute to a member of this House, and that is the hon. member for Peace River (Mr. Baldwin).

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I was given the responsibility by the Prime Minister (Mr. Clark), a responsibility I willingly undertake, to introduce this bill. In terms of the work that has gone on over the years with respect to freedom of information, I really believe that the hon. member for Peace River should be standing in my place tonight, introducing this bill. As I stand here to do what is the beginning of the culmination of his work, I feel I want to pay him that tribute. I feel honoured to be the beneficiary of the work of the hon. member for Peace River. Members of the Standing Joint Committee on Regulations and Other Statutory Instruments of this House and the other place, have laboured long and hard over the years to raise public expectations to the point that I can stand in his place to introduce this bill.

If I think of myself as anything, it is not as the father or mother of freedom of information in this country. I am just the midwife of this legislation and I am happy that the hon. member for Peace River is in the House tonight. I expect he takes the view, when he looks at the bill, that the battle for information is not over. I am pleased that he is in this Parliament and will be able to bring his expertise and commitment to the principles that bear on the bill, when it goes to committee.

It was the hon. member for Peace River who commented in this House almost a year and a half ago about the lengthy gestation period for reform such as freedom of information. And, Mr. Speaker, it has been a long time coming, certainly, though, through no fault of that hon. member or of his colleagues in this party. I say that not to be partisan, but to recount what is history.

In that same debate a year and a half ago, the leader of my party made a commitment. He said then it was a matter of urgent priority to present legislation in this House to make it possible for the people of Canada to know what is going on. We have done that. We have done that within months of taking office, but ten years after the hon. member for Peace River first introduced a private member's bill, and ten years after a task force established by the previous government had this to recommend:

> The right of Canadians to full, objective, and timely information and the obligation of the state to provide such information about its program and policies be publicly declared and stand as the foundation for the development of new government policies in this field.

It is obvious that the time is overdue for this needed reform. I can put the reason for it no more eloquently than did the now right hon. Leader of the Opposition (Mr. Trudeau) 15 years ago when he wrote:

> Democratic progress requires the ready availability of true and complete information. In this way people can objectively evaluate the government's policies. To act otherwise is to give way to despotic secrecy.

Freedom of information has been studied and restudied by committees of this House. It has been debated and debated again in this chamber. The Standing Joint Committee on Regulations and Other Statutory Instruments recommended the concept in 1975. The House of Commons approved it in 1976. In 1977 the former government tabled a green paper which began with these ringing words:

> Open government is the basis of democracy. It is an essential consequence of the extension of the franchise of all adult citizens. For a democratic society is one in which the exercise of governmental power is undertaken not by an elite according to its own precepts, but by an executive accountable to the public itself for the goals of government action and the effectiveness of government performance in their achievement.

That green paper was referred, again, to the standing joint committee which found the rest of it did not measure up to the

beginning. The committee found fault in both the key elements of any approach to freedom of information; the exemptions were too broad, and there was not an independent review of government denials. The secretary of state of the day rejected the committee's recommendations and never introduced legislation.

● (2010)

But, given that long history, there can be little doubt that members on all sides of this House should have no hesitation about the principle of freedom of information.

In the bill we are discussing tonight, hon. members will not have to go far to find the principles. They are laid out, not in speeches, not in green papers, but in clause 2 of the bill, as follows:

—government information should be available to the public and recognizing that necessary exceptions to the principle should be limited and specific and that the application of those exceptions should be reviewed independently of government.

That clause, Mr. Speaker, will drastically change the relationship between the government and the people it serves. It recognizes that those in authority govern by and with the consent of the people of Canada, not by and for themselves. Nothing can be more important in restoring confidence in government, of whatever stripe, which is so lacking. The reason it is lacking is that governments have been unwilling to take the people into their confidence—to realize it is a partnership, not a one-way street.

Given general agreement on the principles of freedom of information, the task becomes one of turning those principles into legislation. There are, of course, two key elements to such legislation. The first, obviously, is the matter of exemptions from the general right of access. The second is the independent review of governmental denials of access under those exemptions.

To deal with the second issue first, in my opinion it is meaningless to grant broad access to government information, subject to narrowly defined exemptions, without ensuring that refusals to access can be challenged in the courts. Further, it is important that the process of judicial review be as simple, inexpensive, and expeditious as possible.

To allow for complete judicial review, we have taken the major step of eliminating absolute Crown privilege before the courts by repealing section 41 of the Federal Court Act. That section, of course, has always been out of step with the situation in other common law countries. It has allowed ministers to withhold information from the courts in some sensitive areas simply by signing an affidavit. Obviously, retaining such ministerial discretion would eliminate any meaningful judicial review, and the bill addresses that directly.

● (2020)

We have also introduced a step before the court review by proposing an information commissioner with ombudsman-like powers to review government denials of access. This commissioner will have broad powers to investigate complaints and make recommendations. We believe that the commissioner will be able to solve and resolve most disputes between applicants and the government. I hope that belief will be borne out in practice and that we will cut down substantially the number of cases that would wind up in the law courts. I would think it unlikely, for example, that a minister would refuse to disclose information if that course is recommended by the commissioner unless that matter is of some high principle which the minister could not avoid. Even if he took that position, that position would be subject to review by the courts.

Let me deal with the other key element of the bill, the exemptions from the general right of access. All those who have examined the issue of freedom of information, and indeed, jurisdictions which have such laws, agree on the need for some exemptions. There is, in other words, some information which should be protected simply so government can function. The question here becomes one of how that can best be done. There are a number of possible approaches ranging from brief, general descriptions of the exemptions, supplemented by regulations as the Americans have done, to detailed and exhaustive attempts at defining the exempt areas. There have been some suggestions that that be done. We have leaned toward the latter. We have tried to lean, in any event, toward the defining of exempt areas using precise language, at least as precise as we could at this stage of the consideration of the bill.

Precise definition will enable Parliament to be specific on what information should be disclosed and what should be withheld. More precise definitions will give more guidance to the courts on the intent of the legislation rather than letting the courts define the exemptions for themselves. Precise, detailed exemptions, although longer, enable the government to define exemptions more narrowly than do broad, general ones. That is the general thrust of the bill.

As I mentioned earlier, while there is general agreement on the need for exemptions, there is much less agreement either in this chamber or elsewhere on exactly what they should be. We have taken the approach that there are four general areas that need protection. First, there are the obligations of government, including such matters of state interest as the conduct of national defence, external affairs, and law enforcement.

Second is the protection of privacy. This recognizes that third parties should not get access to information about individuals held by the government. I might add here that we are now in the final stages of preparing a new privacy act to replace part IV of the Canadian Human Rights Act which controls an individual's access to such information about that individual. The final draft of the bill was approved in the cabinet committee on legislation and house planning this afternoon, and will be going to cabinet next week. It will be introduced in the House before Christmas.

The third area is financial, commercial, scientific, and technical information which could divulge trade secrets and harm the competitive position of commercial enterprises, or interfere with commercial contract negotiations. The last major area is the bill of exemption with respect to the operations of government. That includes information needed for the decision-mak-

ing process of government, such as cabinet discussions and advice from public servants.

I suspect there is little disagreement that there is a need for protection of information in those general areas, or all of them. This is a question which I know is an open question in the minds of most of us in this House. We have attempted to take a responsible position in answering that question in our exemptions. But when I introduced the bill I was asked what my view of the bill was. I said that I did not regard it as the last word with respect to freedom of information, I regarded it as the first word in terms of this Parliament and that we will be looking to this Parliament, and the committee that will consider it, for assistance with respect to the framework of the bill. I hope that the parliamentary committee will take a hard look at these things. We will certainly consider carefully the recommendations of that committee.

I might also point out, Mr. Speaker, that we have written into this legislation an automatic parliamentary review of its operation within three years of it coming into effect. The parliamentary committee to review the act will be empowered to recommend changes to Parliament. I think it is an important principle that Parliament itself looks at the operations of its own statutes and that the consideration of whether a statute is working appropriately to the convenience of the public and in the interest of the public ought to be left to the representatives of the public. That is a principle that is in this bill.

As important as the principle is that taxpayers are entitled to information gathered by public servants at public expense, the real reason behind the basic theory and purpose of democratic government is that democracy can only flourish with the competition of ideas, argument, and criticism. It depends on the contribution of all voices of society. If this Parliament is to function, if groups in society are to function, if the people of the country are to judge in a knowledgeable way what their government is doing, then some of the tools of power must be shared with the people, and that is the purpose of freedom of information legislation.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Freedom of information will do part of that job. Other steps this government is taking will continue that spirit. Members will recall that I tabled last week proposals aimed at helping Parliament do its job better and more responsively. I hope that we can have those matters, the white paper among other things, before the parliamentary committee with respect to procedure and organization, before we leave at Christmas. We are taking other steps as well, particularly to make contacts between the public service and the people more responsive to the needs of the people. In that regard, the Prime Minister has written to deputy ministers outlining guidelines for contacts between the public service and the public, including particularly members of Parliament and representatives of the news media.

Perhaps at this point, if I have the consent of the House in the spirit of openness I could ask for the approval of the House to table both the Prime Minister's letter to the deputy ministers and the guidelines.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Knowles: Mr. Speaker, would it not be desirable to have these appended to today's *Hansard*? If so, I would suggest that we do that.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Is it agreed?

Some hon. Members: Agreed.

[*Editor's Note: For documents above referred to, See Appendix.*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, I want to thank the hon. member for Winnipeg North Centre (Mr. Knowles) for his suggestion. I think it is an excellent one.

With respect to the guidelines that have just been tabled, they are approved by cabinet and are consistent with both ministerial responsibility and the right of citizens to deal with their public servants. I hope they will commend themselves to members of the House.

The material I have just tabled, the parliamentary reforms proposed last week, and the bill we are debating tonight, I hope are ample evidence of this government's belief and commitment to a new era in the relations between the governors and the governed. Indeed, without these steps, we in this House will lose a little more relevance every day to those we are here to serve. I hope that these documents will be considered in that light.

In closing the debate, I want to close it in the way that I began.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): —to end it in the way that I began, and that is to ask members to support this bill. I hope they agree with the principle of the bill. I look forward to hearing suggestions with respect to the bill by members who will be speaking on all sides of the House. I ask the House to join with me in once again paying tribute to the father of freedom of information in Canada, the hon. member for Peace River.

● (2030)

Some hon. Members: Hear, hear!

Hon. John M. Reid (Kenora-Rainy River): Mr. Speaker, I want to join the President of the Privy Council (Mr. Baker) in paying tribute to the hon. member for Peace River (Mr. Baldwin). Back in 1975 at the request of the then president of the privy council, Mr. Sharp, he and I had the opportunity of visiting the Scandinavian countries to look into the operation of their freedom of information legislation. We spent some

time in Sweden, Finland, and Denmark. As well, when we were members of the statutory instruments committee we twice had the opportunity to visit the United States in order to examine the progress that country was making on its revised freedom of information legislation. Perhaps I might tell the House a story of what happened to me as a result of visiting Scandinavia with the hon. member for Peace River.

We had with us for the first visit to Sweden an official of the Privy Council whom we had requested to attend with us, keep notes, and write a report on our behalf to the Privy Council. The official was called back to Ottawa as a result of a minor crisis. On his return he produced a report as a result of the first visit to Sweden. He sent copies of that report to the hon. member for Peace River and myself for commentary, and to make sure he had his facts correct. Having got his facts correct, he submitted his report to his masters in the Privy Council.

At that point the hon. member for Peace River and myself went to the Privy Council and said, please release our report, we would like it to be circulated to members of the statutory instruments committee. They said no. After saying no for about six months, we were finally able to get the report out and circulate it to the members.

I went back to the officials of the Privy Council and asked why it had been classified in the first place since two members of Parliament already knew what was in that document. They said that anything produced for the Privy Council automatically had slapped on it a "Confidential" stamp and it took time to be able to undo that.

I suspect there is a great deal of information within the public service that automatically has a particular stamp slapped on it. It does not have anything to do with whether the information is "Confidential" or "Secret". It has to do a great deal with the way in which public servants see themselves and the normal relations that go on between individuals. It may well be that officials at a certain level will only read documents that are marked "Top Secret", and others read only those marked "Confidential". If you want an input, you have to make sure your documents are stamped with the appropriate top level stamp.

Freedom of information legislation will go a long way toward eliminating some of these problems. At the same time we have to acknowledge that the whole requirement for freedom of information really has to do with human nature, not so much the evil bureaucrats or the civil servants. It has to do with the way in which people see themselves. It has to do with one person saying, "I have information, you do not; so therefore I am more powerful than you." It has to do with the kind of individual games that we all play with each other and which go on in the public service as in any large organization.

The importance of this bill is not so much in the way in which it defines freedom of information and the way it defines exemptions, but the fact that when it is passed it will say that all information should be made available to the citizens of Canada. It is a psychological factor. The importance of this bill is in the psychological impact it ought to have on the public servant.

I commend the President of the Privy Council for bringing to the House tonight the letter from the Prime Minister (Mr. Clark) to the public service. I realize that is an important way of seconding the principles implied in this bill. It is important to recognize that all legislation that we pass in this House is of an evolutionary nature. About 85 per cent of the legislation we deal with is amendments to existing acts. That means the government and the people have looked at legislation and decided that it requires improvement. We will have that opportunity to improve in three years after we have a very good look at this legislation.

It is important to recognize that while we may have had differences in judgment as to what should be included in an exemption or in a definition, they are really differences in degree and do not represent major irreparable differences between the various political parties in the House. We are prepared to look upon the legislation, the definitions, exemptions, and even, I might say to the President of the Privy Council, the schedules, which we find somewhat deficient, with the view that it is a question of degree, not of anything else.

One of the most important factors of this bill was not directly alluded to by the President of the Privy Council. This will in fact be one of the major reforms of the public service since Sir Robert Borden's legislation in 1916 when patronage was taken out of the public service. What we are talking about here is in effect changing a system that has grown up over the years in which the public servant has come to be regarded as a servant only of the government, to provide it only with that information and, particularly, to provide it with his knowledgeable opinions and instincts on what a particular issue is all about, in exchange for the fact that his identity will not be revealed. That has been the bargain that has existed.

We have developed a public service which, by and large, is dependent upon the written word. The records of the government are kept in the written word. When we want to go back and check why and upon what evidence a decision was made, we find in the filing cabinets of the bureaucracy the necessary information. That is the way we have operated our public service. We are now changing that. We are now saying that the public servant is no longer directly responsible to the government, that his information was paid for and sponsored by the government which sometimes directed the information gathering and the analysis of that information. This bill says that the public servant is responsible to all Canadians for that information. That is a significant change.

As a result of that change there will be costs to this bill in the way in which the public service acts and in the efficiency of the public service. Just as no piece of legislation is without its faults or its costs, so this one will have costs not only in terms of dollars but also in terms of the way the public service operates. We have to be prepared to acknowledge those costs, to observe what happens in that period of time and to ensure that we are able to find and correct the changes that will inevitably follow. Consequently we have suggested the forma-

tion of some kind of monitoring agency to investigate the implementation of this legislation. On second thought, we have had to examine it more carefully.

We now propose following the kind of recommendations that flowed from the D'Avignon report, that that function could best be played by the Public Service Commission. It could look at these hidden costs and provide a significant report to the parliamentary committee in three years hence. It is an idea that is worth exploring because of the very nature of what we are dealing with here.

I want to emphasize that this is not only going to be a change for the citizens of Canada, but is going to be a significant change in the public service operations. We have to acknowledge that. As well, we shall have to find some way of protecting the individual public servant. After all, if he goes about his job collecting information and making it available and that information happens to prove embarrassing to somebody—the government, the opposition, individual corporations or others outside government—that individual public servant has to be protected for doing his job. We find that in this bill the individual public servant is not particularly well protected, and we want to ensure that consideration is given by the President of the Privy Council and the committee to ensure that that in fact is the case. We find the bill deficient in that particular instance.

● (2040)

We also find a concern—I do not know what we can do about it—in terms of information flow. I speak of information flow because right now the government really has, in my judgment, three kinds of information flow. We have information flow which is contained in what we might call the standard method of recording, that is, paper documents locked up in filing cabinets and classified according to various methods. That is the kind of information we usually think of.

However, there are two other kinds of information flow which are very important. The first is the question of electronic data processing and the data which is stored on computers. We have dilemmas, and we would want to examine with a great deal of care the way in which the government in the bill has dealt with this particular aspect. We feel that it probably deserves a separate definition of its own and probably separate considerations.

I want, for a moment, to tell the President of the Privy Council of some of the problems we see in this particular area. Let us assume, for example, that the Department of Finance has collected a lot of the data upon which decisions in government are used to make decisions in financial policy and that those data are in the form of a tape in a computer. Suppose I, as a citizen, want access to that data. You give me a tape containing that data. I do not have your kind of computer. The data is no good to me, and it may well be that to have access to that kind of computer is at a cost far beyond my capability. At the same time, if I get a print-out of the kind of data which is likely to be contained on that tape, it would actually be useless to me.

[Mr. Reid (Kenora-Rainy River).]

Let us consider also that the government may have some 25 or 30 programs which it runs off that data. Do I request and get a print-out of each one of those programs? Or can I even request the government to give me a print-out of that data using my own programs written on the government's own computer? Yet that may be the only way to use that data properly. So, I would like to ensure that the President of the Privy Council comes to the committee having given some considerable thought to this item. I believe it to be of fundamental importance because I am now told that about 55 per cent of the data which the Government of Canada has, is contained by this kind of information method, which means that unless one has access to considerable computing power, it is absolutely useless. We do not want to end up in a situation where, because the government has converted to a computer system of information storage and retrieval, the legislation itself is worth nothing and is a dead letter. So, I believe that is an important point we want to have followed up in considerable detail.

Another point to make sure that freedom of information is worth while is the matter of indexing. We cannot get the information if we do not know it exists.

Mr. Baker (Nepean-Carleton): Hear, hear!

Mr. Reid (Kenora-Rainy River): That means we really have to pay much more attention, it seems to me, to the question of indexing than is in the bill. I recognize that the government has used the model which was contained in part IV of the Human Rights Act, and I think that as far as that model went it was appropriate because it was dealing with a definable, quantifiable sort of information. What we are now dealing with are all kinds of information which the government has acquired, and therefore we want to ensure that the indexing system which is developed has at least two categories, that it is as comprehensible as we can possibly make it and, second, that it is updated as urgently as possible.

I also feel that to ensure that Canadians from across the country have access to the government data bank the government must find a means of disseminating this information throughout the land. It is not good enough to say that people can get information only if they come to Ottawa, and in my judgment it is also not good enough to say that people can get data only if they go to an office of which we have perhaps one in each province. I recognize the dilemma in terms of costs, but at the same time I urge the President of the Privy Council to consider utilizing the Post Office again as we have in part IV of the Human Rights Act. I think it is worth considering that. Because of the nature of this country I feel that we cannot keep information exclusive to only one region or to favoured regions. We must, in our legislation and in our actions, make sure it is available to as many people as is humanly possible.

I want to talk at this point about costs. The green paper of 1977 indicated a cost ranging at that time between $10 million and $11 million per year. The paper which was presented by the President of the Privy Council with his legislation indicat-

ed a cost of between $5 million and $10 million in today's dollars. We were surprised that the cost of providing information had declined so dramatically in the last four years. We do not think the President of the Privy Council is right in his estimate. We are inclined to this view based on the research which I am aware went into the green paper of 1977, but we are also inclined to this view because the position paper presented by the President of the Privy Council was notably silent on this particular issue. We think the cost will be considerable. We think the cost will be high, not so much in terms of dollar costs but in terms of the diversion of manpower within the public service.

While freedom of information is a laudable goal, we do not want to see the cost of that borne by the consumers of government programs, and we want to ensure that if indeed costs to develop in terms of the utilization of manpower within the public service, the government will not hesitate to provide the extra man-years necessary to get that information out as expeditiously as possible and not pass the cost on to the consumers of those programs. I think that is of fundamental importance, because to do so is in many ways to take the route which has been taken in the United States. We also think that departments ought to be encouraged to report on a sensible basis what their experiences are with freedom of information.

I have now had an opportunity to review all of the annual reports of all of the departments of the government of the United States since their revised freedom of information act came into effect. I can tell the House that there is absolutely no common system which determines what costs are reported, in what way and how, and if you try to take that material and work out what the costs actually are, it is enough to cause you to tear your hair out. I know that this is so.

When the hon. member for Peace River and I once went to Washington, he and I took a separate tour from the rest of the group, and we were told quite frankly that the administration had no interest in finding out what the cost of the legislation was. I think we do have an interest, because it is clear to me that if we do not find out what the costs are and provide for them in our estimates directly, the consumers of programs will pay, and I am not really prepared to see the government taking that route.

I want to deal with one of the points in which the minister took a great deal of pride, and that was the way in which a means of ensuring that a final decision could be taken not by the politicians in Parliament assembled but by the courts of Canada. I beg to differ with the President of the Privy Council. I do not particularly think that that is nececessarily a wise move. I accept the fact that no matter in what way we determine the final decision, it is not going to be perfect. My own feeling, as a person who believes in the concept of responsible government, is that it is the government which ought to take the final decision, because in many cases these decisions as to what will be released and what will not will be questions of political judgment, and the government ought to take those decisions, report them to the House of Commons, and then provide an opportunity for the House to be heard on them.

● (2050)

I believe that for the government to go to the courts is for it to take an attitude that it does not feel strong or powerful enough, or have the courage, to deal with the responsibilities it has. I think it is the government that should make political judgments, not the courts, and it is my fear that the cases that will come before the courts will involve as much political judgment as they may involve judicial decision. The judges are trained to make decisions in law. Freedom of information, and the concept of what is contained in those documents which may or may not be released, are better determined by politicians.

I do not lack confidence in the government in the sense that I believe they are perfectly able to discharge their responsibilities. I fear that they will get into a system of judicial decisions which will, in fact, seal off information which ought to be released and keep secret information that is not necessarily secret. So my judgment is that this provision should be looked at again. We feel that the House of Commons has a role to play in this. We are elected by the people, we have confidence in the political process, we even have confidence in the government that they will be able to discharge their duties ably with such a change in the legislation. I recognize that members of the government opposite might not share the confidence I have in them, but that is for them to decide.

The last point I want to make is to say that, by and large, we are in agreement with the form and the bill. We will be examining very carefully, as will other people, the formulas that have been developed for the exemptions. We recognize that in many cases it is a question of degree and we are prepared to discuss and test those examples that are given in the legislation. We want to emphasize that we believe that this is evolutionary legislation, that this is a good beginning which, by virtue of its very fact, ought to substantiate changes within the public service, that it will be basically a long time in coming to its fruition. By and large we are pleased to support this legislation on second reading.

Some hon. Members: Hear, hear!

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I suppose this is my maiden speech in the House of Commons, my first real speech, if you like, and I am very proud to be speaking on such an important topic. I think we are only beginning to see the importance of freedom of information and we are only beginning to see how far the concept and the philosophy will lead. I hope to suggest some extensions of the philosophy in my speech tonight.

However, I should like to begin by paying tribute to a former member of our party, Barry Mather, who introduced the first freedom of information private member's bill back in 1965. I am pleased to say that he was a member from British Columbia. I am also pleased to pay tribute to the hon. member for Peace River (Mr. Baldwin). When the bill was introduced

by the President of the Privy Council (Mr. Baker) a couple of weeks ago, I was quoted as saying that it was really Jed's day. That is true. I might say, as one who is sitting in the last seat in the House of Commons and looking across at a man who is twice my age, that it is really an inspiration for me to see the hon. member for Peace River—

An hon. Member: He is only 40.

Mr. Waddell: —a man with four times my experience, and the hon. member for Winnipeg North Centre (Mr. Knowles) who is in front of me, both of whom are an inspiration to a young member of Parliament, and to know that maybe something can really be done in the House for one's country.

Some hon. Members: Hear, hear!

Mr. Waddell: However, I am not going to be so charitable to the government.

Some hon. Members: Oh, oh!

Mr. Waddell: You see, I am learning already. One wag was quoted as saying recently that a Conservative government should have the strongest vested interest in freedom of information and parliamentary reform because, historically, they are not in power for very long. But instead, tonight I hope to give a small Christmas present to my friend, the President of the Privy Council, and I will ask the page to take over that present. It signifies what I think of the bill before us. First, I am sending over a rose because I think it is basically a good bill. It is long overdue—we have waited, for 16 years of Liberal government, and we never got anything—and I congratulate the minister on the bill. However, together with the rose I will send over to the minister a small dump-truck because, if he will look closely at the exemptions, he will see that one can drive a truck through some of them.

Some hon. Members: Hear, hear!

Mr. Waddell: I want to quote to the President of the Privy Council some words of his leader who spoke in the House of Commons on Wednesday, June 28, 1978. The then leader of the opposition said that there were some criteria in the freedom of information act that he saw must be, in his words, "clear and unequivocal". He is not usually that way, but this is what he said should be in the bill. He said, first, that Canadians have a right to access of information, and the government in turn has an obligation to respect and respond to that citizens' right. Second, he said that any exemptions should be limited and specific, and the burden of proof that an exemption is warranted should rest upon the government and not the citizen. To quote the Prime Minister (Mr. Clark) he said:

> The law should set forth these exemptions clearly and specifically in limited language and will not be subject or capable of being interpreted in a way that will hide that which should be public.

The third criterion he gave was that there has to be a procedure to resolve disputes over an exemption, an accessible procedure and, to quote him:

> —it has to be a procedure in which the final decision rests with the body or a person completely independent of the government that would want to hide the information.

Later he said in a speech:

> Any law not based on these principles is a fraud.

I am not saying this bill is fraudulent because it is not—it is a beginning. But if you apply the exacting test of the Prime Minister, it does not quite meet that test. It seems to me that this legislation lacks the toughness, the wholehearted dedication to disclosure which exists in the Watergate-inspired amendments to the United States freedom of information act.

Before I go into the details of where I think the bill falls down, I would like to enunciate some general principles, if I may. We in the NDP, too, want to end our secret society in Canada. In our view, Canada must be the freest country in the world, bar none, and we should never rest until we achieve that objective. The President of the Privy Council has said that the public has a right to know what the government is doing with the taxpayers' money. He put the principle on that level. Let me say with respect that I think this is a rather low way of putting it.

Other people have said that an informed electorate is the truest sort of democracy. That is pretty high sounding. I want to define it a little differently, if I may. I would say that the public have a right to know and to have the information which goes into the decisions which affect their lives. Mr. Stevens of *The Globe and Mail*—that fountain of eastern wisdom—put it this way: that the public has or can obtain information to assess or judge governmental action.

As the matter stands, without freedom of information, many Canadians are disillusioned with government. Who can blame them when governments keep secrets from the people they are elected to serve? The hon. member for Kenora-Rainy River (Mr. Reid) gave an example of secrets. I can recall the time when I was up north working for the Berger inquiry in Yellowknife, asking for some material from Ottawa. I received a package which said "confidential—for your eyes only". I opened it up and found a copy of *Hansard*. It had a speech of Mitchell Sharp's in it. I do not know why anybody would want to keep that confidential.

I firmly believe that we are talking in a real way about the future of the parliamentary system and the public's confidence in that system. What I have seen so far in this system is that a minister gets up in the House and he or she says, "I have been presented with various options. I have chosen this one", and then the minister sits down. In an ideal parliamentary system it seems to me that we should know what the options were, on what basis they were made, and why the minister chose a particular option. I see the Prime Minister is in the House. I am very pleased he is here tonight because he was a real honest proponent of this legislation. I read all his speeches on it, and I congratulate him for them.

● (2100)

Some hon. Members: Hear, hear!

Mr. Waddell: But power tends to change one a little bit, and we are still faced with examples of ministers getting up and making policy decisions without us really knowing what is behind them. I should like to take an example from the past. For example, the Pickering airport is a case where there are environmental factors against economic factors, present land use against future land use. We have: "where would the development go?" against "when would it go there?" When all is said and done, it would have been better to have had all the information out on the table, out in the open in the beginning. One does not have to read Mr. Stewart's book to know that. The object would be to have a rational and sensible policy. That is an example of where freedom of information would have been useful.

I suppose we can ask ourselves the following questions. What are the objectives we are seeking to serve by enacting this freedom of information? Is it ultimately to reduce the size of government, to decrease regulation? Is it to speed up or slow down government? Do we think government is too big or too unaccountable and not the good thing we thought it might be? I suppose that depends on where you stand in the political spectrum. But we in the New Democratic Party believe in positive government. We believe in government. We are not afraid of government. We want it to be lean, accountable, workable and, above all, we want it be open. That is why we are in favour of this legislation.

Some hon. Members: Hear, hear!

Mr. Waddell: In a statement issued on April 25, 1979, the Leader of the New Democratic Party (Mr. Broadbent) said that the NDP has consistently pursued the need for freedom of information legislation because of the party's strongly held belief that a well-informed citizenry is the lifeblood of a democracy.

The Trudeau government brought down a green paper on June 29, 1977, entitled: "Legislation on Public Access to Government Documents". We criticized it because it was a weak paper. I do not see my friend, the hon. member for Kenora-Rainy River in the House.

An hon. Member: He has gone to join the Tories.

Mr. Waddell: He has gone to where all Liberals ultimately gather.

Mr. Kempling: To his old seat.

Mr. Waddell: It must have been very difficult for the member, and I congratulate him. Incidentally, the member is a former teacher of mine. I am pleased to have an opportunity to speak after him. Probably he thinks I have gone astray, no doubt. It must have been very hard for him because the record of the Liberal party on freedom of information is really bad, a really sorry record. They had lots of time to enact a bill. It is an appalling record. Nothing was done. For example, the then government announced in the Speech from the Throne on October 11, 1978, that it proposed a freedom of information bill. What happened? They backed away from such a bill. But finally we have a bill. If the Liberal record on freedom of information is an example of the radical middle or an example of the dead centre, then I suspect the electorate of Canada will further turn away from that party. Finally we have a bill to deal with, so let me deal with it.

Mr. Harquail: Please do.

Mr. Waddell: It seems to me that a lot of work has to be done on the bill. I should like to make some comments specifically on some portions of the bill. I say this to the President of the Privy Council and Minister of National Revenue—

Mr. Harquail: Oh, oh!

Mr. Waddell: If the hon. member wishes to speak, he can speak after me.

An hon. Member: He can't; he is a Liberal.

Mr. Harquail: I congratulate you on your maiden speech.

Mr. Waddell: Thank you. He is a Liberal. I say to the President of the Privy Council that he has broadened the exemptions but he has not narrowed them. They have broadened the exemptions and they are not narrowed by these excessive words. It is a much broader bill and it contains many more words than the draft bill of the Canadian Bar Association which, in my view, was much better. The Bar Association approached it on the basis of detailed exemptions, which is good, but the government has said too much. It has gone too far. The words gave the effect of extending the exemptions. We will go into this in some greater detail in committee, but I should like to direct the attention of the President of the Privy Council to clause 15 of the bill, the definitions of international relations and defence. Clause 15(2)(*a*) refers to the defence of Canada and reads as follows:

'the defence of Canada or any state allied or associated with Canada' includes the efforts of Canada toward detecting, preventing or suppressing activities of any person, group of persons or foreign state directed toward actual or potential attack or other hostile acts against Canada or any state allied or associated with Canada—

What does that mean? What does "any state allied or associated with Canada" mean? We are allied or associated with a lot of states. The definition goes on to talk about "subversive or hostile activities". I draw the minister's attention to clause 15(2)(*b*)(iv) which reads as follows:

—activities directed toward gathering intelligence relating to Canada or any state allied or associated with Canada—

What is meant by "subversive or hostile activities"? It seems to me that under this bill we could never have received any of the information, for example, about the FLQ crisis in 1970. Clearly the people, the powers that be in External Affairs, Defence, the RCMP and so on, have really got to the government on this matter. They have put in such broadly worded exemptions that basically the bill is worth very little in these areas. This is something the committee will have to look into. I hope the hon. member for Peace River, noting his integrity, will raise these matters in his speeches in committee.

These exemptions are far too broad. The government is pulling the wool over our eyes if it is saying that this is a complete freedom of information bill.

Mr. Baldwin: I can be persuaded.

Mr. Waddell: Well, they did not use the words "national security", but they might as well have.

I should like to deal with clause 25 of the bill, a clause with which the committee should deal. The government discussion paper indicated that there are 100 other acts which have security provisions in them. The Canadian Bar Association said that there were 73 acts with security provisions in them. Clause 25 seems to indicate that these other acts, with their security provisions, will still be around. Of course there are some exemptions in subclauses (a) and (b). Clause 25 reads as follows:

—if the act of Parliament

(a) provides that the requirement to withhold information be exercised in such a manner as to leave no discretion in the matter; or

(b) establishes particular criteria for withholding information or refers to particular types of information to be withheld.

Would it not have been much simpler to make the freedom of information bill, this bill, the whole code? If other acts have security provisions in them, let us get rid of the other ones, or let us put an appendix in this bill so that the other acts will not apply. The reason for that is so we will end up with a clear set of rules. We will know the rules of the game. They will be clear and they will be right in this act. I think that is something the committee must examine. A lot of these other acts should be scrapped anyway. They are outdated. The government does not really scrap, but they sort of scrap them in an indirect manner. This is a government which is trying to inspire an atmosphere of openness. It seems to me there is a big, big mistake in the bill in that area.

Another area about which the government has forgotten, and about which eventually we will get into trouble, is the American experience of reverse information suits. If the government discloses information about an individual or a corporation, the act should indicate that the government must give notice to the person who will be affected by the disclosure of that information. I say this to the President of the Privy Council. We will have law suits over that. We should deal with it now, because we will get into the same problem the Americans had in their reverse freedom of information law suits.

● (2110)

One other area I would specifically like to deal with is the time of the act. It seems to me that if this bill is really to work for journalists, others, and members of Parliament specifically, one needs a tough time limit. Clause 27 says that if the powers that be believe on reasonable grounds they are going to publish the material, they do not have to release it in a certain time period. That would seem to me to really open up a stalling tactic. Even if they do publish it later on, it seems to me the story or the currency of the information may be gone. Why not provide for a copy to be made available?

Finally in a specific area, I am very concerned with the application of this to the provinces and to dominion-provincial relations. I think we have to look at that exemption very closely. It seems to me that every time we get up in the House of Commons, the Prime Minister or one of his colleagues is always having deep consultation with the provinces, talking to someone in the provinces, and it is a provincial matter, and so on. This seems to be the case in every area. Even our new wonderful Secretary of State and Minister of Communications (Mr. MacDonald) today at the Committee on Broadcasting, Films and Assistance to the Arts talked about his role in expanding federal-provincial relations for dealing with the provinces. It seems to me we should look very carefully at that exemption. If we are going to have government by federal and provinces together, kind of a new realm of government, then we have to make sure that is a very limited exemption.

From the provinces' point of view, it seems to me if we are going to have this whole freedom of information work, and I know that the President of the Privy Council and Minister of National Revenue wants to make it work, and I am trying to be constructive, although a bit chippy, I think what he should do is write to all the provinces and encourage them to bring in similar acts. It is very important that they bring in such acts. Only New Brunswick really has a half decent act. I wrote to the Premier of British Columbia, but he has a lot of problems with his mail and his letters and I did not get a reply.

I want to raise one other matter that is important to us as New Democrats. I go back to my definition of freedom of information, and that is that freedom of information should be expanded to the private sector. It seems to me the real Government of Canada, with great respect to the ladies and gentlemen opposite, may not be here. It may be that the Government of Canada is sort of a combination of the government opposite here and the great corporations which plan and meet in their board rooms across Canada, basically in secret. They made decisions which have a tremendous impact on all of us. The great corporations should be accountable because of this impact.

I am sure some hon. members a few weeks ago saw a report in *The Globe and Mail* that a one-industry town was closed because a great corporation decided to move. That decision and the information, studies and so on behind it, had tremendous impact on that town, and tremendous impact on all of us. In addition, the great corporations are, to put it not too charitably, right up to the public trough.

Let us take the example of Dome Petroleum which receives subsidies to the extent of 96 cents out of every dollar it spends, and those subsidies are paid by us, the taxpayers, through the government. It seems to me that companies in that position which are making vital decisions, for example, drilling in the Beaufort Sea, should have to make that information available. I am thinking of the studies behind those decisions that affect the Inuit people up there who may want to see those studies. These are important decisions. They are governing decisions, and they are being made every day by small groups in secret.

We have a system, indeed, of private governments in this country. This is powerful and it has an effect on people's lives. If we really believe in democracy, the reality behind that power should be exposed as well. How is this to be done? I think it can be done in two ways. These companies or corporations must be required to report to government agencies, to government, and then the information comes under the freedom of information act. They should be required to follow that practice at least to the extent they do in the United States.

The Vancouver *Sun* had to go to the Securities and Exchange Commission of the United States to find out the salaries of the top executive of the CPR, and other information about the CPR. After we go to the committee, after we pass this bill, and after we hear the words of the President of the Privy Council and Minister of National Revenue, there will be exactly no change. We will still have to go to the United States to get that information. One way to do this, then, is to make our disclosure requirements much more strict and broad.

The second way we could do this is to require of those companies that receive government benefits, advantages, or use the public domain, that they must tell us what they are up to and what they are doing if they want to get that money. This is very important, it seems to me, and I will give you an example. Logging companies are dealing in the public domain, and communication companies have access to public airways. I have already mentioned Dome Petroleum as being one of that kind of heavily subsidized company. In return for being subsidized by the government we should say that they have to live by the freedom of information act, or a similar type of law.

I was not born quite yesterday, and I know the government is not going to accept this. I do not expect to see this overnight, but it seems to me that if you accept that philosophy of freedom of information, then ultimately, and it is going to take the Canadian public a few years to come around to it, we will require that from private corporations. This, of course, is the fundamental difference in philosophy between my party and the party opposite. At least we do have fundamental philosophies as opposed to the party on my right.

I would like to conclude by asking this question. Where do we go from here on this particular bill? It seems to me we have to go to committee and do some hard work on the bill. Decisions are not going to get any easier in the future. I believe that modern government is going to be very complex. I know a lot of members opposite would like a very simple kind of government, but that is not the way things are going. It is going to be more complex, and technology is more complex now. We are facing a more complex society. In the face of that complexity we do not need the further stumbling block of not having free access to information. In order to solve these problems and deal with this much more complicated world, we need that information.

This bill needs work. I take the minister at his word. I expect a Christmas present from him next week. I take him at his word that this bill is not the last word on freedom of information but, indeed, is the first word. I hope he will accept our amendments, and we will have some detailed amendments to propose in committee. I hope the people of Canada will think about our proposed extension of the principle into the private sector. It seems to me that is what the new democracy is about. Thank you very much.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, I am happy to take part in the debate on Bill C-15, the Freedom of Information Act. Here we are considering another example of a Tory electoral promise embodied in a bill. Of all the promises that were made last year, Mr. Speaker, this one makes the most sense. Data processing and red tape had become tools for controlling and withholding information on individuals. Data banks that can now be found not only in government but also in private organizations and institutions such as hospitals, have grown to the point where they endanger the inalienable rights of individuals to privacy.

• (2120)

So this bill will slow down a threatening process and set up the mechanism that will allow individuals who feel their rights are being encroached upon to have access to those files, under the present rules of the game. Any government information is secret, or at least subject to severe restrictions, unless the minister responsible or the minister in question decides otherwise. I see three points in this bill I want to point out. First, the government and its officials must reveal any information that does not come under an exception in the act. It abolishes section 41 of the Federal Court Act which could be used for all loopholes, and finally, it gives an ombudsman the task of interpreting the law while allowing a right of appeal before the Federal Court.

So this bill, Mr. Speaker, arrives at a time when individuals are concerned with the accumulation of personal files throughout the system. All that accumulated information belongs as much to the individual as to the state. So that information should be available to the individual but, as in any legislation of this kind, that right must be exercised within a specified frame.

The new act eliminates a secular tradition and will not be implemented without clashes. Indeed, undue pressure from individuals to take advantage of the law could complicate the existence of civil servants and the effectiveness of government systems. There is a limit to the non-government information to be released contrary to the U.S. legislation that allows up to a certain extent to obtain information on businesses. Finally, this piece of legislation is only the start of a general process that is to be undertaken. Sooner or later provincial governments will have to respond to that trend and the private sector will not escape it either.

On the whole, we can say that this bill does meet a need that had been felt for a long time. We of the Social Credit Party of

Canada have always upheld the rights of individuals in their relationships with government. We have always advocated the dignity of the human being and respect for his right to confidentiality. I think this bill will have to be reviewed at some point because it contains exemptions that restrict total access to information. In fact, it is more like access to selective information. It is obvious that for the protection of the collective good, certain information cannot be made available to all.

On the other hand, in this bill, over 50 exemptions limit full access to information. That is quite a few more than in its American counterpart. Though in its own way the Clark government favours the right to information, Canadians will still have fewer possibilities of access than the Americans. Their law stipulates far fewer exceptions to the general principle that government files must be readily and reasonably accessible to the public. For instance, American law allows the FBI to keep its files secret only if communicating the information involved can endanger the life of the individual or cause him irreparable damage. In contrast, the bill before the House allows the Royal Canadian Mounted Police to keep its files secret under the pretext of respecting the act involved. The American law contains a list of seven types of specific information which the Pentagon can keep secret. The bill before us contains some thirty exemptions pertaining to defence and external affairs. Access will also be forbidden to the files dealing with federal-provincial relations. I find this last restriction regrettable, Mr. Speaker.

I would have liked this information to be available for many reasons of which we are all aware. On the other hand, the legislation contains certain interesting points such as the creation of the position of information commissioner or information ombudsman; the creation of this important position will reduce the problems caused by legal procedures resulting from the present legislation and by the interpretation of this legislation by the courts. Public servants will have to be cautious when they deal with requests for information and they will not be able to interpret the law as they wish because the ombudsman will act as a judge.

The main criticism that can be made about this bill is that it has been too long in coming. I wish to thank the government for taking this initiative after 16 years of inaction by the party formerly in power. This bill will be successful if public servants do not resist what they are now required to do and if the public keeps its requests reasonable. It is not easy to implement legislation which pleases everyone, and even though we are in the opposition and our role should be to criticize the legislators, we are aware of this.

It is obvious that implementation of this legislation will mean additional costs for the consumers. We can expect it to cost over $10 million and perhaps $1 million for the information commissioner. This is in fact very little when it is a matter of guaranteeing a right as basic as freedom of information. However, even though a bill may be basically good, we can still consider making some improvements. In this regard, I deplore the fact that this bill does not consider demanding that Crown corporations such as the CBC and Air Canada provide access to their own files.

However, whatever its weaknesses, this bill will give Canadian citizens official access to information. Until now, personal information was divulged only at the discretion of the government. Confidentiality was ensured by the oath that public servants must take and the often mentioned Official Secrets Act. Reference is often made to the freedom of information act of the United States, but are hon. members aware that Sweden passed an act giving the public access to information in 1766? Until now, only two Canadian provinces, Nova Scotia and New Brunswick, have passed such legislation.

Incidentally, Mr. Speaker, I wish to thank the hon. member for Peace River (Mr. Baldwin) for the hard work he has done over the past few years to try and sell the former government the idea of a freedom of information legislation. In June 1977, the Liberal government agreed to introduce a bill on freedom of information. It tabled a green paper on the subject. We all know what happened: the green paper was studied in committee and so abundantly criticized that the bill which the government had planned never saw the light of day.

The new proposal provides for a good number of exemptions, yet it is indeed an improvement over the green paper of the Liberals. I understand the government wants to be careful. No matter how necessary a freedom of information legislation may be, one must not ignore the abuse such a legislation may give rise to. For instance, the American legislation which is famous for being fairly open, has been strongly criticized. One of the criticisms heard more often is the fact that it has been demonstrated over the years that businessmen and criminals are those who benefit most from this legislation, the former by obtaining information on their competitors, and the latter by finding out about law enforcement. I am somewhat worried by this fact, although the intent of this bill is to benefit the ordinary citizen and not the businessman.

● (2130)

This is why the government is acting prudently when it is discharging its duties and the legislation could be extended and altered in a few years on the basis of acquired experience and problems detected during enforcement. At this stage we cannot expect perfect provisions, we need rather a well structured tool to enable us to obtain an acceptable minimum of freedom of information.

By making some criticisms about the bill, I have in no way shown that I disapprove. I merely hope that it will not be final, so the government should undertake to review it in a year or two to enable us to reassess the situation. The bill covers the basic elements of freedom of information and in that sense it is an extension of our Bill of Rights. And since those proposals are relatively new for all neophytes in that area, it is essential

that the government do not pressure us to pass the bill. After policy approval, the bill should be referred to a special committee which could hear the various groups involved. It will require much time and patience; however, in the long run we could have a greatly improved bill. In my opinion, the democratic process should not be rushed.

[*English*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker,—

Some hon. Members: Hear, hear!

Mr. Baldwin: Thank you, Mr. Speaker. I want to thank all of my friends in this House, on both sides, who have spoken so eloquently and have indicated in other ways how strongly they feel about this legislation. This is one of those times when we who labour in the vineyard of public life, as is my case now, have to struggle to recover that natural modesty which drove us into politics in the first place!

I would say to hon. members who have been kind enough to voice some comments or to work in this regard, that I agree with the hon. member for Vancouver-Kingsway (Mr. Waddell) who spoke about Barry Mather. This is the process in this House. I am the product of all that has gone before, of the people who have laboured on issues of this kind and others. This can be, and will be, the great salvation of this and other democratic countries.

I have been tremendously impressed by the quality of the new members who have come into this House this session, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Baldwin: When I leave here, as I fully intend to do when this Parliament is over—after another two or three years—this permits me to leave knowing that the country will be in good hands and that there is no obstacle to prevent any hon. member, if he or she has an issue, from taking hold of that issue, fighting for it, finding the facts upon which to base support for it, and presenting that issue over and over again.

The period of gestation of any reform, and particularly of government reform, is lengthy, and difficult. There is nothing that need stop anyone who is anxious to promote a policy or a program. There are no limits to what people can achieve if they want to. Those who do not seek to promote legislative proposals may find other rewards. They may become leader of their party or, even, prime minister. Those are consolation prizes, of course! If one were to go down main street in any small town in Canada—Yonge Street or Granville Street—and say, "Follow me, good and faithful Canadians. We will fight a campaign, we will mount a revolution for freedom of information," one would not get a very great response.

I recently attended a conference with some European parliamentarians who are quite interested in this matter. At first blush, they did not quite see what might be involved in it. I want to say to hon. members, through you, Mr. Speaker, that there is a great deal in it. The democratic world today faces problems in the process of government. I see the Prime Minister (Mr. Clark) here, and I see my other friends in the cabinet here. I know they will agree that this has not been an easy summer, nor an easy fall. The difficulties that we face in this country are the same as those faced in other countries.

One of the problems is that there has developed in the minds of those who are governed, a measure of cynicism and distrust of all of the processes of government. This is by no means justified, but it exists. It is simply not possible to engage in the completion of the democratic process with that state of mind.

Look where you will, Mr. Speaker, governments are changing or being elected with razor-thin majorities. There are situations such as the one with proposition 13 in California. That was not just a matter of people saying they did not like paying so much in taxes. People are thoroughly fed up with the way government has fastened itself upon them and their lives. As proof and substance of this, Mr. Speaker, I offer two incidents.

Last March I went to Washington with a committee which was inquiring into the issues involved in the regulatory process. We met with some of the people in the various regulatory agencies and discussed with them some of the ways they were handling their difficulties. We had discussions with Congressmen about how they sought to oversee the process. It happened at that time that the tragedy of Three Mile Island took place. I was able to watch on television, to hear on the radio and read in the press, the reaction of the regulators and the administrators, of government and of industry. I was appalled by the methods they used and at the language they used. At the beginning everything was fine—all the fail-safe devices were in place and it was represented as a simple problem which would eventually go away. Then the doubts set in, and finally, at the end of four or five days, the governor of the State of Pennsylvania declared a state of emergency. The lies and the cover-up and all the shenanigans which took place inevitably led, some months later, to the great protest when some 200,000 people rallied with Jane Fonda. Maybe she was the attraction which brought some of the people there. This was the inevitable result of what I saw in Washington, however.

This is not the time to engage in a debate on the pros and cons of nuclear power, Mr. Speaker, but that is what happened. There is no doubt that all through the United States and in many parts of Europe there has grown the same distrust of the use of nuclear energy. The Austrians, for instance, have recently established a nuclear power plant in Vienna. Because there was some challenge about its safety, they held a referendum. This might be a lesson to those who are interested in referenda. In any event, 50.3 per cent voted against the use of nuclear power and 49.7 per cent voted in favour of it. The parties were split. The chancellor, a social democrat, was in favour of it as were some of his party members, while others decided to go the other way. In the result, that nuclear power plant was put in mothballs. It will be at least three years from opening even if another plebiscite is passed. I spoke to people from there, to people from government, and to people from the International Atomic Energy Agency. I asked them why. They told me that a campaign was launched and there was so much

ill-conceived, improper information brought out, that the people were simply disgusted with the whole issue and this was the result of the vote.

● (2140)

I say to the hon. members in this House that this is something we may have to look forward to because, to govern, there must of necessity be some understanding, some sympathy between the governed and the governors. This bill will not be the final answer. This bill will not bring about a millennium. No one bill, no one man on earth, in any event, will ever bring about that millennium, but telling the truth by government will go a long way to restoring the confidence which is so sadly lacking. There is a biblical phrase on which my friend, the hon. member for Winnipeg North Centre (Mr. Knowles), may correct me if I am wrong—he may even know where it comes from—it is this: the truth will set you free.

Mr. Rodriguez: Not necessarily so.

Mr. Baldwin: I disagree with my hon. friend, whom I like. The truth will set you free. It will set the people free, it will set this Parliament free, and it will set this country free.

Some hon. Members: Hear, hear!

Mr. Baldwin: So it is in that sense that, while I know this bill per se leaves things to be desired, I think it is the breakthrough which will take us a long distance back on the road to recovery.

I extend my congratulations to the Prime Minister and to my good friend the President of the Privy Council (Mr. Baker) and members of the government. I know the task is not easy.

Some years ago, after a somewhat similar struggle the then government followed a proposal which I had made and brought in the Statutory Instruments Act. I remember speaking to John Turner who was at that time the minister of justice. I think some of you have heard of John Turner, his name has been front and centre lately. He introduced the bill which was passed. While the bill was defective in many ways, it was still a mechanism by which this House finally secured the right to scrutinize statutory instruments. I asked John whether he had any trouble with his colleagues getting that bill through. He said, "Colleagues, nothing! My trouble was with the senior officials, to persuade them that this was essential". I am not telling tales out of school. I am sure that my friends in cabinet had that kind of difficulty, that is, to try to persuade people in top level jobs, good people, honest people, people who believe in these views that it was wrong to open up the doors and let fresh air blow through the musty corridors of power. They had quite a measure of success, not as much as I would like.

There are still some clauses in the bill which may need some tailoring, but I am heartened by what has been said by hon. members on both sides. I feel that amendments will be passed. I encourage a measure of independent thought on this. I am not revolutionary by nature. There are times when I have achieved a reasonable attempt at being independent. I do not want to encourage hon. members to depart from party lines, but on issues of this kind when we get into detail, surely there is no better opportunity in an objective way to decide on the question of amendments how we can best bring about some improvement. It will not be perfect. I have long since given up the idea of getting perfection out of this House. We move along and improve.

One of the good things about the bill, is the provision in it for monitoring, for example. It is a considerable breakthrough in the whole principle of legislation, for a government to admit that this legislative child that they have produced may not be perfect. It may have some congenital defects. It is wise to leave to all members of Parliament, both places, who are or must be in close touch with their constituents throughout the country, the challenge to examine the implementation of the bill, and how it is working, to obtain reports from the information commissioner, from the departments and agencies, and to entertain complaints from those people who feel they are not getting an equitable deal, and then, at the end of two or three years, to say, "we will make this report to government", and for the government to say it will accept this report, maybe not in its entirety, or propose amendments.

I have a feeling that if more of that were done in this House that legislation might well be expedited. I do not ever expect to see a complete non-partisan aproach. I would not want to see it. That is not what we are here for. The facts come out better in any situation when both sides are explored. I am an adversary by nature. It is my training in my profession. Any training that I received has certainly been added to in this place.

I think the best way to get at the truth, and the best way to get at the best form of legislative or spending program, is to have two or three sides, maybe even four sides from time to time. But that being the case, there are many opportunities for this House to accelerate this passage of legislation by saying that we admit that something yet remains to be done and we are going to leave to committees of Parliament the opportunity to review what is being proposed and what has taken place under that legislation, and then bring in a report dealing with it. I hope this will be done in other cases.

We are going to deal with the bill in committee. I have a number of amendments but I do not think this is the time for me to bring them up. However, I do want to bring up one or two things which have been raised. The hon. member for Kenora-Rainy River (Mr. Reid) said that he did not like judicial review. I have been dealing with judges all my life. I have had judges who did things to my clients which I did not think were proper. I did not like those judges nor their decisions either.

On balance, certainly for the first years of operation of legislation of this kind, we must go outside the system. It must be recognized that no minister, no matter how virtuous, honest or decent he or she is, will find the greatest of difficulty arriving at a final, an irreversible decision, which will put within the competence of that minister the right to say that this document shall not be produced, if there is a conception

that the document might be embarrassing to the minister, the minister's staff, to the party or to the cabinet. That is very understandable. I appreciate that. I think it is going to happen.

Judicial process has worked in the United States. The intervention of the information commissioner here will mean that it will be done only in a very few cases, and ultimately the courts will establish a jurisprudence which will be invoked by the information commissioner. My judgment is that in eight to ten years, which is only a heartbeat in the life of society, we will see that the recommendations of the information commissioner will be accepted in virtually all cases. There will be people in the departments who will know of the decisions and facts, and who will be delighted to disclose the information.

I have talked to public servants. Most public servants favour legislation of this kind. They want to be open. Many have told me, and I have hundreds of letters to demonstrate this, that not only does the public need freedom of information but government departments need freedom of information. They are often incapable of producing the kinds of policies which they should have. They have told me sometimes that they do not know what the minister or deputy minister thinks, or what departmental policy is until they read it in *The Globe and Mail* or see it on television. Most of them are delighted with legislation of this kind. There are some who hold the reins of power to whom it will not come easy, not because they are wicked or corrupt, but because they are worried about mistakes. There is a saying somewhere that the end product of shielding people from their follies is that you produce a world of fools. That is what can happen in the public service, in life, in our society and in our world.

● (2150)

The cost will not be high. I will not go into that now. I have received figures from my friends in Australia who, in the last few weeks, completed a Senate study of their bill. They sent a committee to America to inquire into their costs. The highest cost in any one year was under $30 million. Relate that to Canada and you look at a very, very small premium struck against expenditures of well over $50 billion. I think for us to put that against $5 million to $10 million, it is a very reasonable premium to pay for the knowledge, safety, and security which go with legislation of this kind.

I could go on. I will have a chance later because I know we will deal with it in committee. I thank hon. members for their support. I thank the government for introducting the bill. I hope it will be passed and passed shortly, within a reasonable amount of time in order to permit the public service to become acquainted with it before it comes into effect. At the end of three years it will be monitored and improved. At the end of four or five years, we will not know that we ever did without it.

People ask me if this will really be used. I practised law for a great many years before I was seduced into politics. In all the years I practised, I only prepared papers for habeas corpus three times. Habeas corpus is the rule by which you have the body before the court to justify the imprisonment. The very fact that the writ of habeas corpus exists has constituted a wholesome safeguard and restraint upon abuses by public authorities in the confinement of individual citizens. We will change to *habeaus documentus*. Is that good Latin? The very fact the law exists will contitute a wholesome and healthy restraint on the extent to which governments fail to disclose the business of the country to the people. It is a good law. It will be improved and become a better law. I commend it to hon. members of this House, the public service, and the country.

Some hon. Members: Hear, hear!

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have prepared a lengthy speech on the subject of freedom of information legislation covering a number of areas which give my party some cause for concern with respect to some of the aspects of the legislation. However, after hearing the very eloquent remarks of my learned colleague from Peace River, I am persuaded to refrain. In the interests of speedy passage of this legislation, and in the interests of this matter being fully studied by the committee, of which incidentally I am a member, I suggest that we put this legislation to a vote tonight.

Some hon. Members: Hear, hear!

Mr. Robinson (Burnaby): I must say it is not easy to scrap a speech over which one has laboured for some time. I will only indicate that on behalf of this party there were a number of concerns with respect to such matters as the question of exemptions of law enforcement, the question of exemptions with respect to product safety and consumer testing, and also general concern that we should be looking not only at the process of information disposition once it has been actually decided upon, but that we should be looking at more openness in the decision-making process itself. There are a number of legislative precedents for this which I will bring forward in committee.

It is indeed a rare opportunity for members of this House to be able to work closely, as I have already done in this House with such an esteemed person as the hon. member for Peace River (Mr. Baldwin). I had the opportunity and the pleasure to work with him on the Standing Joint Committee on Regulations and Other Statutory Instruments. It is one of those very non-partisan committees which are a credit to all members of this House.

In closing, I would say that the work done by the hon. member for Peace River is something which will in the months ahead, and certainly in the implementation of this legislation, serve to guide this House well. I hope it will serve as an example to us in other areas as well. With respect to the hon. member for Peace River who is not just the father but the mother, aunt, and uncle of the legislation, I suggest that we put this legislation to a vote, that it be studied very carefully in committee, and that it be passed as expeditiously as possible.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: I must inform the House that if the minister speaks at this time he will close the debate.

Some hon. Members: Agreed.

Mr. Baker (Nepean-Carleton): Mr. Speaker, in the last few minutes of this debate I want to thank all hon. members for their remarks on this bill and the basic support they have given to the general principle of openness which we have tried to encompass in it.

I want to repeat what I said in moving the adoption of this matter. The government does not regard this as the last word. In the words of the hon. member for Peace River (Mr. Baldwin), the government looks upon it as a breakthrough and an opportunity. We are committed by the imposition within the bill of a provision for parliamentary review to look upon the bill as the first word and its few years as years of evolution.

I look forward to discussion in the committee respecting some changes which I can recognize ought to be made after having some discussion with members of the House and others. The spirit with which we approach this debate is to recognize that there are improvements to be made, regardless of how hard this Parliament works with respect to this freedom of information bill. What is produced by the efforts of this Parliament will not be perfection. Parliaments after us will continue this work.

In closing, I want to thank my friends in all parties. I was particularly touched by the statements of the hon. member for Peace River. I was pleased that he opened his speech in the way he did. I want to say to him that there is not a man or woman who has the privilege of serving in this House of Commons who does not consider it an honour to serve with the hon. member for Peace River.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

[Mr. Robinson (Burnaby).]

FORESTRY—ACTION TAKEN TO PROTECT INDUSTRY—FUNDS FOR EXPANSION OF PULP MILLS

Mr. Maurice Harquail (Restigouche): Mr. Speaker, I sense an air in the House this evening with which I want to associate myself. That is with respect to the quick passage at second reading of Bill C-15. I support any steps which might be taken by the government with respect to freedom of information.

I agree that it is important on such matters that there be non-partisan debate, and as I get on to my topic with respect to forestry, I want to relieve you, Mr. Speaker, of any anxiety by telling the House that I place an equal amount of importance on the topic to which I will address myself this evening, that being the ever-present importance of the planning and full development of that rich natural resource in Canada, forestry.

In my work with the Standing Committee on Justice and Legal Affairs in the last session there were non-partisan efforts to bring forward penal reform. In that joint report there was full support from all sides of the House on penal reform. That is an example of what can be done when men and women have the will to work together. I certainly feel that that approach is important in this House.

My reason for participating in this debate at this time is the result of what has to be termed a non-answer by the Minister of State for International Trade (Mr. Wilson) when, some days ago, I posed a question to him in the question period as to what he could tell the House about what the government's position would be, or is today, with respect to all aspects of forestry planning, the financing of future development of this industry, reforestation, the whole question of the environment, and the effect which acid rain will have on this rich resource.

Of course, it will be quickly observed that I was disappointed and not very satisfied with the minister's response. I pointed out to him that the Prime Minister (Mr. Clark) and the government of the day had missed a golden opportunity to include this all-important subject to all Canadians in the Speech from the Throne and to give us at least a glimpse or an idea of where they stood on this important topic. They missed a golden opportunity to tell us what they had in mind and what their plans would be regarding the short-term and long-term effects of this industry. I mentioned at the time that the Minister of Industry, Trade and Commerce (Mr. de Cotret) who, of course, has direct responsibility, does not enjoy the pleasure of residing in this House. He is in the other place, and as a result I had to put my question to the Minister of State for International Trade.

I asked the minister what his government's position was, what the plans were for the future of this important natural resource, and what the government intended to do, in view of the fact that it did not see fit to include it anywhere in the Speech from the Throne. No reference was made to it in the Speech from the Throne, which was the government's golden opportunity to set forth its plans for the future of this industry. Of course, in his total non-answer he advised the House he would take the question as notice and get back to us. There is only one word for that. It is astonishing that the man who has

responsibility for international trade would inform the House that he would look into the matter and get back to the House.

This industry represents something in excess of $3 billion in revenues to the country. It represents in excess of 29 per cent of our international trade, and the Minister of State for International Trade tells the House that he has not really sorted it out in his own mind yet. He leaves it to us to interpret, as we must, because he said, "I don't know; I will look into it and get back to you". That is the reason for my having to return this evening by way of the adjournment debate to stress this matter once again.

I do not think that in a democracy we should have to plead with the government. The Prime Minister has a responsibility at least to co-ordinate the cabinet committee, to discuss with the Minister of Finance (Mr. Crosbie), the President of the Treasury Board (Mr. Stevens), the Minister of the Environment (Mr. Fraser), the Minister of Industry, Trade and Commerce, the Minister of State for International Trade, and the Minister of Labour (Mr. Alexander) and to decide on what exactly their strategy and what their plan to protect the future of this all-important natural resource will be.

● (2205)

We know that there are problems in this industry with respect to supply. Many of the large international corporations, such as Canadian International Paper, many of the Canadian companies in British Columbia and in the Atlantic area, are concerned with the whole question of supply. How can you expect these captains of industry to consider reinvesting millions of dollars if they do not have some indication from the government of support, aid, and planning for the future to give them some guarantee of supply in the future?

I do not expect for a moment that any member of any side of the House would disagree with me as to the importance of the planning and protection of this industry. Certainly the Minister of the Environment, who is from British Columbia, is concerned with the protection of this important resource. But the more important resource, namely, the people of this country, the question of jobs and employment, the protection of people who work in pulp and paper mills, people who work in the woods industry from Newfoundland to Vancouver, should be sufficient evidence to convince the government of the day that it must take a serious view, that it must seriously consider this question and that it must inform the House and Canadians on exactly what its position is and what it intends to do in the future. I call upon ministers to do that.

[*Translation*]

Mr. Richard Janelle (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I am pleased to be able to tell the hon. member that the government is not only actively engaged in providing direct assistance to the pulp and paper industry but also involved in the development and scientific management of forest resources.

Under the national program for the development of the forest product industry, financial help is available to promote the modernization of operations concerning wood products as well as conservation measures and the development of the forest resources of the nation. Other measures and other programs are also available such as the renewable energy program of the forest industry, accrued tax credits, and the extension of the accelerated depreciation allowance for equipment designed to control pollution. All these programs are part of a rather comprehensive package of assistance provided by the federal government.

In all these other programs, my colleagues, the Minister of Energy, Mines and Resources (Mr. Hnatyshyn), the Minister of Environment (Mr. Fraser) through the Canadian Forestry Service, and the Minister of Industry, Trade and Commerce, (Mr. de Cotret) are all actively involved in promoting this vital industry of the Canadian economy.

We offer financial assistance to the forest products industry to encourage corporations to invest in projects they would not venture into if they were to fend for themselves. A certain number of grants have already been approved to prompt companies to undertake various modernization projects, Spruce Falls among others, and several other projects are being considered by the industry itself or by governmental agencies. As far as forest resources themselves are concerned, the Department of Regional Economic Expansion has negotiated and signed subsidiary agreements with seven provinces to ensure long-term stability for one of our most important renewable resources. We have taken this action on a cost-sharing basis with the provinces, which have given high priority to the development of this resource. I must also add that the Canadian Forestry Service offers a wide variety of services to this important industrial sector through various scientific and research management activities.

I would also, with pleasure, give my hon. colleague a recently prepared internal document which outlines the commitment of the Department of Regional Economic Expansion in the field of forest products, including its contribution under the Regional Development Incentives Act. I trust this will satisfy the hon. member, and should further questions come to his mind, the ministers responsible will be pleased to answer him.

● (2210)

AIR TRANSPORT—SALE OF NORDAIR—INQUIRY WHETHER QUESTION WILL BE REFERRED TO CTC

Mr. Pierre Deniger (Laprairie): Mr. Speaker, on October 24 last, the Minister of Transport (Mr. Mazankowski) indicated to the House and the Canadian people that he intended to make a recommendation to cabinet on the sale of Nordair, and further to ensure, and I quote:

> That this will have to be approved by the CTC in due course.

My supplementary reminded the Minister of Transport that the CTC has exclusive authority in this matter, and the

minister answered the government had no intention of imposing a political decision on an administrative court.

With all due respect, I submit his actions point to the contrary, and it is exactly a political decision he wants to impose on the CTC, an administrative court.

The CTC's decisions are subject to appeal to the Privy Council, among others. This is a form of review after the fact that is the rule in this party when administrative courts are involved. Unfortunately, such is not the case with our Progressive Conservative friends who wish to impose their political will on the Canadian Transport Commission even before it is involved with the case.

The President of the Canadian Transport Commission indicated to me, at the Standing Committee on Transport and Communications, in answer to one of my questions, as reported on page 4.26, and I quote:

If the government . . . want to pass an order in council saying, we are going to sell Nordair to so-and-so, I think we would find it very difficult to say no, because if we said no, it would be appealed back to the cabinet and they would say yes.

Clearly, Mr. Speaker, the commission is quite powerless under the circumstances. It is even embarrassed that the Progressive Conservatives are questioning its integrity and objectivity.

Mr. Speaker, some decisions made by organizations responsible to Parliament may be reviewed by the governor in council or a minister. It is especially true for decisions made by the Canadian Transport Commission. This control can take the form of an appeal, an approval, a cancellation, or a revision at the request of one of the parties or on the initiative of the political jurisdiction. *A posteriori* control would allow the cabinet to change or rescind a decision made by the Canadian Transport Commission if there was, of course, serious reasons to do it.

The surveillance and control power of the Privy Council has my total support, for the executive must answer to the Canadian people not only for its actions but also for the organizations under its responsibility. Furthermore, if the decision is based on a false principle or false facts, it must be changed. Unfortunately, Mr. Speaker, the minister and his cabinet do not intend to exercise that kind of control. It is not *a posteriori* but rather *a priori* control. Then, the minister is casting suspicion on the integrity and the objectivity of the Canadian Transport Commission. It is impossible for the decision of the commission not to be strongly influenced and for the adjudication to remain impartial.

In fact, by deciding to take over Nordair the Progressive Conservative government gets deeply involved in the decisional process. So, what is left to the Canadian Transport Commission whose exclusive jurisdiction in this matter is not questioned even by the minister? The commission is then placed in an impossible situation since it will have to establish who shall take over Nordair, when the Progressive Conservative government has made its choice. Should the decision of the commission be different, it can be appealable to the governor in council where the initial decision was made in the first place.

Mr. Speaker, tonight I hope that I will get a supplementary answer to the questions I put and, particularly after having drawn those additional facts to the attention of the minister, that he will review his position and his conduct which I consider very dangerous.

● (2215)

[*English*]

Hon. Otto Jelinek (Parliamentary Secretary to Minister of Transport): Mr. Speaker, naturally I can assure the hon. member that the final decision in this regard rests with the minister, with the cabinet, and with the government. In the meantime, on the question of the return of Nordair Limited to the private sector and the role of the Air Transport Committee of the Canadian Transport Commission, I want to assure the hon. member and the House that this government understands that this sale of Nordair shares now held by Air Canada is a matter subject to the full regulatory process. The Air Transport Committee has a role to play, pursuant to either part III of the Air Carrier Regulations, or section 27 of the National Transportation Act, depending upon who purchases Nordair. The Air Transport Committee has, and may exercise, full discretion to review the proposed sale with the full support of this government.

When an agreement of sale has been concluded, notice of the proposed transaction must be given to the Air Transport Committee, and in turn the committee would publish such notice. If objections are filed, a public hearing may be called. The committee then may disallow any proposed transaction if, in its opinion, such a transaction unduly restricts competition, or is otherwise prejudicial to the public interest.

Let me remind the hon. member that it was the former minister of transport in the previous government who was in power during the acquisition of Nordair Limited by Air Canada. It was also the former minister of transport who announced in November of last year that it was desirable to preserve the independent operations of Nordair from Air Canada, and it was the former minister of transport who instructed Air Canada to negotiate the sale of its Nordair shares with interested parties, and later instructed Transport Canada to take over these discussions.

This government, then, is completing a process it did not start. We are attempting to return Nordair to the private sector in a fair and orderly fashion, recognizing the real interests of the various parties involved. Any change in ownership in Nordair will naturally be subject to the full regulatory process of the Air Transport Committee of the Canadian Transport Commission at the appropriate time.

In closing, Mr. Speaker, let me reiterate, in respect of the hon. member's concern, that once a final decision is made it will naturally be up to the minister, the cabinet, and the government, to approve such decision.

COMBINES INVESTIGATION ACT—POSSIBLE PROSECUTIONS—ROLE OF TRANSPORT MINISTER IN DISCUSSION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, on Thursday, October 18, I asked the Minister of Transport (Mr. Mazankowski) if he or his department had taken any position on the advisability of proceeding with prosecutions in the Western Transport Association case. I also asked him if he would be prepared to table certain documents in respect of that particular matter. At that time the minister replied by saying, "the hon. member's allegations are absolute nonsense". On a supplementary question he allowed that he did ask a couple of questions, but that he "did not keep track of them".

Moments later, in reply to a question posed by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand), the Prime Minister (Mr. Clark) indicated that the Minister of Transport was in attendance at the meeting because "the matter under consideration involved questions which were pertinent to matters of policy of the Department of Transport". Clearly there is an inconsistency here.

The Minister of Transport tells us that any suggestion that he might have taken an interest in the advisability of prosecution is absolute nonsense. He says he only asked a few questions, none of which he can remember. Yet the Prime Minister says that the Minister of Transport had a key interest in what happened at the meeting and that he was in attendance because the issues being raised were pertinent to his department.

This is not the only inconsistency which one finds when going over the record. The Solicitor General and Minister of Consumer and Corporate Affairs (Mr. Lawrence), when first asked whether the meeting had even taken place, informed this House that my sources were "completely and totally erroneous". When challenged again, he argued that the meeting was only one in a series of ongoing meetings. Four former ministers of consumer and corporate affairs have assured this House that no meeting of this nature has taken place in recent history. Yet the Minister of Consumer and Corporate Affairs has told this House that the meeting was one of a series of ongoing meetings.

● (2220)

Of course, the Minister of Consumer and Corporate Affairs cannot be accused of being consistent. First he told the House that there was no meeting, then he told the House that there was a meeting, but that it was only one in a series of meetings. That was on Friday. On Tuesday he told the House, "that this was the first time that the Minister of Transport (Mr. Mazankowski) had been to that type of meeting". He also said that no representations were received from the Minister of Transport.

By Wednesday, he was denying responsibility for the meetings altogether. He claimed that the meeting was called by the Minister of Justice and that he showed up at the designated time. He also stated that he had sent a brief to the Minister of Transport in advance of the meeting. Then came the absolute clincher. On Tuesday of the following week, in answer to a question put by the hon. member for Nipissing (Mr. Blais), the Minister of Consumer and Corporate Affairs came up with yet another version. This time he said, "the Minister of Transport was involved in the meeting so we could obtain information from that particular minister about certain provincial government regulations and interference in the whole question". How interesting.

On Friday the minister denies that there was a meeting at all. On Tuesday he said that no representations were received from the Minister of Transport at this non-existent meeting. On Wednesday he denies any involvement, putting the blame squarely on the shoulders of a minister whom we cannot question because he is in the other place. On Thursday the Minister of Transport denies that he said anything at the meeting, but the Prime Minister quickly contradicts him. Then on the following Tuesday the Minister of Consumer and Corporate Affairs says that the Minister of Transport was at the meeting to "make representations".

One would think, Mr. Speaker, that these gentlemen were tripping over themselves in an effort to contradict one another. Then, of course, we have the Minister of Justice in the other place. It would take far more time than I have here tonight to detail every time the Minister of Justice made a statement which directly contradicted what we were told in this House about the trucking affair. Needless to say, he took the basic position that the Minister of Transport was an active participant in the meeting and then said in effect, "so what?" He argued that as Attorney General he had every right to consult with whomever he pleased.

The issue I am raising here, Mr. Speaker, is not whether or not the Minister of Transport had the right to make recommendations or representations to the Attorney General. That is a complicated legal question, and there are positions on both sides. I am after something far more basic. I am after the facts. We have received in this House some very contradictory statements. We do not know whether to believe the Minister of Justice, the Minister of Consumer and Corporate Affairs, the Minister of Transport, the Prime Minister, some of them or none of them. There has been a clear case of inconsistency here, to say the very least. We caught some gentlemen with their hands in the cookie jar so to speak, and they all blurted out different stories before they had a chance to get the story straight. Time has now passed and charges have in fact been laid.

I would ask the Parliamentary Secretary to the Minister of Transport (Mr. Jelinek) to give us the full facts of what happened at that meeting on Friday, October 12. I would further ask that the parliamentary secretary table the briefing document to which I referred in my question of October 18, in line with the spirit of open government and freedom of information—a topic about which there has been much discussion recently in this House. I would further ask that the parliamentary secretary table the minutes of that particular meeting so that any confusion that may exist, in the minds of those persons who participated, and outside that meeting may be laid to rest.

I would conclude by pointing out that the one thing which none of the four cabinet ministers who have spoken on this matter have denied is that this meeting was in fact unprecedented, that this was the first time that there had been such a meeting involving cabinet ministers as well as a director of investigations and research. I would only point to the statement made by a former distinguished justice of the Supreme Court of Canada who said, "I would say that any consultation would have to be on the legal propriety of prosecution and not on any other elements. It might be, for instance, that some other members of cabinet may be very experienced in a particular branch of law involved; in which case he might consult them".

Finally, I would ask the parliamentary secretary to tell this House of the special expertise in this particular field which his minister, the Minister of Transport, brought to bear in considering whether or not the prosecution should proceed. Of course, there was in fact, a prosecution, but I believe the course of conduct over the whole history of this matter gives rise to many questions. I invite the parliamentary secretary to answer a few of them this evening.

• (2225)

Mr. George Cooper (Parliamentary Secretary to Minister of Justice and Attorney General): Mr. Speaker, as the hon. member has pointed out, this matter is sub judice. Accordingly, I have been asked to reply to the hon. member's statement.

On October 29 there was a very full inquiry by the hon. member for Nipissing (Mr. Blais) on this very subject. At that time I gave a reply which I hoped would put an end to this series of red herrings that has been dragged across the floor of the House on this issue. Quite frankly, Mr. Speaker, I am surprised and disappointed that the hon. member would raise the matter again in the way he has. The questions he has raised are totally without merit.

I want to make it absolutely clear, first of all, that the Minister of Justice (Mr. Flynn), or any other minister, is absolutely entitled, indeed required, to make whatever inquiries he deems fit in order to carry out his duties. Indeed he would be a fool if he did not make such inquiries. It is certainly true that he cannot be directed by anyone about how he should make up his mind in the case of a particular prosecution. He may seek advice, but he must make his own decisions. I repeat, he not only may, but must, consult widely. He must consult his fellow cabinet ministers if he believes they can be of assistance in guiding him to a conclusion in a particular case.

The second point is that once the Minister of Justice has made his decision to prosecute, as he has in this case, then the matter is sub judice. By that I mean the matter is before the courts. At that point it is quite improper for any member of the House to comment on the advice the minister has received, or to ask questions on the matter. To do so would be to greatly disrupt the course of justice, or might result in that consequence. This is absolutely clear, even under the rules which apply under the freedom of information bill which we just referred to committee a few moments ago.

Finally, Mr. Speaker, when the court proceedings are over so that the sub judice rule is no longer applicable, any minister, or the Minister of Justice in this case, may be questioned in Parliament and may then be censured if Parliament agrees he has done something wrong.

What happened in this case is that the minister consulted with his cabinet colleagues, as was his right and duty. He laid charges on November 5 under the Combines Investigation Act, or caused his law officers to do so, as was his right and duty. Until these proceedings are settled in the courts, neither this minister nor any other minister will improperly divulge details of that advice, as is their right and duty.

If the hon. member believes that by moving forward to prosecute in this case the Minister of Justice has done something wrong—I cannot imagine how he could be seen to have done something wrong by deciding to prosecute—then let the hon. member intervene as he wishes, after the proceedings are over. In the meantime let him understand that his request is improper, that a reply would be improper, and that it is in the interests of this House, the people of Canada and the rule of law in this country, that justice take its course before the courts which is the proper place, and not on the floor of this Parliament.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.28 p..n.

APPENDIX

FREEDOM OF INFORMATION GUIDELINES

The attached letter was sent to Deputy Heads of Government Departments and Agencies on Friday, November 23, 1979.

PRIME MINISTER Ottawa, K1A 0A3

As you know, it is the firm intention of my colleagues and I to provide a more open government for Canada. The recent introduction of Freedom of Information legislation is an important step to this end, and I look forward to your co-operation to ensure that it will be effective in helping Canadians gain access to government records.

But as I indicated in speaking to Deputy Ministers some weeks ago, we can do much more to give the policy of open government full meaning and consistency. And we can act now in the spirit of the Freedom of Information legislation, even though it will be some time before its final form is established by Parliament and its administrative apparatus is in place.

One of the things we can do is to encourage open and responsive behaviour among public servants in their day to day dealings with the public, including particularly members of Parliament and representatives of the news media.

Ministers are responsible for the operations of government, and it is important to preserve the principle of ministerial responsibility. But within the framework, ministers must delegate many duties to public servants so that the operations of government can be carried out efficiently. Communications with the public are in this category, and ministers have now agreed formally by cabinet decision on guidelines for the participation of public servants in this respect.

These guidelines are attached. By this letter, I am asking you to arrange for their implementation in all branches of your department and in all regional operations as soon as possible. It is for your decision which levels of public servants in your department are to be authorized to deal with the media. However, in the spirit of the guidelines, this list should be broad rather than narrow.

Finally, you may wish to arrange briefings by your professional media relations staff for officials subject to the guidelines in order to prepare them to meet their responsibilities.

Yours sincerely,

Joe Clark

POLICY GUIDELINES FOR PUBLIC SERVANTS: COMMUNICATIONS WITH THE PUBLIC

1. Communications with the public, including particularly members of Parliament and news media representatives, are a part of the duties and responsibilities of managers in the public service. A staff function in support of this management role is performed by information officers in most departments and agencies.
2. Public servants should be prepared to discuss frankly information within their areas of responsibility that describes or explains programs and policies that have been announced or implemented by the government.
3. Public servants should not go beyond this discussion of factual information. It is not appropriate to discuss advice or recommendations tendered to ministers, or to speculate about policy deliberations or future policy decisions.
4. It will be normal in many instances for public servants to be quoted by name, and to be interviewed for radio and television as well as by print media.
5. These guidelines cannot and do not authorize the disclosure of information which is specifically prohibited by law. Public employees acting in good faith under these guidelines will not be considered as having violated their oaths or secrecy.

HOUSE OF COMMONS

Friday, November 30, 1979

The House met at 11 a.m.

• (1105)

[*English*]

THE PARLIAMENT OF CANADA

APPOINTMENTS TO PRIVY COUNCIL—TRIBUTES TO SENATOR LAPOINTE AND MEMBER OF PARLIAMENT STANLEY KNOWLES

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I rise today to announce the appointment of two new Privy Councillors. One is the former Speaker of the other place and the second is a distinguished member of this House. They will be sworn in at Government House today.

[*Translation*]

I mean the hon. Louise Marguerite Renaude Lapointe and the hon. member for Winnipeg North Centre (Mr. Knowles).

Senator Lapointe was called to the Senate eight years ago where she served as President for five years. Originally, Privy Councillors were either ministers or former ministers. The appointment of Senator Lapointe is in keeping with a precedent established in 1891 at which time the Speakers of both Houses were sworn in as members of the Privy Council.

[*English*]

The appointment of the hon. member for Winnipeg North Centre is a recognition of his singular service to this House. The nation knows his dedication to social democracy and, more particularly, to Canadians who are elderly or alone or in need. But colleagues in the House of Commons know another dedication of the hon. member of Parliament for Winnipeg North Centre, and that is a dedication to the idea and the institution of Parliament. It is not simply that he was first elected here 37 years ago today, or that in his time he has learned a little about the rules: what distinguishes Stanley Knowles is that he has come to personify the best of Parliament and it was for that reason, on behalf of Your Honour, that I have recommended His Excellency the Governor General swear this distinguished parliamentarian to the Privy Council of Canada later this day.

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, on the same point of order, I should like to express, on behalf of the Official Opposition, our congratulations to the hon. member for Winnipeg North Centre (Mr. Knowles) and to Madame Renaude Lapointe for their being called to the Privy Council. People make it in different ways, and probably it is nice to make it in the way that these two persons have made it, without that undignified scramble which sometimes accompanies appointments to the Privy Council.

I do not know, Your Honour, whether the action taken by the right hon. Prime Minister (Mr. Clark) has been influenced by the fact that both the two proposed Privy Councillors accompanied yourself and myself on a trip to China. In any event, on that occasion we got to know both of them even better and grew to admire their interest in all new aspects that we discovered in China. Indeed, we were greatly impressed with the athletic ability of the hon. member for Winnipeg North Centre as he ascended to the Great Wall of China. Of course, he was helped, as usual, by those Liberals who were on the visit with him!

• (1110)

I want to say, Mr. Speaker, that I served with the hon. member for Winnipeg North Centre when we were both in opposition—as we are now—when I was a member of the government and he was in opposition, and when we were both supporters of the same government.

Some hon. Members: Hear, hear!

Mr. MacEachen: I understand his qualities in all those capacities and I hope that this move today does not constitute a drift on his part toward closer links with the establishment than he had hitherto formed, and that it does not presage—as was mentioned yesterday by the hon. member for Drummond (Mr. Pinard)—an early accession to the Senate. Maybe it is a harbinger of the future that his companion in the swearing in today will be a member of the other place.

In any event, I wish to conclude, Mr. Speaker, by congratulating both new Privy Councillors and by expressing in all sincerity my congratulations to the hon. member for Winnipeg North Centre because today is an opportunity for us to tell him, through the action of the Prime Minister, of the admiration and respect which he has earned for himself as a member of this House and of the lustre that he has added to our deliberations through all those years.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa): Your Honour, the House leader of the Liberal party has almost turned a point of order into a question of privilege by his comments this morning.

I want to begin, Your Honour, on this auspicious day by congratulating Senator Lapointe on behalf of all my colleagues

here in the House. Although it is well known that the other place is not held in universal esteem by members of my party, Senator Lapointe is, indeed, held in the highest possible regard and we congratulate her upon her appointment today.

Your Honour, I want, on this particular occasion, to commend the government for its thoughtful and appropriate action today, of all days, in appointing the hon. member for Winnipeg North Centre (Mr. Knowles) to the Privy Council, appropriately—as the Prime Minister (Mr. Clark) indicated—on the thirty-seventh anniversary of his membership in this most important body in our country. It is a just recognition, Mr. Speaker, of one of the finest Canadians, in my view, and the outstanding parliamentarian of our time.

[*Translation*]

The hon. member for Winnipeg North Centre (Mr. Knowles) devoted most of his adult life to the welfare of others, the aged, veterans, the poor and women who have not yet achieved equal status in Canada.

• (1115)

[*English*]

In addition to this fundamental concern with the problems of certain Canadians who needed a strong defender, the other aspect of the hon. member for Winnipeg North Centre which has stood out in all his years in Parliament is that he has been pre-eminently a civilized man, a member who, while debating strongly for what he most believes in, never fails to respect the essential human worth of all his opponents. At root, I believe this is what has caused him to learn and master the rules to a degree that excels all comparison in this House.

Stanley Knowles—and he will note that I break a rule in naming him—is neither mean, nor malicious, nor, to use an old word, vainglorious. To the contrary, he demonstrates daily in this House of Commons that the best kind of champion of the people is also the most civilized.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Fabien Roy (Beauce): Mr. Speaker, I would like to join the Liberal House Leader and the Leader of the New Democratic Party in offering my sincere congratulations to the two outstanding members who are being appointed to the Privy Council. I would also take this opportunity to pay them particular homage. First, Senator Renaude Lapointe, who has been actively involved in various activities with great distinction. She has always been interested in public life. She was a career journalist and won the coveted journalist award in 1965, which was a great honour. She was appointed to the Senate on November 10, 1971 and became Speaker on September 12, 1974. Such achievements are evidence that the right hon. Prime Minister and the government made a good choice in recommending her appointment to the Privy Council. She will become part of a team of 112 other members.

As for our colleague in this House, I obviously have not had the opportunity to get to know him as well as those who have spoken before me, since I am new in this House. But I must say, Mr. Speaker, that I have been impressed by his continuous presence in the House and his untiring participation in the business of the House. As the Leader of the New Democratic Party has said, some people choose a career in public life, but the hon. member for Winnipeg North Centre (Mr. Knowles) has devoted his whole life to public affairs. This is why I believe his forthcoming appointment today is a recognition of all the credit due to him after his long parliamentary career.

His appointment is also quite timely, as the hon. member for Winnipeg North Centre was first elected to this House exactly 37 years ago today, even though he had what we might call a four-year vacation in 1958. The fact that he has served Parliament for so long is proof positive that he has received the unfailing support of his fellow citizens, and it is a very tangible and outstanding indication that he has learned to represent adequately his constituents who have realized that he promotes their interests. In conclusion, Mr. Speaker, I congratulate the appointees and I know that this will not prevent their discharging their present duties. I asked this morning when the last meeting of the full Privy Council had been held, and nobody on the Hill could remember the date. Anyhow, I wish them a successful career.

[*English*]

Mr. Speaker: I hope that the House will permit me to add just a word in respect of these two colleagues.

[*Translation*]

First of all, Senator Renaude Lapointe was Speaker of the Senate during the five years I was Speaker of the House in the last legislature, and we have assumed responsibilities jointly on several occasions for special events on Parliament Hill and also in connection with events outside Parliament, including interparliamentary relations. I am pleased to congratulate Mrs. Lapointe and to thank her most sincerely for her co-operation in the past, because she was a fine Speaker of the Senate during the five years of the last Parliament.

• (1120)

[*English*]

In respect of our colleague, the choice could not have been a better one. He has now become the father of the House of Commons, a title which I am sure he will carry with great distinction. It is on this very day that he celebrates his first election to Parliament 37 years ago—a remarkable achievement.

I want to repeat, very briefly, a true story. During the first month when I was Speaker of the previous Parliament, I was interviewed for the first time on a television public affairs show. In the midst of the program a question was put, as were other questions, for which I was quite unprepared. It was roughly as follows, "As a new Speaker, are you concerned that when you are in the chair some of the procedural experts in the House might trap you one day? What would you do, for example, if Stanley Knowles were to catch you totally off base on a procedural decision or a procedural problem?"

The answer I made at that time was, I hope, a proper compliment to the man who is being so honoured today. I replied, "My understanding of Stanley Knowles over the years that I have had the chance to work with him up to this point is that his love of Parliament would take precedence over his desire to get one up on anybody, including the Speaker. The chances are that he would probably prefer to have a private word with me to correct me. He would get more satisfaction out of knowing that he had thereby demonstrated his knowlege, which is well known, and at the same time had equally served the Chair and Parliament."

When I first saw him after that, I was flattered when he said he was most pleased with that answer. It was a compliment which I intended sincerely at that time. I hope it reflects the feelings of all hon. members at this moment of adulation of a man who could hardly be better deserving of the honour he is going to receive. We all join in congratulating him at this moment.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I would certainly be something other than human if I were not deeply grateful for this day. I do feel that way, and I extend my warmest thanks to the right hon. Prime Minister (Mr. Clark) for the recommendation he has made to my old personal friend, his Excellency the Governor General. I am grateful to the Prime Minister, to the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen), to my own leader, the hon. member for Oshawa (Mr. Broadbent), to the hon. member for Beauce (Mr. Roy), the leader of the Social Credit party, and to Your Honour for the kind things that have been said on this occasion.

I am grateful not only for the honour that is to be bestowed upon me at noon today and for the kind things that have been said, but for the feeling of warmth that I have experienced in the last day or so—the news did seem to leak out: that happens around this place—from members of all parties in this House. It is nice that it is happening, but it makes it a lot nicer when so many friends are pleased.

I believe what I would most like to say is that service in this place is really a very satisfying way to live one's life. After all, I was 34 when I came here and I am 71 now, so I have spent most of my life in these halls. By the way, may I interject to say that my colleague, the hon. member for Mission-Port Moody (Mr. Rose), said a moment ago that 37 is an interesting figure because it is the average age of the members of this caucus. If you believe in averages, then all of these members around me were just babies 37 years ago today.

• (1125)

What I want to say about service in this place is, not that if you stay around long enough you get honours such as this, but that it is extremely rewarding to hear from Canadians out there—pensioners, veterans, women, people facing poverty or other difficulties—that they appreciate the fact that they have a friend at court; they appreciate that one has tried to do things to make life better for them. The reward that I value most for my years of service thus far is the fact that many expressions of appreciation come to me from right across the country.

I am grateful for the honour that is being conferred today. I accept it, if I may, on behalf of my constituents of Winnipeg North Centre who have elected Mr. Woodsworth and me to this House for a total of 54 of the last 58 years. But I think of my constituency not just as those who live within the bounds of Winnipeg North Centre, but those all over Canada for whom I have tried to be a voice in this House. It is on their behalf that I am happy to accept this honour.

I say again to my colleagues in all parties in the House that I am deeply touched by the warmth of their expressions to me on this occasion.

[*Editor's Note: Members of the House stood and applauded.*]

Mr. Knowles: Order.

Some hon. Members: Oh, oh!

ORAL QUESTION PERIOD

[*English*]

FINANCE

THE BUDGET—TAX PROVISIONS

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to ask a question of the Prime Minister, in the absence of the Minister of Finance. During the election campaign, the Prime Minister and his party promised substantial tax relief to Canadian taxpayers. Yesterday, the Minister of Finance went to New York and told his audience that tax relief was out of the question. How does the Prime Minister expect anyone to have any confidence in his party's credibility, in light of this further major reversal of policy and the flagrant disregard for promises made to the Canadian people?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, it was our conclusion, after studying the accounts of Canada and the economic circumstances that the nation faces, that it would not be appropriate in this budget to bring forward the tax reductions which we had hoped would be possible earlier in the year.

Mr. Chrétien: Mr. Speaker, in light of the statement made by the Minister of Finance in New York, can the Prime Minister explain to the Canadian public why on the order paper of this House at this moment there is legislation for tax cuts, that we are being called upon in this House at this moment to pass a tax cut on mortgage deductibility which will apply only to a small section of the Canadian population and, unfortunately, not the poor ones?

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, I think the view of the Liberal party is well known, that the tax credit and that aid to Canadians who own or want to own a home is not something that they can support. We believe that it is something that is important; that it is a priority, now, in the nation. I hope that members opposite will change their minds and will give support to this measure which will be of such help to so many Canadians.

Mr. Chrétien: Mr. Speaker, I would like to ask the Prime Minister a supplementary question. In light of the very serious statement made by the Minister of Finance, to the effect that the Canadian economy could not stand any tax cut at this moment, is it the intention of the Prime Minister to be serious in this situation and give confidence to the people that the Canadian economy is well managed and take the responsible step at this moment and withdraw the bill that is before this House?

Some hon. Members: Shame.

Some hon. Members: Oh, oh!

Mr. Clark: Mr. Speaker, if the hon. member wants to defeat legislation in this House, he will have to call upon his colleagues to attend here, and not ask the government to withdraw measures that we consider to be important.

Some hon. Members: Oh, oh!

Mr. Clark: Our view is the tax credit measure is of importance to the people of Canada now. We intend to carry it forward. May I address the other part of the hon. member's question. We have directed our actions since we were elected on May 22 precisely to creating the kind of confidence among investors outside this country, and Canadians inside this country, that there is now in Ottawa—as distinct from the situation prior to May 22—a government that takes seriously its responsibility to manage the Canadian economy.

• (1130)

Some hon. Members: Hear, hear!

Mr. John Evans (Ottawa Centre): Mr. Speaker, I would like to pursue this question a bit further at this point. Last night the Minister of Finance said that any tax cuts at this point in time—he was talking of tax cuts of the same magnitude as the mortgage interest and property tax credit plan—would be ruinous to the economy. I would like to know from the Prime Minister if the Minister of Finance was expressing a philosophy that this government is going to be concerned with giving tax relief to the better-off in our society while saying be damned to the rest.

Mr. Clark: Of course not, Mr. Speaker.

Mr. Evans: Mr. Speaker, last night the Minister of Finance indicated the exact and precise figures on the adverse impact of inflation, balance of payments, current account and the budget deficit of an across-the-board tax cut. We asked the same questions with regard to Bill C-20, and we could not get those figures. In fact, he said it would be good for the economy.

I would like to know if we are going to be asked, in the House, to pass a bill which is going to have exactly the same effects on the economy as those described by the Minister of Finance last night in New York with regard to across-the-board tax cuts for all Canadians.

Mr. Clark: Mr. Speaker, it should be clear to the House that the statements made by the Minister of Finance last night were directed at the effect of new initiatives the government might take. The tax credit initiative is clearly proposed in Parliament. It is clearly in the range of intentions of this government. It is a matter we hope to have brought to a vote and to a conclusion very quickly. We hope there will not be tactics adopted on the other side that will stop Canadians being able to take advantage of this program next year.

The Minister of Finance indicated that, in large measure as a result of the failure of the former government to deal with the serious problems of economic management in this country, it is not open to us now to contemplate more significant tax cuts in the new budget.

* * *

ENERGY

USE OF ADDITIONAL PROFITS OF OIL MULTINATIONALS FOR DEVELOPMENT OF RESOURCES

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the discussions between the Government of Canada and Alberta over oil pricing which would, according to the government's own figures—of which I have a copy here—give the oil companies about $37 billion over the next four years, can the minister give us any guarantee that this enormous amount paid by Canadian consumers will be used for the development of petroleum resources in Canada?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I do not know what document the hon. member has. I suppose it is one lent to him by the leader of his party. All I can say is that the government will ensure that we have sufficient funds to carry out our very exciting national energy projects in this country and ensure that the resources come on the basis of a taxation scheme that is fair and equitable.

Mr. Symes: Mr. Speaker, I was asking about guarantees that this money will be invested in Canada. I did not get an answer. The minister's own department's survey of the industry released yesterday shows that for the two-year period 1977-78 the industry spent some $1.8 billion for diversification, acquisition of other companies, as well as investment outside Canada, and since the report states, "Such expenditures contribute little if anything to the near-term development of Canada's petroleum resource potential and could represent a drain on the total funds available to further supply objectives", I would like to ask the minister what mechanisms he will put in place to stop this practice.

Mr. Hnatyshyn: Mr. Speaker, the hon. member refers to the monitoring act which brings to the light of day information with respect to the activities of the petroleum industry in Canada. I take it what the hon. member is suggesting is that there be restrictions with respect to the flow of capital outside Canada. I also take it he is, in effect, saying that Petro-Canada should not be investing in the North Sea, Spain and off Vietnam.

Mr. Symes: Again the minister avoids the obvious problem. Consumers are paying the higher costs, and that money is not all being reinvested in Canada. Given the conclusion in his department's report which states, "If these patterns persist, there is a possibility that the structure of Canada's resource sector could within a decade or two be characterized by a handful of large resource conglomerates, most of which are foreign owned and controlled", is the government prepared to introduce legislation like that which exists in the United States which would prohibit such acquisition and diversification?

Mr. Hnatyshyn: Mr. Speaker, I simply want to say, with respect to some of the moneys being invested outside of Canada, without defending the flow of capital out of Canada, that some of these are in fact being invested in securing resources and sources of oil for us in Canada. Aside from that, our policy is one which is going to encourage increased participation by Canadians. It will be seen, in the energy package, that we are taking positive steps with respect to our energy policy which will, in fact, encourage Canadian participation and reduce the domination we now see upon us with respect to the multinational corporations in this country.

[*Translation*]

DANGER OF SHORTAGE IN QUEBEC AND MARITIMES—INQUIRY WHETHER GOVERNMENT WILL ESTABLISH SUPPLIES DISTRIBUTION OFFICE

Mr. Fabien Roy (Beauce): Mr. Speaker, my question is for the Prime Minister. On March 21, 1979, the House passed Bill C-42 providing for the creation of the Energy Supplies Allocation Board and for the appointment of the executive director and members of this board. Given the growing concern in the province of Quebec and in the maritimes over the security of supplies, I would like to know whether the government intends to go ahead as soon as possible with that project and set up this Energy Supplies Allocation Board and appoint its members.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the Minister of Energy, Mines and Resources has often discussed what we intend to do about the board referred to by the hon. member. We are looking for people capable of being appointed to this board and we will announce their appointment in due course.

Mr. Roy (Beauce): Mr. Speaker, a supplementary question. At a press conference held last November 8, the Prime Minister, referring to a letter he had sent me on November 6, made this statement:

> We have indicated in the letter to Mr. Roy that we might consider the establishment of such a mechanism and its membership before a crisis period to ascertain that we would have the capacity to do advance planning.

I should like to ask the Prime Minister, since we all know what the government intends to do, when his government will act, which is still more important.

Mr. Clark: As soon as possible, Mr. Speaker. I must stress that it is not merely an agency or a mechanism which is needed here. What is essential for Canada is to have an energy policy which could give Canadians the assurance of secure supplies in the future. In the past, because of the previous government's inaction, we have not provided for the security of supply which is essential and possible for a country like Canada. Our profound commitment has been to change the direction of energy policy and to give Canada a policy of energy self-sufficiency.

* * *

[*English*]

FISHERIES

ATLANTIC SALMON POLICY

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. It has to do with a press release issued yesterday, a statement on the Atlantic salmon policy. I want to say we on this side feel we do not have a proper chance in the question period to raise the kind of questions we would like to ask. I should like to point out as a preamble—

● (1140)

Mr. Speaker: Order. The hon. member should get to his point.

Mr. Rompkey: The release the minister put out makes no mention of the native fishery. But I want to question the minister specifically. He said there would be a reduction in the level of commercial fishing and that the number of people fishing for the species will be reduced. He also says fishing will be reinstituted in certain areas.

I want to ask the minister where the reductions will take place and how they will be effected. I would point out to him how important Atlantic salmon are to those who live on the northeast coast of Newfoundland and the coast of Labrador particularly. Is it his intention to make reductions there? Is it his intention to reinstitute salmon at all in any part of New Brunswick, Gaspé or on the west coast of Newfoundland?

Hon. James A. McGrath (Minister of Fisheries and Oceans): As the hon. member knows, the new strategy for Atlantic salmon announced yesterday calls for a change from a global approach to a zone approach in monitoring. As we establish zones we shall be able to establish the TACs, or regulations governing both commercial and sports fishing. There will be a reduction in the number of commercial licences and, obviously, this reduction will take place in the only area where there is a substantial commercial fishery, namely, Newfoundland.

As far as New Brunswick is concerned, I cannot foresee any increase in commercial activity. However, we intend to give the new salmon management policy which will establish management zones and an over-all salmon board an opportunity to become operative before we make any hard and fast decisions. I can tell the hon. member that I cannot foresee any increase in commercial salmon fishing activity.

Mr. Rompkey: The release said in a later paragraph that salmon will be fished mainly in their native province. We have heard a lot about provincial rights. We know that provincial premiers have rights—as a matter of fact, some provincial premiers have even more rights than the Prime Minister. But we did not know that salmon have rights.

I want to know, first of all, whether or not the salmon have been consulted as to whether they can be fished in their home provinces. The minister speaks, in all seriousness, of Atlantic salmon returning to maritime and Quebec rivers, and says they are currently being intercepted by Canadian fishermen. I want to know what that means. He says it should be possible to eliminate most interceptions by changing fishing seasons and by limiting fishing efforts through licensing. Can the minister clarify this point and explain to us how these salmon are going to be fished within provinces? Will he tell us exactly what he means by that statement?

Mr. McGrath: I did, in fact, consult with the hon. member yesterday; I briefed him on this statement. Obviously, it would have been more productive had I consulted with the salmon.

Some hon. Members: Oh, oh!

Mr. McGrath: It seems to me that all the good will behind the briefing we made available to the hon. member yesterday was for naught, because he does not seem to understand the simple theme of this whole strategy. The central theme is zone management, and this is what will be put in place. He does not seem to understand that each run of salmon going up a river has its own identifiable characteristics. Obviously, this means that salmon running up provincial rivers, up the Miramichi River, for example, or the Saint John River in New Brunswick, are distinguishable from the salmon running up the rivers of southern Newfoundland.

They will be managed with that in mind, remembering, as well, that in order for us to secure a meaningful international convention which will be effective in reducing the catch of salmon off the coast of Greenland by the Greenlanders, we shall have to put our own house in order. The theme is conservation and enhancement, which was obviously not achieved by the policy announced in 1972 by Mr. Davis.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I should like to follow up the answer the minister has just given. If the restrictions to be imposed are to have a meaningful effect, then a more satisfactory arrangement with regard to the overfishing off the coast of Greenland will have to be reached. What arrangements has he made, or what negotiations is he conducting to achieve an agreement covering the overfishing of those salmon stocks off Greenland?

Mr. McGrath: Mr. Speaker, the EEC has management responsibility for the Greenland fishery, and we recently had a delegation in Brussels. We were able through ICNAF to get the total allowable catch off Greenland established at around 1,100 tons. We consider that figure to be too high and we want that TAC reduced. This is the objective we are pursuing.

What I say to the hon. member is what I have just said in response to his hon. friend: if we want to make a case for a meaningful international convention to control the interception of Canadian salmon on the high seas, we have to be seen to be putting our own house in order. That is the objective of this program. That speaks to stricter action against poaching; it also means getting the whole commercial fishery in order, an effort which involves a reduction in the number of commercial licences.

Mr. MacLellan: To safeguard the salmon stocks, it is also important to increase surveillance over the rivers in which the salmon spawn. That is an expensive proposition. If the provinces are to have this responsibility, what arrangements has the minister made to meet the cost of this surveillance? Has he secured an agreement from the President of Treasury Board to make funds available for this purpose?

Mr. McGrath: We have offered to hand over to the provinces—and essentially we are speaking of two provinces, New Brunswick and Newfoundland—total surveillance responsibility on their rivers. They already have part of that responsibility. The hon. member should bear in mind that, of course, the provinces realize the full revenue from the licensing fees on those rivers; the federal government does not get a dollar. One province has replied positively, but we have yet to hear from Newfoundland.

If the provinces were to enter into such an arrangement with the Government of Canada, we would be prepared to agree to some kind of cost-sharing program over a prescribed period of

time, probably five years. We feel that one enforcement agency on the rivers of the Atlantic provinces would be more effective in enforcing conservation and in dealing with poachers.

[*Translation*]

INQUIRY WHETHER GOVERNMENT WILL SOON ANNOUNCE DECISION ON COMPENSATION FOR SALMON FISHERMEN

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, my question is also directed to the Minister of Fisheries and Oceans. Coming back to the statement he made yesterday about compensation for salmon fishermen, I would like to point out to the minister that it is extremely important for most of our fishermen because it is, indeed, the only way they can make their living. Can the minister tell us whether he will soon announce his decision on this matter, because of the uncertainty that is being created for fishermen? Further, can he ensure that before he takes his decision he will consult with the fishermen involved? And in case he decides to terminate this compensation program, what will happen to the licences granted to these fishermen?

[*English*]

Hon. James A. McGrath (Minister of Fisheries and Oceans): As the hon. gentleman probably knows, the decision as to compensation was taken last year. The compensation program was put in place in 1972 for a five-year period. It was extended to six years, then to seven years, and later to eight years—we are now in the eighth year. Treasury Board announced last year that this was the final year. So a decision has already been made. It is not my decision; it was made last year by Treasury Board. With respect to the position of those who are currently receiving compensation, I am having discussions with my hon. friend from Saint John and we shall be dealing with cases on their individual merits. However, the hon. member might be interested to know that 6 per cent of those now receiving compensation are over 80 years of age and that almost 20 per cent are over 70 years of age.

[*Translation*]

CATCH LIMITS—INQUIRY WHETHER MINISTER WILL CONSULT PROVINCES AND SPORTS FISHING ASSOCIATIONS

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, my supplementary question is directed to the Minister of Fisheries and Oceans and it deals with sports fishing. Since he said that he might set more restrictive limits to sports fishing catches in rivers, can he tell us if he has had consultations with the provincial governments and fishing associations on this subject and, if not, does he intend to follow the open policy of his government and consult them before taking a decision?

● (1150)

[*English*]

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, the limits on the rivers will be established by zone management committees which will be put in place and which will work under the Salmon Board for the Atlantic provinces. It will probably vary from river to river. Some rivers might be closed next year, and there will be some rivers where there will be a maximum limit. This will vary from river to river and from zone to zone.

COMPENSATION PROGRAM FOR FISHERMEN

Hon. Roméo LeBlanc (Westmorland-Kent): Mr. Speaker, I am sure the minister would not want to mislead the House. The fact is that last year Treasury Board officials indicated that compensation should not go on forever, but I never felt that that was a binding decision on the ministries of the government.

I should like to ask the minister a question. Since the removal of compensation is not met by a formula that would allow those who are not to continue receiving compensation and who had consistently been led to believe that some day they would return to a commercial fishery, and since the program does not seem to deal with this situation, has the minister done one of two things? Has he approached the provinces that are getting income from the sale of sports licences to see if they would buy out the commercial fishermen, including some of those to whom the minister referred as elderly—will they be dealt with fairly by the provinces—or will the minister put together some kind of program that will not leave those who thought they would return to a commercial fishery to find the door closed forever?

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, it is my advice that the Treasury Board indicated quite clearly that this was to be the last year of the compensation program, this current fiscal year. I stand by that. I am sure that if the hon. gentleman searched his own memory, he would find that that is, in fact, correct.

With regard to the compensation program and those who will no longer receive compensation after this fiscal year, it is my intention, after consultation with the members of Parliament who are involved, and more particularly with my friend, the hon. member for Saint John, since the Saint John River is one of the principal areas affected, to work out some kind of system whereby these fishermen can be involved in a lucrative fishery. But that would require examining each individual case of the some 400 cases that are currently receiving compensation and have been receiving it for the past eight years.

Mr. LeBlanc: Mr. Speaker, I find it quite astonishing that the fishermen, especially those who have traditionally fished in Miramichi, would suddenly find that the hon. member for Saint John, as distinguished as he may be personally but whose knowledge of the fisheries is, I think, somewhat limited, should become the agent to defend the interests of the fishermen in

the riding of the hon. member for Northumberland-Miramichi, who unhappily is not here to ask the question which I think he would like to ask were he here and not under medical care.

I cannot see how the minister can stand before us and tell us that the future of a large number of fishermen who have always thought that either they would be compensated for good, they would be bought out, or that they would return to a commercial fishery, should now be left to the vagaries and imagination of the hon. member for Saint John.

Some hon. Members: Shame.

Mr. McGrath: If the hon. member for Northumberland-Miramichi had been in the House, I would have extended the same invitation to him that I extended to my colleague, the hon. member for Saint John, and obviously he will get that message. But may I say to my hon. friend that it would be our intention to try to re-establish those bona fide fishermen—and I emphasize, bona fide fishermen—who are still receiving compensation. That will be done after consultation.

I might say that the hon. member knows, perhaps better than anyone in the House, that the situation of the fishery in the Atlantic provinces has changed considerably since 1972 when it was a depressed fishery. It is now a very lucrative fishery, with tremendous potential, and there are certain areas where licensing can be extended. We intend to give these people who are receiving compensation and who are still able to fish every opportunity to get back into the fishery.

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ENVIRONMENTAL AFFAIRS

HAMILTON CIVIC AIRPORT—ENVIRONMENTAL STUDY

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, my question is for the Minister of the Environment. It has to do with the expansion of Hamilton civil airport. In view of widespread reports that yet another possible impediment to expansion at Mount Hope exists because of a formal federal environmental study, can the minister inform the House whether he has discussed this possibility with the Minister of Transport or whether still another environmental study is needed at all?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): The hon. member raises a matter of some importance to the people of Hamilton. A number of studies have been done, as the hon. member knows, with respect to the environmental implications of an expansion of the airport. I am now of the view that there is no need to go into any more formal environmental hearings, and my view is being communicated to the Minister of Transport.

HEALTH

INVESTIGATION INTO ALLEGED EROSION OF MEDICARE PROGRAM—REMEDIAL ACTION

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Given the mounting public concern over the erosion of medicare, as evidenced by a recent "Save Medicare" petition signed by almost 300,000 Ontarians, and in view of the Alberta doctors' determination to defend extra billing despite a recent 15 per cent fee hike, and considering that Tory governments such as in New Brunswick are slashing their health care budgets while apparently diverting a portion of their federal health grants to other uses, can the minister please inform the House whether his department—not the Hall review—is investigating the serious threats confronting our national medicare system and, if it is, why can immediate remedial action not be taken?

Hon. David Crombie (Minister of National Health and Welfare): May I indicate to the hon. member, and indeed to others who are concerned with the question, that the Hall review which I requested in September will deal with the whole of the matter. Indeed, as I indicated in the House at that time, it is very important that all aspects of the principles of medicare, in terms of the guidelines which are required—making sure that those principles are not eroded—are dealt with properly. That is why I asked Mr. Justice Hall to take on that responsibility. That is a good way to go now. That report will be available in April, all members will be interested in its recommendations, and I will make my recommendations at that time.

Mr. Ogle: Mr. Speaker, I have a supplementary question. I appreciate what the minister has said. Nevertheless, I believe that since, in some instances—such as this particular one—economic studies have proven conclusively that user charges such as the $10 per visit in out-patient fees in New Brunswick restrict—

Mr. Speaker: Order, please. If the hon. member has a supplementary question, will he get to it.

Mr. Ogle: I should like to ask the minister if he has done anything in particular about the $10 per visit out-patient fee in New Brunswick.

Mr. Crombie: All studies which pertain to the Medical Care Act of 1968 or the HIDS Act of 1958, all studies in a number of provinces have been referred to Mr. Justice Hall. There will shortly be one out, for example, in the province of Ontario about opting out in Ontario, which I think will have some quite wise things to say. The fact of the matter is that a number of provinces are dealing with their problems in their own particular way. They are carrying out studies, and Mr. Justice Hall will receive their reports.

I recognize that it is the wish of some hon. members that things be done immediately. Let me say that I am firmly convinced that the medicare program is the most popular

social program in this country and deserves proper care and attention and a review before action is taken. Sometimes in the past precipitous action has led us into situations in which we have not wanted to be; indeed, former members of former governments have indicated that as they rushed into good ideas, those ideas did not turn out to be very good. The Hall report, the review of medicare, deserves to be thoroughly done and properly accommodated.

[*Translation*]

TERMS OF REFERENCE OF HALL COMMISSION

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, my supplementary is also for the Minister of National Health and Welfare. If, as he says, he attaches great importance to the best program in Canada, namely, medicare, and since Mr. Justice Hall has only been granted a service contract, without the tools necessary to hold public hearings and summon witnesses, and stated at the national SOS Medicare conference that he needs those tools for those purposes, would the minister be prepared to recommend to cabinet the establishment of the Hall commission under the Inquiries Act, since such a commission does not exist, regardless of what the minister may say?

[*English*]

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, on a few other occasions the hon. member has raised that spectre. I do not think it is particularly helpful because, as I have indicated to the House previously, Mr. Justice Hall can have whatever he needs in order to carry out the study. The current instruments that Mr. Justice Hall is using are the ones he wants. If he wants to broaden them, he need only ask. I am accepting the advice of Mr. Justice Hall, which I would commend to any member of the House.

* * *

CANADA WORKS PROGRAM

CONSIDERATION OF APPLICATIONS FOR PROJECTS

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I have a question for the Minister of Employment and Immigration. Would the minister take a look at outstanding applications for Canada Works projects that have not been approved? May I suggest that he might make it a point to clear his desk of all Nova Scotian applications today before he leaves for his constituency, including the constituency of Cape Breton Highlands-Canso?

● (1200)

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, of course, my desk is cleared each day as projects come forward from members. I am very happy to indicate to the hon. member opposite that the Canada Works projects which are in and which have received the views of members of Parliament and others will be approved hopefully by the end of next week in toto.

Mr. MacEachen: Mr. Speaker, I am pleased to hear that from the minister. It seems to controvert the information I have that he has had a number of applications from my constituency on his desk for some days now, that he has moved with great alacrity to approve applications from government constituencies in Nova Scotia, but that he has been particularly slow in dealing with applications from constituencies represented by non-government members. I hope he can put my mind to rest.

Some hon. Members: Oh, oh!

Mr. Atkey: Mr. Speaker, as the hon. member opposite well knows, the process of consultation is a complex one.

Some hon. Members: Oh, oh!

Mr. Pepin: It really is now.

Mr. Atkey: Perhaps, like the previous government, the process is very wide indeed. While I have had very useful input from various members of Parliament who have had the good fortune to have an allocation to their particular constituency, the process of consultation is much wider. I will act with expediency when that process is completed.

* * *

[*Translation*]

NATIONAL UNITY

STATEMENT OF PRIME MINISTER—INQUIRY WHETHER GOVERNMENT INTENDS TO ESTABLISH RULES OF THE GAME IN ITS RELATIONS WITH QUEBEC

Mr. Yvon Pinard (Drummond): My question is to the right hon. Prime Minister. It has to do with the complaint made yesterday by the Premier of Quebec. In that respect, the right hon. Prime Minister stated this morning at a press conference:

> Mr. Lévesque might choose to have an ongoing confrontation with Ottawa. Should we decide to participate in that confrontation, we are going to establish the rules of the game.

Mr. Speaker, does the right hon. Prime Minister intend to establish the rules of the game by his chronic inaction with respect to everything to do with Quebec in the six months he has been in power? Does he not realize that what he is doing is penalizing and provoking all Quebeckers, through his lack of understanding of the Quebec situation, and destroying all of Canada?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I am surprised to find a backbencher of the former government repeating words indicating such a lack of success in the unification of Canada during the eleven years of existence of the former government. It is essential for us to approach the

problem differently. We now have a government determined to change the situation of perpetual conflict between the government of Ottawa and the government of Quebec on the presence of the government of Ottawa in the province of Quebec, and on the strength of federalism. I believe the strength of federalism was really demonstrated in the byelections, particularly as a result of the action of Mr. Claude Ryan, but also as a result of the attitude of this federal government.

REQUEST FOR ACTION ON REGIONAL DISPARITIES

Mr. Yvon Pinard (Drummond): Mr. Speaker, the Prime Minister talks about a change of attitude. We are thinking of the Guy Favreau complex which is not operative yet, of the mapping centre in Sherbrooke, of the tax data centre in Jonquière, of the endangered shipyards in Quebec, of the federal penitentiaries whose construction has been delayed for months, of the Laprade plant, of the $200 million in compensation that has not been paid to the Quebec government. Mr. Speaker, I am asking the Prime Minister to come back to reality. My question is this: Is this his vision of Canada? Is this his idea of a fair and equitable distribution of riches in this country, to deprive Quebec systematically at a time when GM is going to invest in Ontario, to have a $60 million ice-breaker built in Ontario? This morning, at a press conference, all the Prime Minister found to say was: "It is the first time in six months that Mr. Lévesque has complained. Our relations with Mr. Lougheed are always excellent". What does he think of Canada? Is he ready to be fair with all regions of the country?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I can assure the House that it is not the intention of this government to repeat, for example, the performance of the hon. member for Papineau who on four, five or seven occasions promised the contruction of Place Guy Favreau, while there is still just a hole there after all his promises. It is not our intention to continue that policy of empty promises like those which were made so often by the former government. We want to implement a policy in line with the developments in the province of Quebec. We had consultations with the Quebec government on priorities shared by both governments. Our government will, in the near future, make announcements regarding developments which will be followed by action instead in inaction, which was not the case for the announcements often made by the hon. member for Papineau.

* * *

[*English*]

HOUSE OF COMMONS

DISPOSITION OF BILL S-2

Mr. Jake Froese (Niagara Falls): Mr. Speaker, I have a question for the Minister of State for International Trade. It concerns Bill S-2, an act to repeal the Canada-France trade agreements of 1933 and 1935, in order to allow the use of the word "champagne" to designate Canadian wines of high quality. Given the fact that the Canadian government already renounced these agreements in March of 1975—

An hon. Member: Write him a letter.

Mr. Froese: —and given the fact that no opposition is expected in either House—

An hon. Member: Just lean over and talk to him.

Mr. Froese: —can the minister inform the House when the bill will be coming before this House, so that it can be debated and passed, in order to allow Canadian wine producers to operate without restriction in the promotion of their product?

An hon. Member: Beautiful speech.

Mr. MacEachen: Give us a whisky answer.

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, as the hon. member has pointed out, this legislation is before the other place right now. As soon as it is passed there, I hope that we will be bringing it before this House for proper debate, so that we can get on with the proper use of the appellation "Canadian Champagne" by wine producers in Canada.

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TRANSPORT

INQUIRY WHEN ACTION WILL BE TAKEN TO IMPROVE SAFETY IN CARRIAGE OF DANGEROUS PRODUCTS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, in the absence of the Minister of Transport I should like to ask a question of the Minister of State (Transport). In light of impressions created recently in the media that the transportation of dangerous goods act addresses itself to rail safety and the prevention of events like the one at Mississauga, does the minister intend publicly to dispel this illusion immediately and say what actions the department intends to take prior to an inquiry, in order to prevent derailment of dangerous products?

Hon. J. Robert Howie (Minister of State, Transport): Mr. Speaker, I think the hon. member has raised a very important question. It is one that is under consideration by the department. I will look into it and give the hon. member a more thorough answer within the next few days.

Mr. Blaikie: Mr. Speaker, the events at Mississauga occurred some three weeks ago now. The Minister of Transport has the power, under sections 100 and 227 of the Railway Act, to make regulations limiting speeds and to require the railways to improve their equipment, such as hot box detectors and non-friction bearings. When does the minister intend to act and not just report to me on this question?

Some hon. Members: Hear, hear!

Mr. Howie: Mr. Speaker, I thank the hon. member for his representation.

Some hon. Members: Oh, oh!

* * *

ENERGY

INQUIRY AS TO DIVISION OF REVENUES FROM PROPOSED OIL PRICE INCREASE

Mr. Ian Watson (Châteauguay): Mr. Speaker, my question is for the right hon. Prime Minister. It relates to the details of the Canada-Alberta oil pricing agreement which apparently have been leaked to the Leader of the New Democratic Party. Since the details reported so far indicate a virtual betrayal of the national interest in favour of Alberta and its heritage fund, can the Prime Minister reassure this House that the division of revenues resulting from any new oil price increase will put the national interest first, and that a major per cent—I repeat, a major per cent of those new revenues will be channelled to the benefit of all the people of Canada through the Government of Canada?

• (1210)

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, naturally I am not going to announce details of the programs until they are ready for announcement. I would urge the hon. member not to take the declarations of the Leader of the New Democratic Party on this matter any more seriously than he has on other matters in the past.

I can assure the House that there will be respect for two fundamental principles, and one, of course, is the jurisdiction of the provinces over resources. Another that is fundamentally important is that this agreement will generate enough revenues for the Government of Canada to participate in and to encourage the funding of activities in the energy field, principally by Canadian citizens, so we can move dramatically from a situation we inherited from the old government, in which we were depending increasingly on foreign sources of supply, and move this nation toward a situation where we are taking full advantage of our unique resource wealth and build for the future of Canada.

* * *

[*Translation*]

UNEMPLOYMENT

ALARMING SITUATION OF THE UNEMPLOYED—REQUEST FOR ANNOUNCEMENT OF GOVERNMENT POLICY

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, my question is for the Prime Minister. Given the situation of the unemployed in northwestern New Brunswick who succeeded in having the unemployment office closed this week as a result of the vigorous protests which they have been voicing for over a month; given the insensitivity of the Minister of Employment and Immigration who refuses to deal with that specific situation while we are told that the regional director is going to announce next week in a release to the unemployed what recourse they have under the existing legislation; and given also the position of the Minister for Employment and Immigration who allows defeated Progressive Conservative candidates to announce Canada Works projects, could the Prime Minister, who likes setting up commissions and launching investigations, tell us whether he is going to have a peep at what is going on in the office of the Minister of Employment and Immigration and see for himself the extent of patronage activities in this office and also tell the minister that he should deal with the problems of the unemployed in New Brunswick and Vancouver which were ignored by the Prime Minister last week, and of the other unemployed people who want to work and are waiting for the announcement of government projects to go out and get jobs? What is the Prime Minister waiting for?

[*English*]

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, it is my understanding that the difficult situation in Edmundston, and it has been difficult, is a result of protest against legislation that was introduced and passed by the previous government; that is, the provisions of what was Bill C-14. I must say that I share some concerns that are no doubt shared by those engaged in the protest, and for that reason I established a review process to look at those provisions, as well as others, to bring greater equity to the unemployment insurance program. That process of review is proceeding.

In so far as Canada Works grants are concerned, Mr. Speaker—there were two questions submitted—I would indicate that all the applications for the province of New Brunswick have been completed and approvals are out. There is still one minor item in the riding of Madawaska-Victoria in respect of which I am still waiting for submissions from the hon. member and from others in the region. There is some $150,000 available to alleviate the unemployment situation in that particular region, and I will be pleased to respond as soon as I have the submissions from the region.

* * *

[*Translation*]

THE CANADIAN ECONOMY

INQUIRY AS TO MINISTER'S ACTION TO REMEDY SOCIAL INSTABILITY IN NORTHWEST NEW BRUNSWICK

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I wish to ask a supplementary question. The situation in northwestern New Brunswick is very serious. Threats have been made. I do not ask the minister to express his concern but I ask him what he is going to do immediately to resolve the social instability prevailing in that area. Is he waiting for another Bathurst? Is he waiting for the situation to get out of control

before doing anything? Is he going to deal personally with this problem?

[*English*]

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, all I can ask is, where was the hon. member in the last Parliament when those legislative provisions which are the subject of the protest were being debated? I would welcome his input to the review process. I will agree with the hon. member that it is, indeed, a serious situation there; it is one of instability. I have had consultations with the provincial minister responsible for the area and we are in the process of attempting to come up with some sort of joint program to alleviate the very serious situation which exists there. Nevertheless, I go back to the original point, Mr. Speaker, that the cause of the protest and the cause of the problem are the amendments introduced in Bill C-14 of the previous government, and that is where the blame will lie.

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TRANSPORT

LIGHT RAPID TRANSIT—INQUIRY REGARDING GOVERNMENT ASSISTANCE TO B.C.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the right hon. Prime Minister; I see he has returned. In the recent federal election campaign his party promised the people of Canada that the Conservative government would give considerable financial assistance for the provision of urban transit systems. In view of the fact that the province of British Columbia and the lower mainland are very shortly going to be making a decision on whether to proceed with the development of urban rapid transit facilities, is the Prime Minister prepared to tell this House when his govenment intends to live up to this important election promise, and specifically what financial assistance will be made available to the people of British Columbia for light rapid transit?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I apologize to the hon. member for being briefly out of the House. I was on my way to Government House, for reasons that should not alarm anyone in this House.

Some hon. Members: Oh, oh!

An hon. Member: You might as well get it over with.

Mr. Clark: If there is enough encouragement here, gentlemen, I will . . . !

Some hon. Members: Oh, oh!

Mr. Clark: I know that the hon. member is raising a serious matter; it is one that is under consideration by the Minister of Transport. All I can undertake to do at this stage is to draw to the attention of the Minister of Transport the representation that has been made by the hon. member. We will naturally be interested in looking at matters that might be proposed by the government of British Columbia or, indeed, other governments with significant mass transit potential.

I should also indicate to the hon. member that as part of the energy package we are proposing we will want to explore actively with provincial governments and municipal authorities across the country the possibility of increased reliance on mass transit as a means of encouraging energy conservation.

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[*Translation*]

NATIONAL UNITY

QUEBEC REFERENDUM—INQUIRY WHEN PRIME MINISTER WILL GIVE HIS IMPRESSIONS OF WHITE PAPER

Hon. Jean-Luc Pepin (Ottawa-Carleton): Mr. Speaker, my question, although less vigorous, is for the Prime Minister and is supplementary to the one asked earlier by the hon. member for the beautiful riding of Drummond.

On November 1, to be very specific, the Prime Minister said in this very House he intended to give his impressions of the white paper of the Quebec government once he had time to digest it. Has he have time to digest it now, and in what form is he going to give his impressions of the white paper in the days or weeks to come?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I indicated immediately after the white paper was released that I do not accept at all its underlying principle. It is not a principle we can accept as a federal government because it rejects the concept of federalism. I do not intend to answer the white paper page by page, paragraph by paragraph, because I believe the position of the federal government is clear enough.

THE QUEBEC REFERENDUM—INQUIRY AS TO POSSIBILITY OF ANSWERING EACH PROPOSAL IN WHITE PAPER

Hon. Jean-Luc Pepin (Ottawa-Carleton): Mr. Speaker, I have a supplementary question for the right hon. Prime Minister.

It would still be very useful for hon. members who intend to participate in that referendum campaign to have an answer paragraph by paragraph, concept by concept. Could the Prime Minister consider that need and perhaps make arrangements with the various departments so that those who intend to participate actively in the campaign can collect material, check a few hypotheses, get a few statistics they might want to use?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I can say we do not intend to answer the paper released by the government of Quebec paragraph by paragraph. I believe such a policy would not be useful to federalism, but I do believe it would be really good for all members of the House to have access to the facts and pertinent information of use in the fight

and development of support for federalism. We want to distinguish between facts and propaganda and we intend to prepare information which will be available to federal members of Parliament, and which they can use to encourage Quebeckers to continue adhering to the federalist option.

* * *

● (1220)

[*English*]

PRIVILEGE

MR. OLIVIER—ALLEGED ATTACK BY MEMBER FOR YORKTON-MELVILLE—RULING BY MR. SPEAKER

Mr. Speaker: Order, please. A question of privilege was raised yesterday by the hon. member for Longueuil (Mr. Olivier) concerning a motion pursuant to Standing Order 43 put by the hon. member for Yorkton-Melville (Mr. Nystrom). The hon. member for Longueuil was supported in his submission at that time by the hon. member for Drummond (Mr. Pinard). I undertook to re-examine the language to determine whether or not my initial impression, which I expressed yesterday, was in fact accurate.

I have re-examined the language and I can confirm to the House that that is the case. In fact, the language which was complained of is not contained in the preamble but is contained in the actual motion. I am not now deciding whether or not the language for which the hon. member demanded an apology was in fact unparliamentary; that is not necessary. Because it was contained in the motion—which must first be accepted before it can be debated—it would have to be very flagrantly out of order for me to take procedural action. Also, because it is contained in the motion it is not a declaration or an accusation by the hon. member but simply a matter for debate.

I have examined the motion to see whether there is anything in it of procedural significance, and I can find no breaches of our precedents or practices, as I indicated yesterday.

[*Translation*]

MR. OUELLET—ALLEGED INACCURATE STATEMENT BY PRIME MINISTER

Hon. André Ouellet (Papineau): Mr. Speaker, during oral questions the Prime Minister (Mr. Clark) implied that I had announced three times the construction of the Guy Favreau project and that, as the then minister of public works, I was responsible for the hole in the ground that now exists in downtown Montreal. In this I feel that the Prime Minister misled the House and, on a question of privilege, I would ask that at the first opportunity he make a correction. I would call your attention, sir, to the fact that I was appointed to the public works portfolio in 1978 and it was at that time that I announced the work resumption on the Guy Favreau project, which had been interrupted to avoid competing with the

construction schedule of the Olympic facilities. So I announced the construction of the project once, and only once. The situation is as follows: When the Progressive Conservative party came to power in May last, work was in progress. At that time the new government ordered a halt. If construction had gone on all foundation work on the project would now be almost completed and structural work would have started at this point. Therefore, Mr. Speaker, the hole in the ground is to be blamed on Progressive Conservative inaction.

[*English*]

Mr. Speaker: Again we are in the area, essentially, of disagreement with respect to the content of answers. It is very difficult for the Chair to take a strict line on such a matter because it is very hard for me to determine the exact nature of the intervention until I have heard the proponents. In the future I would invite the co-operation of hon. members in being careful to determine whether or not they are simply in an area of disagreement, or really in the area of an inaccuracy which constitutes privilege, before raising a matter of this nature.

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[*Translation*]

POINT OF ORDER

MISS BÉGIN—INQUIRY WHY LAZAR REPORT NOT YET TABLED

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, it is with regret that I rise today for the fourth day in a row concerning a motion introduced under Standing Order 43 and agreed to unanimously by this House on October 24 last; tomorrow is December 1 and we insist that this government table forthwith the Lazar report on pensions. We have had stupid and ridiculous answers from the President of the Privy Council (Mr. Baker) and from the Minister of National Health and Welfare (Mr. Crombie) who just does not seem to remember where the report could be. Does he want my copy? I should like to know whether the new government, with all its grandiloquent pronouncements about due respect for parliamentary procedures, is now breaking the rules of the House, or else on what exact date it plans to table the report.

[*English*]

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I think the undertaking I gave was that there would be an inquiry made. The inquiry has been made and the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Schellenberger) may be able to enlighten the House.

Mr. Stan Schellenberger (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, with regard to the report, it is in three sections and the English version is ready. The French version is being made ready. The printing presses are tied up with the budget which has priority.

As soon as we can get to printing the report, it will be printed and made available to the House.

[*Translation*]

Mr. Yvon Pinard (Drummond): Mr. Speaker, a motion under the provision of Standing Order 43 to have this report tabled was unanimously passed by the House. That was a long time ago, and day after day my colleague from Saint-Léonard-Anjou keeps asking the same question and getting told that inquiries are being made. I respectfully submit, Mr. Speaker, that that is not the personal problem of the hon. member. The House of Commons has the right to have that report tabled; we made a decision, Parliament decided, that has force of law. I do not accept the explanations given by the hon. President of the Privy Council (Mr. Baker) who passes the buck to a parliamentary secretary. And they would have us again believe that it is a matter of translation, a matter of printing, which is unacceptable. Parliament has ways of acting and doing so rapidly. In 1979, no one is going to have me believe that it is impossible to translate a document when Parliament unanimously decides to have it tabled. That was decided several days ago, Mr. Speaker. If it was a matter of two or three days, I would not raise the issue but—

Miss Bégin: Five weeks.

Mr. Pinard: My colleague points out that it is a matter of four to five weeks, which is totally unacceptable. I ask the Chair to give strict instructions to the government to take all necessary steps to have the will of Parliament obeyed and have that document tabled by next Monday at the latest.

[*English*]

Mr. Speaker: The point is well taken: there has been an order of the House. I will look into the matter and see whether or not the House might, therefore, insist that the document be tabled. I am sure that the answer will be that the document exists at the present time only in the English language. Therefore, the House would have to accept that tabling and undertake the translation on its own. That may be the more prudent course.

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PRIVILEGE

MR. SARGEANT—PROPOSED RCMP SEARCH—INQUIRY AS TO AUTHORIZATION

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I wish to raise a question of privilege regarding the rights and privileges of all members of this House on a matter of which, I am sure, you are already aware. I would like to draw your attention to two questions I asked earlier of the Prime Minister (Mr. Clark) concerning the guidelines authorizing RCMP searches for leaked documents.

Initially, by way of a news conference, we were told by the Prime Minister that he would make these documents public. Later in the House the Prime Minister stated that there was some confusion as to the authorization of the guidelines. This past Monday we learned that the guidelines were never authorized and, consequently, it would not be the intention of the Prime Minister to table them.

On the matter of the raid on the home of an Ottawa journalist, both the Prime Minister and the Minister of National Defence (Mr. McKinnon) have publicly indicated their criticisms of the way in which this matter has been handled.

My question of privilege, Mr. Speaker, is this. Yesterday I learned that the RCMP had requested permission from yourself to search my office for copies of a leaked document I have had in my possession. I do not believe that a member of Parliament is above the law, but as you, sir, pointed out to the RCMP when they contacted you, I am not guilty of any wrongdoing and, therefore, there should be no need for such a search. For your support and the support of the House leaders, I offer my thanks.

But who is in charge of this government? The Prime Minister and the Minister of National Defence are opposed to this line of pursuit by the RCMP. The Prime Minister has stated that guidelines that permitted the earlier raid were never sanctioned by his government or the previous government. On what authority can the RCMP now request permission to search an office for leaked documents? Who is making these decisions?

● (1230)

I believe that my rights and privileges will be affected by any search of my office for information it is not unlawful for me to have. Should any search be allowed, my relationship with my constituents will be adversely affected and so, too, will the rights and privileges of all members of this House. Was it the Solicitor General (Mr. Lawrence), the Prime Minister or the Minister of National Defence who authorized the RCMP to seek permission from Your Honour to search my office?

Is it the policy of this government, without prima facie evidence, to authorize RCMP officers to set out on fishing expeditions in the offices of members of Parliament? If that is indeed the policy of this government, it sets a precedent that breaks the deep-rooted traditions of this House concerning the very rights and privileges of members of this Parliament and the traditions that form the very cornerstone of our parliamentary democracy.

Mr. Speaker: Order, please. The hon. member for Selkirk-Interlake (Mr. Sargeant) raises a matter by way of privilege which, of course, I will set aside as a privileged matter. I think if he re-examines the matter he will understand that he speaks of a potential risk. Indeed, he says himself "if permission were to be granted" or if a search were to be allowed of his office, that has not taken place, as he has already pointed out. He therefore raises the risk of an event taking place in the future. I could scarcely regard the very risk of that as a matter of privilege.

The hon. member will also know that I have exercised my discretion against the exercise of that warrant. I think I ought to pause now to indicate to the House briefly why I have done so.

In so far as any involvement of the Solicitor General (Mr. Lawrence) is concerned, I should indicate that to my knowledge the Solicitor General has not in any way been involved in the direction of these efforts. They remain ordinary efforts on the part of the RCMP which, I think, are part of their ordinary obligation and mandate in the investigation of what they may feel may be an offence, not necessarily involving the hon. member but obviously an offence involving the release of the documents in the first place.

To my understanding, the reason for the presence of any discretion in the Speaker is because, in this situation, the rights of the police force, which may be legitimate, come into collision with the rights of the member which are obviously equally legitimate. In many circumstances the member may be asserting a right. I am not saying now that it is in any way the obligation of the Chair to make a determination of the validity of the right of the member. The fact is that the member may be asserting a right that the possession of a document of this sort is within his regular duties as an elected member.

In fact, to use a most interesting example, the document may very well be in relation to the operation of the very police force itself. It has been considered to be on many occasions, and obviously remains, part of the functions of an elected member of this House to inquire into our national police force and many other organizations for which an elected member takes some responsibility. It is part of the mandate of this Parliament.

It could therefore very well be that a member may be asserting a right which he considers to be a part of his responsibility as an elected member. Obviously, since a discretion exists in the Chair, it must always be in the face of a right which the police force is seeking to exercise and which is also a legitimate right.

What I have done, therefore, is to take the position that, where no charge has been laid against a member and there does not appear to be the investigation of an actual offence against him, but rather an investigation which may be part of another set of circumstances, initially I have exercised my discretion against the execution of the warrant in these premises in the office of a member.

On the other hand, I would think that in the more extreme cases, where there is an allegation of an offence by a member and it is in the enforcement or investigation of a specific and formal charge against a member, I might be facing a different situation. Obviously that would depend on the nature of the charge and the actual circumstances.

In this case, therefore, when I was first presented with the warrant to which the hon. member has referred, I gave it some consideration and turned it back, exercising discretion in the way I have described and explaining my action to the RCMP. I invited them to return to discuss the matter further if they wished and, in fact, to bring the matter to the attention of the Solicitor General and have him involved in the discussion if they wished. They returned yesterday and brought with them a letter asking for further clarification of my discretion. I hope this exposé this morning will suffice to comply with that request.

In my opinion, that is where the matter now rests. I have now formally brought the matter to the attention of the Solicitor General. In addition, I have given some consideration to seeking, and I will now indicate to the House that I will seek, a further formal opinion from our parliamentary counsel so that we will have that on the record as well.

Any party that wishes to carry the matter any further is welcome to discuss whether this is a proper exercise of the Speaker's discretion in the way I have described it. This is the way I see the responsibility of the Speaker when there appears to be a conflict between the legitimate rights of an elected member in the pursuance of his duty as such, and the legitimate rights of any police force in pursuance of an investigation which is not an investigation of a formal charge against that member, namely, that my discretion ought to be exercised, in those circumstances, against the execution of any warrant to search the premises of a member.

Mr. Nystrom: Further on the question of privilege—

Mr. McKinnon: I should like to speak on that privilege—

Mr. Speaker: Order, please. I see the Minister of National Defence (Mr. McKinnon) is rising to participate in the question. As I said at the beginning and I will reiterate, because the hon. member raised the possibility of this matter occurring, I cannot find that he has a question of privilege. In fact, what he says gave rise to the question of privilege did not occur. Had the discretion been exercised the other way, I would think that he would want to raise it in the House and I would certainly give him ample opportunity to do so. So long as I have exercised my discretion against the execution of the warrant, however, I cannot accept within its very terms, as a question of privilege, the possibility that the execution of the warrant may take place, because up to now I have seen to it that it will not.

Were I ever to change that decision, however, I would of course give the hon. member ample opportunity to raise the matter as a question of privilege, facing the actuality of it. Other hon. members may want to participate at that time. But for the moment I cannot find that we have here an actual question of privilege. There is possibly a potential one but not an actual question of privilege. Unless and until that question of privilege arises, I would think I ought not to open it up for discussion.

As a final word, however, if hon. members feel, after examining what I have said this morning, that my actions might in any way raise privilege at all, they are free to examine those words and upon proper notice raise the matter by way of privilege in order that we can have a full and proper discussion of it in the House. Perhaps members would want to

examine what I have said this morning and give notice if they want to raise it again.

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I wish to rise because, in the hon. member's point of order under the guise of a question of privilege, he insinuated that three cabinet ministers may have had some part in authorizing this raid or search warrant or whatever—the Prime Minister (Mr. Clark) or the Solicitor General (Mr. Lawrence) or me. Your Honour has more or less exonerated the Solicitor General.

As I have said several times outside this House, I had nothing to do with turning it over to the RCMP in the first place, or with any subsequent raids either on the journalist's premises or any thought of raiding the member's office. I wish he would stop casting these innuendos as he is so fond of doing in this House.

Some hon. Members: Hear, hear!

Mr. Speaker: I have a notice of a question of privilege from the hon. member from Grand Falls-White Bay-Labrador (Mr. Rompkey).

MR. ROMPKEY—STATEMENT OF MINISTER MADE OUTSIDE HOUSE

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question of privilege arises from a press release issued by the Minister of Fisheries and Oceans (Mr. McGrath) on the salmon policy. This announcement was made outside the House on a very important question. I regret that the minister had to leave before I had an opportunity to raise this matter, Mr. Speaker.

I want to say at the beginning that I do not lay this at his door. We all know that the Minister of Fisheries and Oceans is a man of the House of Commons. I know it was not his intention to make the statement outside. But I do want to say to the people who did have the authority to make this decision that we on this side find it very regrettable.

It is a peculiar irony, Mr. Speaker, that the time allocated to the minister for the announcement was deleted so that there would be more time available to debate the freedom of information legislation. We feel that our rights, and my rights particularly as a member of Parliament, have been infringed. We on this side have not had an opportunity to question the minister on this very serious matter indeed.

● (1240)

I am glad the minister has returned. I want to reiterate what I said earlier—

Mr. Speaker: Order. The hon. member will know, as I extended to the hon. member for Papineau (Mr. Ouellet), that to allow him to go on would be generosity in the extreme. The right of any minister to make statements either inside or outside the House is absolute. The precedents are quite clear.

[Mr. Speaker.]

The matter does not found either a point of order or a question of privilege.

This question has been raised many times before. If the minister wants to take a very brief moment to equal up the time, I suppose that is only fair. In fact, it is clear that that choice, while it may give rise to a grievance, does not give rise to either a point of order or a question of privilege.

MR. SARGEANT—PROPOSED RCMP SEARCH—INQUIRY AS TO AUTHORIZATION

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I would just like to comment on what the Minister of National Defence (Mr. McKinnon) said a minute ago. I was not casting any innuendos or accusations; I was merely asking a question. It seemed to me in this regard that those were the three ministers who might have been the ones who directed this investigation. I thank him for telling me that he indeed did not do it; that answers one of the questions. Your Honour told me that the Solicitor General (Mr. Lawrence) did not do it either. I was merely asking the question. I was not making any innuendos or drawing any inferences.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

FINANCE, TRADE AND ECONOMIC AFFAIRS

Fifth report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Clarke.

MISCELLANEOUS ESTIMATES

First report of Standing Committee on Miscellaneous Estimates—Mr. Lambert (Edmonton West).

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

* * *

[*English*]

PETITIONS

REQUEST FOR ADDITIONAL HATCHERY CAPACITY FOR SALMON STOCKS

Mr. Don L. Taylor (Cowichan-Malahat-The Islands): Mr. Speaker, I have a petition from 200 residents of Cowichan-Malahat-The Islands who are concerned about the low levels of Chinook and Coho salmon in the Cowichan River. The petition requests that additional hatchery capacity be built in the Cowichan River in order to replenish the stock which is so

crucial to maintaining the livelihood of so many of my constituents.

* * *

INCOME TAX CONVENTIONS

MEASURE TO IMPLEMENT

Hon. Walter Baker (for the Minister of Fisheries and Oceans) moved the first reading of Bill S-4 (from the Senate), to implement conventions between Canada and Spain, Canada and the Republic of Liberia, Canada and the Republic of Austria, Canada and Italy, Canada and the Republic of Korea, Canada and the Socialist Republic of Romania and Canada and the Republic of Indonesia and agreements between Canada and Malaysia and Canada and Jamaica.

Motion agreed to and bill read the first time.

* * *

BUSINESS OF THE HOUSE

Mr. MacEachen: Mr. Speaker, I rise on a point of order having to do with business of the House. We completed yesterday the reference to the standing committee of the problems of the handicapped, and last night we gave second reading to the freedom of information bill, which is a major contribution to facilitating the government's legislative program.

This afternoon we have three references to committees scheduled for discussion. While my assessment may prove to be inaccurate, as it rarely does, I would, however, indicate that probably we can clear those references, at least on this side, this afternoon. If that is the case, it would be helpful if the President of the Privy Council could indicate what we might take if there is time left today, and particularly on Monday. I do not ask him to reply definitively now, but it would be useful if we could have some indication during the lunch break so that we can get things organized for later in the day and early next week.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I think that would be appropriate.

I never cease to be amazed at the change of atmosphere that can occur in a party that is leaderless and policyless at the moment, but I must say I do appreciate that change of attitude that has suddenly evinced itself and I think it is a reasonable request. I will certainly get to the hon. gentleman during the noon hour.

Mr. MacEachen: Mr. Speaker, I want to tell him that in the space of five seconds I have changed my assessment.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 22, 309, 452, 532 and 640.

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

[*Text*]

TREASURY BOARD—CLASSIFICATION AND JOB DESCRIPTIONS

Question No. 22—**Mr. Orlikow:**

1. During the past five years, by department and agency, how many (a) positions were found to be over-classified and/or underclassified (b) job descriptions were found to be incorrect by Treasury Board classification audits?

2. (a) What are the procedures to ensure that the recommendations of the Treasury Board classification audits are either implemented or the failure to implement justified (b) is there a deadline for such implementations or justifications?

Hon. Sinclair Stevens (President of Treasury Board):

1. (a) and (b) From January, 1974, until the end of September, 1979, Treasury Board Classification Audits of 7,526 positions were conducted. Of these, 1,377 (18.3 per cent) were found to be overclassified; 170 (2.3 per cent) were found to be underclassified and 1,287 (17.1 per cent) job descriptions were found to be incorrect. An incorrect job description does not necessarily result in a misclassification of the position.

	Over	Under	Job Description Incorrect
Agriculture Canada	81	10	49
Auditor General	6	1	3
Employment and Immigration Canada	60	3	68
Canada Labour Relations Board	1	—	1
Canadian International Development Agency	16	—	17
Canadian Radio-television and Telecommunications Commission	18	1	14
Canadian Transport Commission	4	2	6
Chief Electoral Officer	5	—	—
Department of Communications	30	—	41
Consumer and Corporate Affairs Canada	36	—	19
Energy, Mines and Resources Canada	27	9	32
Environment Canada	78	9	38
External Affairs Canada	13	—	20
Department of Finance Canada	7	1	14
Governor General	—	—	1
Health and Welfare Canada	37	8	49
Immigration Appeal Board	2	—	9
Indian and Northern Affairs Canada	81	5	55
Department of Industry, Trade and Commerce	21	3	21
Department of Insurance	1	—	1
Information Canada	—	—	1
Department of Justice	5	—	12
Labour Canada	11	—	5

	Over	Under	Job Description Incorrect
National Capital Commission	13	—	11
National Defence	69	36	147
National Energy Board	8	1	6
National Library of Canada	12	—	3
National Museums of Canada	25	4	26
National Parole Board	8	2	2
Post Office Department	32	6	39
Privy Council Office	7	—	4
Public Archives Canada	16	1	12
Public Service Commission	29	2	32
Public Works Canada	51	10	72
Department of Regional Economic Expansion	11	1	20
Revenue Canada, Customs and Excise	55	2	46
Revenue Canada, Taxation	45	2	23
Representation Commission	1	—	1
Royal Canadian Mounted Police	43	2	14
Science and Technology Canada	5	2	6
Secretary of State	87	2	24
Solicitor General Canada	5	—	4
Statistics Canada	24	10	49
Supply and Services Canada	97	11	141
Transport Canada	87	11	64
Treasury Board Canada	6	1	8
Urban Affairs Canada	10	—	6
Veterans Affairs Canada	35	3	26
Anti-Inflation Board	2	—	1
Correctional Services of Canada (Penitentiary)	54	9	24
	1,377	170	1,287

2. (a) and (b) The procedures and deadlines, to ensure that the recommendations of the Treasury Board classification audits are either implemented or the failure to implement justified are as follows:

(1) After receipt of any Treasury Board Secretariat Audit Report, the deputy head has 60 working days in which to review the recommendations and respond either with a description of action taken or with a plan of action which will include specific target dates. Such plans are subject to Treasury Board Secretariat approval and monitoring.

(2) In those cases where misclassifications have been identified, the departmental plan must indicate agreement or disagreement with the Treasury Board secretariat decision:

(a) where the department agrees, it has 15 working days after the filing and acceptance of its response to notify the employee and advise the Treasury Board secretariat;

(b) in the case of disagreement, and in consultation with the department, the Treasury Board secretariat arranges for an independent investigation and a decision binding on both parties to be rendered within 30 working days of the mandate for the investigation being given to the third party, which usually is an interdepartmental classification committee;

[Mr. Stevens.]

(i) if the original level of the position is upheld, the position is no longer considered misclassified;

(ii) if the third party confirms that the position is misclassified, the department has 15 working days to notify the employee and advise the Treasury Board secretariat.

VETERANS PENSIONS

Question No. 309—**Mr. Herbert:**

1. How many war veterans, by each ten per cent bracket, are receiving veterans pensions?

2. By how many has the total changed in the past (a) five (b) ten years?

3. What is the projected total for (a) 1990 (b) 2000?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs):

1.	per cent	March 79
	93—100	4,599
	83—92	1,274
	73—82	2,550
	63—72	2,091
	53—62	3,584
	43—52	6,773
	33—42	7,314
	23—32	13,077
	13—22	24,103
	5—12	41,874
	1—4	1,085
		108,324

2. (a) 13,911 Decrease
(b) 27,540 Decrease

3. (a) 72,830
(b) 37,600

WAR VETERANS ALLOWANCE BOARD—PERSONNEL

Question No. 452—**Mr. Herbert:**

1. What is the present authorized personnel strength of the War Veterans Allowance Board?

2. Has the authorized total changed since March 31, 1979?

3. What is the present complement and are these all permanent employees?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): 1. 34.

2. Yes. By one less.

3. 32. All permanent.

MEMBERS OF PARLIAMENT—TELEPHONE EQUIPMENT

Question No. 532—**Mr. Cossitt:**

1. To the knowledge of the Department of Communications, what is the latest telephone equipment available for offices of members of Parliament?

2. How many MP's offices still operate on the system of three numbers without consecutive lines, etc?

3. What steps has or will the Department take to rectify the equipment being used by Bell Canada under contract and, in particular, will it install new equipment to make it unnecesary for Bell Canada operators to cut in on telephone conversations every few seconds to make sure the line is still in use?

4. Does such equipment automatically disconnect when a conversation is terminated and the party hangs up and, if not, for what reason?

5. Are steps being taken to clear up frequent cracks, noises and cross-line conversations which interrupt calls in progress?

Mr. Scott Fennell (Parliamentary Secretary to Minister of Communications): In so far as the Department of Communications is concerned, the answer to the above question is as follows:

1. Departmental officials are conducting regular reviews and have submitted several proposals to improve members' telephone service. As a result of this action and the efforts of my colleague, Mr. J. R. Ellis and his subcommittee, members' entitlement was expanded in 1977 to include three (3) consecutive lines, ten button instruments, privacy features, handsfree units and add-on conference features. We are continuing to evaluate state-of-the-art switching technology which may be in service within the next few years.

2. To date 137 members have not requested consecutive line service, which is available through the Sergeant-at-Arms.

3. Although some improvements to this equipment have been made, in the case of operator-assisted calls there are certain limitations that cannot be alleviated without incurring prohibitive replacement costs. As a result, operators are obliged to manually check to determine if certain circuits are in use and this often results in a clicking sound. In light of our objective to minimize the number of operator-assisted calls on the government network, new direct dial routes are being established whenever it becomes economical.

4. When a Member originates a call from a Parliament office through an operator, terminates the conversation and hangs up, the member's circuit is automatically disconnected. However, some incoming operator-assisted calls may have to be manually disconnected at the main switchboard depending on the telephone company equipment through which the call was originated.

5. Ongoing quality control is carried out by the Government Telecommunications Agency. Repair problems are referred to the telephone company for appropriate corrective action. These are reviewed to ensure that positive action is taken to resolve reported difficulties.

CRTC—BELL CANADA—BILLING SYSTEM

Question No. 640—**Mr. Cossitt:**

Is the government aware that Bell Canada intends to seek permission to experiment with billing customers in certain places in Ontario and Quebec on the basis of the number of calls made and the amount of time the telephone is in use, rather than the present system of set rates per month and, if so, if this matter comes before CRTC will it be government policy to strongly oppose such a change and, if not, for what reason?

Mr. Scott Fennell (Parliamentary Secretary to Minister of Communications): In so far as the Department of Communications is concerned, the answer to the above question is as follows:

In making this proposal for a pilot trial of usage sensitive pricing for local service to the CRTC, Bell Canada is seeking to find solutions to several concerns related to the cost of telephone service. For example such a pricing system could be used to provide a "budget" type service to the financially disadvantaged.

The commission has replied to Bell indicating that, in view of the fundamental change in pricing of local telephone service that usage sensitive pricing would represent, a full opportunity should be provided for public discussion of this approach. The commission has also stated that it believes in principle that the pilot trials could provide useful information provided that it is clearly understood that these trials would be conducted without prejudice to the ultimate determination by the commission of the merits of usage sensitive pricing for local service.

It would be inappropriate for the government to take a position on this matter until public hearings have been conducted by the CRTC to determine whether or not such a system of pricing for local telephone service is in the public interest.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 85 could be made an order for return, that return would be tabled immediately.

[*Text*]

PUBLIC WORKS—PROJECTS IN RIMOUSKI

Question No. 85—**Mr. Allard:**

1. Since 1968, did the Department of Public Works finance projects in the constituency of Rimouski and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the department planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Return tabled.

[*Translation*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

[*English*]

Mr. Speaker: I do not believe I asked formally if it was agreeable to the House that question No. 85 be considered an

order for return with the return to be tabled forthwith. Is that agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FOREIGN INVESTMENT REVIEW ACT

APPOINTMENT OF SPECIAL COMMITTEE TO REVIEW OPERATION

Hon. Michael Wilson (Minister of State for International Trade) moved:

That a special committee of the House of Commons be appointed

(1) to inquire into and report upon the extent to which the *Foreign Investment Review Act* has achieved and is achieving its purpose as described by Parliament in section 2 of the act, taking into account, among other things, significant relevant domestic and international economic developments in the period the act has been in force;

(2) to make recommendations for changes in the act or its implementation with a view;

(*a*) to increase the effectiveness of the act in the achievement of its purpose,

(*b*) to minimize costs, delays and uncertainties of the process for investors, and costs to governments, and

(*c*) to make the review and decision-making processes as open as possible to parliamentary and public scrutiny consistent with the protection of commercial or other information of a private nature;

(3) without limiting the generality of the foregoing, to examine and make recommendations with respect,

(*a*) to the appropriateness of the review and decision-making processes having regard to the range of investments reviewable under the act,

(*b*) to the assessment criteria specified in subsection 2(2) of the act, with particular reference to the application of Canadian industrial and economic development policies,

(*c*) to the role of the provinces in the implementation of the act, and

(*d*) to the extent and manner in which the views of interested third parties should be taken into account;

(4) to report in time for the next session of Parliament and, in any event, by not later than September 1980;

That the special committee be composed of seven members of the House of Commons to be designated at a later date;

That the committee have power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of their powers except the power to report directly to the House or the power to retain staff or commission studies;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee have power to adjourn from place to place within Canada; and

That the committee be empowered to retain the services of advisers and to commission studies or research to assist in its work and that it also be empowered to retain the professional, technical, clerical and stenographic help as may be required.

He said: Mr. Speaker, I am very pleased to speak today in support of the motion referring the matter of the review of the

[Mr. Speaker.]

Foreign Investment Review Act to a special committee of the House of Commons. I might just read the first sentence of the motion:

—to inquire into and report upon the extent to which the Foreign Investment Review Act has achieved and is achieving its purpose as described by Parliament in section 2 of the act—

The Foreign Investment Review Act was given royal assent on December 12, 1973. It was brought into force in two stages: for takeovers of Canadian businesses, on April 9, 1974; and for the establishment of new businesses in Canada, on October 15, 1975. We accept and subscribe to the stated purpose of this legislation, but the act has now been in effect for over five and one-half years for takeovers and for over four years for new businesses.

It was and is legislation of a rather novel kind. For one thing, although many countries do employ some kind of foreign investment screening mechanism, no other country has anything quite the same as the Foreign Investment Review Act. Quite naturally, questions have arisen as to whether, through changes to the act or its implementation, the same purpose could not be achieved more effectively and perhaps at lesser cost. Hon. members know that it is the view of this government that most, if not all, government programs should be subjected to periodic review to ensure that they conform to the dictates of experience and changing conditions. Since the time that this act was introduced there have been a number of changes.

● (1250)

Let me just review what the rationale for the act was at that time. There was a high level of foreign control of Canadian businesses which was causing some concern within this country. That resulted in a report by the hon. member for Windsor West (Mr. Gray) which led to the establishment of the Foreign Investment Review Agency. There were indications at that time that not all investments were bringing maximum benefits to Canadians in terms of jobs, quality of employment, and freedom of operation for businesses being established in Canada.

We have had discussion over the years on the whole question of branch plant mentality. There was concern that the export of raw materials from this country was not as fully effective as possible. There was concern about the freedom of activities and operations of Canadian firms in terms of tied imports and directed exports. There was also some concern that the country was losing its competitive edge and that this was not being helped as a result of the degree of foreign investment that was coming into this country. We were, in effect, hiding behind tariff walls and were not preparing ourselves, through foreign investment coming into this country, for the reduction of tariffs which was taking place at that time and which has taken place more recently.

Things have changed since that time. I think it would be important for me to draw the attention of the House to some of the things that bear on this whole question of foreign investment, things that have changed since the early seventies.

We have an extremely significant change in the whole energy environment in this country and in the world at large. In Canada we have a considerable need to develop traditional frontier, ocean and alternative sources of energy. Our government has accepted the necessity to establish self-sufficiency in this country by the 1990s. Furthermore, we have seen as a result of the multilateral trade negotiations that have been just completed this year the expectation that there will be a new and very competitive trading environment, an environment that will require some changes in attitude and some changes in the operations of companies in Canada.

We have seen over the past few years a growing competitive force in the less developed countries and in the newly industrialized countries of the world. Competition in the world is very fierce today. Under the new trading environment, it is not likely to get any less fierce. We are also seeing with the improvements in technology and technological change that the introduction of technology has become increasingly important in the viability and competitive position of companies in Canada.

All of these matters bear on the question of access to foreign capital and the benefits which foreign capital coming into this country bring with it, benefits related to access to markets and access to technology as well as foreign capital. We know that in this country major new investments are required. We are hopeful that a vast amount will be undertaken by Canadian entrepreneurs using Canadian capital, but we recognize that we will not be able to accomplish all that we want to do in this country relying solely on domestic capital.

The major energy projects alone in Canada over the next ten to 15 years will require billions of dollars of capital investment. There will be tremendous spin-off benefits from those capital investments, but the fact remains there is a large up front capital investment required. We will need to see considerable restructuring of our industry in the years ahead to meet the trading challenges to which I referred. We will need tremendous amounts of capital to develop and to take advantage of the new technology that is being developed both in Canada and abroad.

Finally, it is important that we recognize the importance of developing both stronger and independent businesses in Canada. Some of these can be developed in co-operation with foreign capital. It is this that we are asking this special committee to study further.

It is clear that foreign investment in Canada is necessary. Indeed, the Foreign Investment Review Agency was never asked to stop foreign investment from coming to this country but rather to improve the terms on which that capital was coming into the country. The purpose of the law is quite clearly spelled out in section 2 of the act, which provides as follows:

—the extent to which control of Canadian industry, trade and commerce has become acquired by persons other than Canadians and the effect thereof on the ability of Canadians to maintain effective control over their economic environment is a matter of national concern.

It then goes on to prescribe that future investments by non-Canadians for two purposes shall be reviewed by the government and allowed only if, in the government's opinion, they are likely to be of "significant benefit to Canada". The two types of investments that have to be reviewed are those for takeovers of existing businesses in Canada and those for the establishment of new businesses in Canada which are not related to a business already being carried on in Canada by the same investor. It is important to recognize that this law does not apply to investments for the expansion or modernization of existing foreign-controlled businesses, as some people apparently think it should.

We all agree that foreign investment must be in line with Canadian interests and economic development policy. There are indications that some foreign investors perceive that Canada's policy and instruments such as FIRA are negative influences on the inflow of foreign investment. It is important that balance be achieved. We are concerned that that balance is not there now. Certainly there is a perception that the balance is not there. That perception is not there from both sides of the argument on foreign investment.

Canadian nationalists are very concerned that the Foreign Investment Review Agency is not doing the job that it should, that it is not taking a strong enough stand against the inflow of foreign investment. Free traders, on the other hand, are saying it is a block to our economic development, that it is causing foreign capital to move away, and so on. There are two points of view. It is important that this special parliamentary committee do its best to get to the heart of those questions. The government attaches the greatest importance to involving the public in major decisions, the consultative process about which we have talked so much in recent months.

The government wants to democratize this whole system, both through the operations and activities of the House of Commons and through the parliamentary review committee, so that individuals in this country can play a greater role in the review of the proposals that will be put forward by the committee. The government has designed the medium of a special parliamentary committee as the appropriate instrument to thoroughly review all the factors involved.

● (1300)

It is difficult and complex to achieve the balance we need in foreign investment. This review is important to all Canadians if they are to acquire a better understanding of the act and make a greater input into its examination. It is my hope that the review will clear up some of the misconceptions and lead to new ideas as to the approach we should take. I am confident that, given input from all interested parties, business, provincial governments, labour and so on, the review will be a very beneficial one for Canada. I do not wish to comment at length on some of the aspects which, I believe, the committee should study during the course of this review.

Possibly, Mr. Speaker, I could continue at two o'clock.

Business of the House

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. There was a question raised by the opposition House leader just before the Minister of State for International Trade began his speech. I must confess that I inadvertently misunderstood it and that I consequently answered it in a way in which I would not have intended. I want to tell the hon. member and the House generally that I am rather pleased at the progress which has been made in the last few days and I want to express my thanks to the opposition House leader, to the House leader of the New Democratic Party and to the other members of the House. I might have caused the hon. member for Cape Breton Highlands-Canso some embarrassment by the remark I made. I certainly embarrassed myself. I therefore wish to withdraw the remarks unequivocally.

He did ask a question, though. Given the fact that we might very well be able to carry on with the work of this House because the references which are on the order paper might be completed, he invited an indication of what the House might be asked to deal with. Given that situation, I propose to call Bill S-10, if there is time within the time-frame that he and I have discussed, a bill dealing with a land problem, really a bill to acquire the title to some property that was transferred some period of time ago. It is necessary that that legislation be passed. I understand there is a disposition to deal with that bill at all stages rather quickly.

If that was completed in time, given the business before us with respect to the references, then I would propose to begin, at least, the debate on the parlimentary reform package, recognizing that there may be interests which would not allow it to be completed, so that the committee on procedure and organization might embark on the process of looking at the rules of this House, something that I think is important.

If by chance a report is received from the committee on Bill C-4 which deals with the Federal Business Development Bank—the committee has not yet reported formally to this House, I understand, but might yet report formally to this House in time—and if the necessary agreement could be reached, perhaps we might deal with that.

I hope this gives the opposition House leaders some indication of how we can proceed. In closing, I would like to say that I regret very much the imputation which I made, having misunderstood what had been said to me.

Mr. MacEachen: I thank the President of the Privy Council for his comments and particularly for outlining what we may have to deal with. I would just ask him whether, for example, if we begin dealing with the parliamentary reference today, or even if we do not reach it, that will be the order of business for Monday as well as for today. If the minister can indicate that this is so, we in this party, at least, are prepared to consider it on Monday.

Mr. Baker (Nepean-Carleton): I appreciate that very much. Yes, that would be the indication, given that we complete the matters that we have discussed in that period of time.

[Mr. Wilson.]

Mr. Deputy Speaker: Order. It being one o'clock I do now leave the chair until 2 p.m.

At 1.06 p.m. the House took recess.

● (1400)

AFTER RECESS

The House resumed at 2 p.m.

FOREIGN INVESTMENT REVIEW ACT

APPOINTMENT OF SPECIAL COMMITTEE TO REVIEW OPERATION

The House resumed consideration of the motion of Mr. Wilson:

That a special committee of the House of Commons be appointed

(1) to inquire into and report upon the extent to which the *Foreign Investment Review Act* has achieved and is achieving its purpose as described by Parliament in section 2 of the act, taking into account, among other things, significant relevant domestic and international economic developments in the period the act has been in force;

(2) to make recommendations for changes in the act or its implementation with a view;

(a) to increase the effectiveness of the act in the achievement of its purpose,

(b) to minimize costs, delays and uncertainties of the process for investors, and costs to governments, and

(c) to make the review and decision-making processes as open as possible to parliamentary and public scrutiny consistent with the protection of commercial or other information of a private nature;

(3) without limiting the generality of the foregoing, to examine and make recommendations with respect,

(a) to the appropriateness of the review and decision-making processes having regard to the range of investments reviewable under the act,

(b) to the assessment criteria specified in subsection 2(2) of the act, with particular reference to the application of Canadian industrial and economic development policies,

(c) to the role of the provinces in the implementation of the act, and

(d) to the extent and manner in which the views of interested third parties should be taken into account;

(4) to report in time for the next session of Parliament and, in any event, by not later than September 1980;

That the special committee be composed of seven members of the House of Commons to be designated at a later date;

That the committee have power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of their powers except the power to report directly to the House or the power to retain staff or commission studies;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee have power to adjourn from place to place within Canada; and

That the committee be empowered to retain the services of advisers and to commission studies or research to assist in its work and that it also be empowered to retain the professional, technical, clerical and stenographic help as may be required.

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, it is twice now that I have been interrupted at one o'clock. The last time I was told I did not do as well after the lunch break, perhaps because I am not at my best on a full stomach. I will try to do better today.

Before the lunch break I was referring to certain topics of which I have been made aware since the early part of June during the course of the administration of the act. There are aspects which we want to refer to the committee in the hope of having some indication from them as to ways in which they may be handled better than they have been to date. I do not want to discuss these in any great detail because I believe it is more appropriate for the committee to review them, but I feel it would be worth while to put these on the record at this time.

The administration of the act is something that has been of concern to us, and I will touch on this later when I refer to the administrative review which has just been completed. We are interested in having the most effective, efficient and timely review of the applications that are before the agency. There are other aspects of the administration of the act which will also be, I hope, reviewed by the committee.

The second area of concern which has created some difficulties for us is the whole question of secrecy and the kind of information that, under the terms of the act, we are able to make available to interested parties. We hope this will be discussed. As I stated in the House a few nights ago in response to a question by the hon. member for Vaudreuil (Mr. Herbert), this is a difficult area.

The third area is the extent of the whole review process. As hon. members are aware, I am sure, we have a threshold level for small business applications of $2 million in asset size and 100 employees in terms of the size of employment of an individual company. We are concerned that the review process is bogging down because of the number of applications that come in that are over this threshold, applications which are fairly straightforward. We want the views of members of the committee as to the degree of concern and attention which we should pay to these small applications.

● (1410)

The fourth area is the involvement of the provinces in the review process. We believe that this is a very important aspect of the review process, in light of the fact that these investments affect the economic development of the various regions of the country.

The fifth area to which I should like to refer is the whole problem of representations from interested parties in an application under the act. But most importantly in these outside representations, the one which has been giving us the greatest degree of concern is the existence of an alternative Canadian buyer. We will provide for the committee a paper on some of the considerations relating to an alternative Canadian buyer and how this should be addressed in the process of the review. We will look forward to some guidance from the committee in this difficult area.

The final area to which I wish to refer returns to the heart of the act, and that is as to how cabinet should interpret section 2 of the act which outlines what "significant benefit" is. In the cold language of the act, it is difficult for the government, as well as for the agency, to interpret how this should be applied in the administration of the act. We are giving some consideration as to outlining, in a broader manner, how the economic development objectives of the government might be interpreted in relation to the five areas of significant benefit. Again we would welcome any views from the committee.

As Your Honour will recognize, all this involves a very far-reaching review of the statute and its implementation, even though the stated purpose of the act is to be taken as read. We expect that it will take some time. As I said earlier, in the meantime the government is in the final stages of considering certain changes of an administrative nature which we think could result in some limited interim improvements to the process. Some of those changes involve the provinces, and we would wish to consult with them in advance of implementation. But I hope to be able to announce them quite soon.

Of course, they will not in any way prejudge or prejudice the work of the committee. Its mandate is far broader, and they will be entirely free to recommend anything they choose; I should underline that fact. If the committee disagrees in any way with the administrative changes which will have been introduced by that time, we would review very seriously those comments in relation to the administration of the act. The changes which are almost completed should be viewed as only an interim step.

The government hopes that all of those who have an interest in this act and its administration will seize the opportunity to make their views known to the committee once it has been established. In this connection, I wish to make special mention of the highly important role which we believe provincial governments can play in ensuring the effectiveness of the committee by making their views known, either directly or through me, for provincial governments, being closely involved in the actual administration of the act, are in a position to make a unique contribution.

I have one last point. Until the committee has made its report, and until that report has been considered and acted upon by the government and by Parliament if necessary, we shall continue to administer the act to the best of our ability, fully in accordance with its present terms.

Mr. John Evans (Ottawa Centre): Mr. Speaker, it is of great importance to me to speak on this particular topic, and to support the government in this motion to set up a special committee to look into the Foreign Investment Review Act. All of us agree that certainly there is a need to review the act itself, its functions and the manner in which the act carried out the mandate originally handed down in 1973, 1974 and 1975.

But if I am not perceiving wrongly, there is a difference of approach which will come forward during the time this committee is meeting. It will be a difference of approach between

this side of the House and the government side with regard to the notions of the necessity for, and the role of, foreign investment in the Canadian economy in the future. Certainly there has been a large volume of foreign investment in the past. That has had both beneficial effects and detrimental ones on the Canadian economy. I think such things will come out during the review which the special committee will be performing. I do not think we can say at this point in time that in the future all the effects of additional foreign investment will be beneficial, by any means. It must be a matter of extremely close scrutiny by the committee and the House to determine exactly the role of foreign investment, and the kind of agency we require to review foreign investment, to ensure it plays the role we have decided it should.

I should like to review for a moment the fact that the Foreign Investment Review Act was conceived in late 1973. Part I was implemented in April, 1974 and part II in October, 1975. As was stated by the minister earlier, the purpose of the act is found in section 2. It reads as follows:

> This act is enacted by the Parliament of Canada in recognition by Parliament that the extent to which control of Canadian industry, trade and commerce has become acquired by persons other than Canadians and the effect thereof on the ability of Canadians to maintain effective control over their economic environment is a matter of national concern.

Even though the Foreign Investment Review Agency has been in effect since October, 1975, that concern of Canadians has not been reduced to any substantial extent, from the information I have available to me.

I should like to refer to a speech that was given in 1977 by the hon. member for Windsor West (Mr. Gray). He said the following:

> The wording of section 2, setting out its purpose, clearly states that Parliament believed that the level of foreign investment was at so high a level that the matter was one of national concern and, therefore, this level of investment should not be allowed to go higher unless it was proven to be of "significant benefit to Canada". In other words, if such investment was not of significant benefit then it should be blocked.

Of course, he was referring to Parliament at that time. The Foreign Investment Review Agency was set up for exactly that purpose, to review and if necessary to block. I think we have seen in the past that perhaps this review function has not been performed to the extent it might have been in Canada's interests. Therefore, I am glad to see that we will have a special committee to look into these matters and indeed strengthen the Foreign Investment Review Act, not reduce its scope, flexibility or power.

I should like to relate back to the role foreign investment has played in the past. There can be no doubt that the growth in the standard of living of Canadians has been somewhat faster as a result of foreign investment than probably would have been the case without it. But also the problem arises that a period of 30 years or 40 years of depending on foreign investment to provide the growth rate in our standard of living which we have enjoyed in the past has led us to a situation where now a very large proportion of our economy and society, from an economic perspective, is controlled by those outside our own borders whose interests very well may not be the same as they are here in Canada.

• (1420)

As a result of foreign investment coming into this country we find a situation in which, when that investment is greater than what is generated internally, and greater than our outflows, the value of the Canadian dollar is forced higher than it would normally be. The natural effect of having the value of our currency held through these types of forces at a level above what it would hold at in equilibrium conditions is that Canadian exports are put at a disadvantage in foreign markets and Canadian domestically produced goods are put at a disadvantage to imports in our own market.

It is not surprising to me and it is not surprising to a great many economists that, as a result, secondary industry in Canada has been put at a very distinct disadvantage to manufacturers in foreign countries, with the result that our own domestically produced consumption goods are put at a disadvantage to foreign produced goods. We have not developed the kind of secondary industry in Canada that we very well could and should have produced; thus the increase in our standard of living has been greater than would otherwise have been the case.

After depending for so many years on foreign inflows of capital, the time comes when all of that investment, whether it be directly or portfolio, has to be paid back in one form or another. Either it is paid back in the form of repayment of debt, or it is paid back in the form of returns going out of the country in dividends and service payments by subsidiaries of foreign-owned corporations in Canada to parent corporations in other countries. We are starting to see that happen now. The biggest chunk of our current account deficit is made up of dividends and interest payments leaving the country.

It seems to me we must conduct a very serious review at this point in time to ensure that, if we are going to go the route of requiring or allowing future foreign investment to be the main source of capital for the growth and development of the Canadian economy, we will not worsen the situation, and certainly not make it any more of a problem for Canada in the future.

We have reached the point where foreign-controlled firms dominate our principal economic sectors. One of the problems I see is that retained earnings reinvestment is the major source of foreign investment in Canada now. Foreign investment coming across the border from outside is not the main source; rather it is reinvestment of retained earnings by firms owned and controlled by foreigners who reside in Canada. They are reinvesting the earnings they have made in Canada through the expansion of their operations here in this country, and this, of course, continues to expand foreign control.

Let me just refer very quickly to today's Ottawa *Citizen* which on the front page states:

> The foreign-dominated petroleum industry has launched a wholesale takeover of all Canada's mineral and energy resources, the government reported Thursday.

That was yesterday. It goes on to state:

Control of coal, uranium, hard-rock mining and oil could be concentrated among "a handful of conglomerates" in just 20 years, the department warns.

That is the Department of Energy, Mines and Resources. It continues:

Corporate takeovers and diversification threaten to siphon away funds needed to develop new fuel supplies, the survey says.

That is a survey of the Department of Energy, Mines and Resources which was just released yesterday. The article continues as follows:

An energy department spokesman said the oil giants are buying everything they can in the resource sector, chiefly in the coal, uranium and hard-rock mineral mining business.

In the U.S., takeovers by the major petroleum corporations are reaching into the retailing and fast food trades, he said.

We can expect that kind of pressure to occur here. We have been trying to raise this particular problem in the House for a number of weeks now. What will happen to the revenues that will be generated by the multinational oil companies as a result of increases in oil prices, and what effect will this have on our ability to control our own economic destiny?

In the minds of many of us we must have not a lesser but a stronger Foreign Investment Review Agency. I would like to look at a document that was produced by the Department of Industry, Trade and Commerce and released on November 23. It looks at the capital investment intentions of large corporations. It is a survey of 300 large corporations in Canada, and I would like to refer to one particular aspect of that survey especially, dealing with foreign and domestic investment. The conclusion is that foreign firms in Canada plan strong expansion over the next period of time. I would like to quote from this as follows:

Dividing the large firms into domestic majority owned and foreign majority owned groups, it was found that the former plan real increases of about 6 per cent in their capital spending for 1980 compared with about 17 per cent for foreign-owned firms. This is similar to the expectations for 1979 one year ago when foreign-owned firms provided the major impetus to over-all capital investment activity with an increase of about 10 per cent compared with about 7 per cent for domestic-owned firms.

The point I am trying to make here, and the reason I am happy to see this special committee set up, is that we find that the Foreign Investment Review Act does provide for review of investment undertaken by foreign-owned firms within Canada. It does not look at reinvestment of retained earnings by foreign-owned firms in this country. This report from the Department of Industry, Trade and Commerce indicates quite clearly that this is one of the major areas of foreign intervention into the Canadian economy, or additional foreign intrusions into the Canadian economy, especially in those areas that have the greatest potential growth for the future, certainly in energy areas. The minister has indicated that the energy area is one where we will need a great deal of investment. That is true; we are going to need a great deal of investment. I would hate to think we are going to allow that investment to come from external sources that our entire energy needs and resources are being controlled by other than Canadians.

There are many of us who believe the Foreign Investment Review Agency should be strengthened rather than weakened. We are disheartened by some of the statements that have come forward from the government with regard to this particular aspect. In fact, the Prime Minister (Mr. Clark) on March 3, 1978, singled out the Foreign Investment Review Agency as an example of an agency that would be subject to his sunset law, dissolving agencies which are no longer needed.

This continues on from there into September, October and November of this year, when the Minister of Industry, Trade and Commerce and Minister of State for Economic Development (Mr. de Cotret) who sits in the other place, and the Minister of Finance (Mr. Crosbie), made statements in public to the effect that the review now going on by the department of the Foreign Investment Review Agency has as one of its purposes to establish whether there is any need for this agency. In fact, the Minister of Industry, Trade and Commerce and Minister of State for Economic Development (Mr. de Cotret) has indicated that he supports the view that the agency probably should be wound down and eliminated.

It seems to me that when a country is as heavily dependent on foreign investment as we are, and when that foreign investment can have such a pervasive effect on our economic, social and political future, certainly the government which is responsible at the time should not be eliminating the only source of scrutiny and evaluation as to how, where and to what cause this foreign investment is being made.

I suggest that this is not just the reaction of myself and others who feel the same way in economic circles, or of others who feel the same way in the House. Certainly, this is a matter of great concern to the public. Opinion polls have shown year after year with increasing regularity that the public is very concerned about the role of foreign investment and foreign corporations in our economy and the control which they exert on our economic, social and political lives.

● (1430)

For example, in 1978 a Gallup poll indicated that 69 per cent of the Canadians who were surveyed were of the opinion that we had enough foreign investment in Canada and that it should be stopped. Only 23 per cent felt that we required more foreign investment. From that same poll 52 per cent of the Canadians surveyed responded in the affirmative when asked if they would be in favour of buying back Canadian industry from foreign control even if it means a reduction in the standard of living, and 34 per cent were against it.

There is this attitude among Canadians that they want more control over their economy and where it is going, that they would like to reap the benefits of industrialization in Canada for themselves and future generations. They do not want to see those benefits going back across foreign borders, whether it be the Canada-U.S. border, to Europe or to Japan.

I would like to wrap up my remarks by saying that we are very concerned about the whole question of foreign investment, about FIRA and how effective that agency has been in attracting capital, reviewing the uses to which that capital will be put

and in reviewing whether foreign investment is the best way to develop certain economic areas of our life. We in the official opposition party support this committee and look forward to its establishment and the review which it will undertake. I would warn the government that if it has any intention of setting up this committee in order to find a way to eliminate any future scrutiny of foreign investment in Canada, they will run into substantial difficulty, not only from members of this House but from Canadians throughout the country.

We must look forward to developing Canada's future, particularly in the small business sector. One of the things which the minister indicated, I might add, was that there were some thoughts about removing the scrutiny or review of the takeovers of firms which have less than 100 employees, or, in other words, our small business sector. That is of great concern to me because it is the small business sector in this country which develops the innovations of the future and which is the most productive in terms of job creation within our society. I would hope that the government would not allow foreign corporations to come in and take over this most productive sector of our economy before it has a chance to prove its worth in Canada and to prove all the benefits which it could bring to our economy. What we will be losing is a screening power in our country which comes in at the most productive point in a firm's life.

I am in favour of the establishment of the committee, but I hope that we will be able to have a full and objective evaluation of this particular question and that, if the evidence is clearly there, the government will strongly support an increase in the powers of the Foreign Investment Review Agency, or an organization similar to that which will look out for the interests of Canada on the question of foreign investment.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, we have been treated to rather extraordinary performances both before lunch and after lunch. First we had the Minister of State for International Trade (Mr. Wilson), and then we had the spokesman for the Liberal party, the hon. member for Ottawa Centre (Mr. Evans).

The minister started his remarks with the comment that the main reason we need a review of the Foreign Investment Review Act and the Foreign Investment Review Agency is that no other country has such an agency. Apparently we are unique in the industrialized world in this regard. I might suggest to the minister that the reason that we are so unique is that no other country in the industrialized west has such a problem. There is no other country in the industrialized west that has an economy which is so dominated by foreign investment and multinational corporations as Canada. In a sense we are, at one and the same time, an industrialized country, but our economy has many of the features of the developing countries. We have the same patterns of dependence on very few resources, the exploitation of which is controlled by forces outside the country and the prices of which are controlled and set by international corporations over which we have precious little control.

To that extent, our economy is similar, not to the economies of other industrialized countries such as The Netherlands, United Kingdom, Germany, France or Japan, but of Third World countries. I would say to the Minister of State for International Trade that it may be true that no other country has a FIRA, but no other country needs a FIRA or a strengthened FIRA as much as our country.

The second point which came out of the minister's speech was that he wanted this committee to have a chance to look at the question of the workings of the Foreign Investment Review Act because there were two points of view that were being expressed. There was the point of view that there was not sufficient control of foreign investment, and there was the point of view that there was too much control of foreign investment. At no point in his speech other than obliquely did the minister indicate to this House which side of the fence he was on. At no time did the minister state the reason Canadians were so concerned—not just in 1973, but going back for years and generations—over the loss of power of our country to control its economic future and economic developments.

Not once did the Minister of State for International Trade indicate the harsh realities of having an economy that is controlled by other countries and by the multinational companies. In fact, the only messages we have had from this government have been that we should scrap the Foreign Investment Review Agency because it was preventing necessary foreign investment in Canada. For example, we had the Minister of Finance (Mr. Crosbie) while he was in England this summer saying, according to a report in the *Toronto Star* of September 21, 1979:

> I think to some extent FIRA has hampered much-needed foreign investment in Canada—it's caused many people to think twice before putting their money in Canada—

He told this to reporters in London after he had been talking to exporters while in that country. The story goes on to say that the Minister of Industry, Trade and Commerce, the invisible parliamentarian, emerged to say that the West Germans had good cause to be concerned about FIRA and that he was concerned about it as well. Just to give hon. members an indication of how confused the senator is, there is a story which was reported in the Ottawa *Citizen* on Thursday, October 18, 1979, in which he indicated how concerned he was over the fact that $1.6 billion worth of high technology manufacturing businesses had been sold to foreign companies last year. He says he is concerned about that. The article goes on to say:

● (1440)

> The senator said the increase in takeovers makes the Conservative government's plan to investigate the operations of FIRA more urgent.
>
> 'We want to see where the weaknesses are and see what changes can be made.'
>
> The minister said it is not beyond the realm of possibility that FIRA, set up in April, 1978, by the Liberals, will be scrapped altogether.

That is consistency for you! That is the consistent view of the Tory party, each paragraph contradicting the last. There was no indication by either the Minister of Finance or that invisible parliamentarian, the Minister of Industry, Trade and Commerce (Mr. de Cotret), that they had any over-all concept of the impact of foreign investment on the economy or any idea of the effect of foreign investment and the consequences

of the foreign domination and ownership of resources in this country.

If we were looking for an indication that the Minister of State for International Trade appreciates the threat that patterns of investment which have been established and have existed for many years pose to our economic sovereignty, we got absolutely none. The only thing he indicated was that because of the new energy resources that are going to be exploited in the future to advance self-sufficiency, it is going to be even more necessary to rely more heavily than we have up to now on multinational companies and foreign investment of all kinds.

This is a remarkable performance by this government. It is clear that they are setting up a committee because they do not know what they are doing. Things might be different if there was an indication of policy, an indication of concern, if there was a traditional feeling about economic sovereignty or a strategy for self-sufficiency, not just in the field of energy but industrial self-sufficiency as well. Instead, the government approach is to refer a problem about which they apparently have no point of view to a parliamentary committee. If they do have a point of view, it is self-evidently the wrong one.

I should like to turn now to the Liberal party, Mr. Speaker. The performance of the hon. member for Ottawa Centre was quite remarkable. Suddenly the Liberal party has discovered, or rediscovered, or re-rediscovered or discovered for the fourth time, that the Canadian people are concerned about the economic future of their country and its domination by foreign interests. It is amazing how the Liberal party at moments of convenience, and when they are looking for a policy and looking for a leader, suddenly latch on to an issue about which they have no coherent point of view at all.

I should like to put some facts on the record. In 1973 when the Foreign Investment Review Agency was established our deficit on the services account, which is dividends and interest payments leaving the country as a result of both direct investment and portfolio investment, was $3 billion; in 1974 it was $3.74 billion; in 1975, it was $4.7 billion; in 1976, it was $5.8 billion; in 1977, it was $7.4 billion; last year it was $8.7 billion; this year, it is more than $10 billion. That was a time when we were under the Liberal government. Where were the voices of dissent in that party? Where was the hon. member for Windsor West (Mr. Gray) when that was going on? He was in the government, then out of the government. I think the Canadian people are entitled to know which party was in power during the century, and certainly during the last ten years, when foreign investments reached the point of practically no return.

It is an amazing thing for the hon. member for Ottawa Centre to pretend that history started on May 22 with his election to the House of Commons and that the Liberal party rediscovered this. Remember that they discovered in 1957 Mr. Gordon's report on Canada's economic prospects. They rediscovered it in 1967 when Professor Watkins presented his report on foreign ownership; in 1970 they rediscovered it with Mr. Wahn who was then the member for St. Paul's, and in 1971 with the report known as the Gray report.

It is important to remember the harsh fact that the final version of the Foreign Investment Review Act had a fatal flaw—the fact that it relied on the word from the Gray report. The litmus test for the Foreign Investment Review Agency and the litmus test for the Foreign Investment Review Act was a very simple one—that any investment requires "significant benefit to Canada". Those are the words, Mr. Speaker—"significant benefit to Canada". It has been said before, Mr. Speaker—I have not coined the phrase—that the only industry which would not give significant benefit to Canada would be "Murder Incorporated." There is not one investment that could not be deemed to give some kind of significant benefit to Canada in terms of jobs or some short-term employment benefits.

That is not the issue, however. If the test is as woolly, as broad, as confused, as that test of "significant benefit to Canada", it is little wonder that foreign investment increased by $5.5 billion last year alone, more than double the previous year's increase of $2.1 billion. In British Columbia alone, FIRA approved nine foreign takeovers in 1976, 26 in 1977, and 39 in 1978. That is a 433 per cent increase in two years. That is the kind of sell-out of our resources, our jobs and our industries that has taken place under the Liberal party and the Liberal government of Canada.

We have some very real concerns about this motion, Mr. Speaker. The wording of the motion is so confined and restricted that we have reason to wonder just what the committee will accomplish. The committee is not inquiring into foreign investment. We have had those committees before. Since 1957 we have had enough studies to know exactly that 50 per cent of our trade with the United States takes place between parent companies and subsidiaries and that there are dozens of firms in Canada that are not allowed to compete with their parents for the export market. These facts have been documented; we do not need another study.

The approach taken by the government is very confining. The motion asks that the committee be appointed to:

—inquire into and report upon the extent to which the Foreign Investment Review Act has achieved and is achieving its purpose as described by Parliament in section 2 of the act—

I suggest that the purposes as described in section 2 of the act are inadequate. If it is confined to what in 1973 was already a very, very limited purpose, then the whole point of this review is restricted and confined.

● (1450)

I am sorry there is no minister in the House now who is in a position to answer these questions. I am sorry the minister of state could not stay to listen to my remarks or to the remarks of the hon. member for Ottawa Centre, because I have specific questions on the motion. I would like some member of the government to answer these questions.

First, is the committee going to be free to deal not simply with the purposes of the act as set out in section 2, but be free to look at foreign investment and to see whether the purposes that are set out in section 2 should not be broadened and made

more specific? I think we are entitled to have an answer to that question.

If it is the intention of the government to limit the review to the wording of section 2 as it is specifically set out in the act—and that is the only conclusion I can draw from this motion—then we are going to be engaged in a very confining and unsatisfying set of activities in the foreign investment review committee. I think we are entitled to an answer to that question. I do not think it is beyond the genius of this government to give us an answer this afternoon.

An hon. Member: The government is not known for its genius.

Mr. Rae: I want to point out a few other facts to indicate how serious the situation is with respect to foreign investment. I want to look at the so-called industry of the future. Let us take, for example, the electronics and computer communications industries. Last year FIRA approved the foreign takeover of over 30 companies in the computer communications service sector. With each takeover, Canadian strength in these areas is eroded because these companies traditionally are told by their U.S. parent companies to restrict their selling to the Canadian market only—it is a familiar story; it has been documented well—and to buy their equipment and other supplies plus services from head offices in the United States.

The erosion that this causes in Canadian industry shows up in two places, first of all in the unemployment figures which are dramatic in the electronics industry, and secondly in the trade deficit figures which are equally dramatic. Since 1974, 23,000 jobs in the Ontario electronics industry alone have been lost. A federal government report released last year said that Canada is running a trade deficit in the electronics trade manufacturing sector of between $1.5 billion and $2 billion a year. The writers of this report went on the warn that they believe that the telecommunications and information industries in Canada will be dominated by foreign interest or crippled by imports if nothing is done.

In the computer communications sector, the federal Department of Communications estimates that Canada will buy $300 million worth of data-processing services from the United States this year. This is equivalent to exporting 7,000 jobs. These are jobs that could be carried out in Canada if that industry were allowed to grow in Canada. Furthermore, at the rate that Canada is losing control and strength in this sector, Canada's trade deficit should rise to $1.5 billion by 1984 and 23,500 jobs will have been lost to Canadians.

It is important to note that FIRA, as it is presently constituted, is powerless to do anything about these deteriorating situations. Consider the following examples. Last summer the Bank of Montreal signed a joint venture agreement with a local subsidiary of Automatic Data Processing Ltd. of the United States, a company that rightly boasts of being the largest payroll company in North America and has 74,000 corporate customers not only through North and South America but in Europe as well.

Some people involved in Canada's data processing business, a business that happens to be roughly 80 per cent Canadian-controlled at the moment, protested this move. They wanted to know why FIRA had not reviewed this case. They were told that the work of this new joint venture was sufficiently related to the terms of reference that the subsidiary of ADP had established for itself when it first moved into Canada that there was no need to review it now.

The Canadian data processors, including one which specializes in payroll processing, argued that the Canadian data processing industry needed some protection and help for about five to ten years before it would be strong enough to compete with the likes of ADP, the American company. So they asked FIRA a very simple question. Why had not FIRA joined in the intervention case on the grounds of the negative impact it might have on Canadian companies wanting to expand in the Canadian market? But alas, they were told, "No, no, FIRA does not look at the whole Canadian market, FIRA does not look at the future of the Canadian industry, FIRA does not look at a sector, FIRA does not look at computer processing or these kinds of data services, or energy or future supplies in natural resources". They were told that FIRA looks at each individual application. This is a typical example of the perversity of the liberal mind—and I am using the word with a small "l"—that you look at the individual case and fail to look at the whole forest. That is the problem.

I think it has to be said that FIRA itself was a substitute for a policy. FIRA was not a policy. FIRA was the combination of a series of reports and studies on the problem of foreign investment, and FIRA was the Liberal party's substitute for a policy to deal with foreign investment. It has not caused foreign investment to decline. In fact, quite the reverse. We have seen that the takeover of Canadian industries has accelerated since FIRA was established. The reason is that FIRA alone is merely a negative screen on certain individual applications. This has nothing to do with the kind of industrial planning that is necessary to guarantee that we have a plan in Canada for the takeover of our own industries and resources and that we have a government that is prepared to protect critical, highly technological and high employment industries, faced as they are with competition from overseas.

We ask the government and the Liberal party, where have they been while this takeover has been taking place? The horse has gone and the government is still looking for a lock and cannot decide whether to open or close the door. The Liberal party is suddenly rediscovering the need for a new key. Suddenly, after all these years when they presided over the systematic takeover of our economy by foreign interest, the Liberal party wakes up in the person of the hon. member for Ottawa Centre and says, "Hey, something is going on here; I think it is time we did something". It may be a little late. FIRA is not enough.

I think it is apparent that just as FIRA was a substitute for a policy, so too the establishment of this committee is a substitute for a policy from a government which does not deal

with the real problems of foreign investment and the dramatic effect that this is having on our economy. As I said at the beginning of my speech, we are a unique economy caught between the reality of an industrialized world which is highly competitive and another reality, namely that our economic destiny now lies beyond these frontiers.

I am frequently asked by people living in my constituency why can I not do something about interest rates, jobs, the future of our country and the training of our young people. More and more we are made aware of the fact that the reason this government cannot act is that it is paralysed not only by its adherence to its set of ideas, which were out of date even in the nineteenth century as they were being created, but by its economic impotence in relation to those powerful outside interests. I think we have to confess as members of Parliament that we do not have control over these critical decisions either. Neither do Canadians working in the so-called free market place.

If there is someone over on the other side who is taking responsibility for this motion as it is carried through the House, I would appreciate an answer to these very specific questions. If there is not, I think we are entitled to know on a Friday afternoon that there is no one in the House in a position to speak for the government who is sufficiently interested enough to stay behind.

• (1500)

Hon. Jean-Luc Pepin (Ottawa-Carleton): Mr. Speaker, I intend to be very brief, very brief indeed. This will probably be the shortest speech I shall ever give in the House of Commons. The reason why it will be short is that I believe we should approach this review with the greatest possible objectivity, as the minister suggested.

My colleague from Ottawa Centre should not take this remark as a difference between his point of view and mine. The difference between the two of us at this moment is that my hon. friend from Ottawa Centre was not there yesterday in the committee, and he had no particular reason to be, when the Minister of Industry, Trade and Commerce (Mr. de Cotret) made in my view, a very important statement on the subject of FIRA. As the hon. member for Broadview-Greenwood (Mr. Rae) and the hon. member for Ottawa Centre (Mr. Evans) have suggested and demonstrated, the government party has, on a number of occasions in the past, recent and remote, said, or appeared to be saying—nobody can ever be too sure—that they intended to eliminate, downgrade, reduce or whatever, the importance of FIRA or its very existence. I was worried about that as well. I was the minister who introduced the first FIRA bill back in 1972 following the Gray report. Consequently I believe in the principle of screening very, very strongly.

As I was saying, some of us were worried. I cannot quote the minister because what I have in hand is not the official record, but he specifically said to the committee yesterday that he had no intention of eliminating or downgrading the importance of FIRA. That having been said, I suggest that we are now in a position to be more relaxed, to begin a *de novo* exercise. The hon. member for Broadview-Greenwood does not appear to agree with me. I will not disagree totally with him. I think we should be cautious, even suspicious, but the exercise should be marked by a visible and real effort at objectivity. Personally, I will be very keen to study the agency, its strong and weak points, its record of accomplishments, and the ways and means to improve it.

I intended to say and I can demonstrate it by the first draft of the notes I was going to use, that I was concerned also with the point raised by the hon. member for Broadview-Greenwood. Why? Simply because, as he said, a screening of foreign investments is but one of the many instruments a government has in hand to channel, limit, orient, influence, restrain foreign investments in a country. It is only one of many instruments. There are many others, some pretty dramatic, some less dramatic.

The key sector for example, where foreign investment is either not allowed or is restricted to a percentage of ownership, is one approach which has been used in the past in Canada on a good number of occasions. There are others, for example, where the government uses incentives in order to channel foreign investments toward a certain sector of industry or services, a method particularly useful in the development of an industrial strategy. One aspect of it is known as "the world mandate system". Here a government says it will allow a foreign investor in, might even support him with incentives, but he will have to produce in Canada a product that he will not produce elsewhere, and he will produce it in Canada for world markets. It says to the foreign investor: You will use your multinational position in order to enhance Canadian exports. That has been done a number of times in the past in Canada.

In the electronics industry, for example, the grants the Department of Industry, Trade and Commerce gave to IBM and Control Data in the early seventies, and the sort of thing the Minister of Industry, Trade and Commerce talked about yesterday in the committee on finance and trade when dealing with a question on the kind of support being discussed with Chrysler Corporation of Canada, are that sort of approach. There are many others. The creation of Crown corporations is another approach to make foreign investment not necessary in a number of instances. Our friends on the other side tend to forget that in the rather theological approach they have to privatization. I am also concerned about that.

A question I share with the hon. member for Broadview-Greenwood is: to what extent will the committee be given the capacity, the right and the possibility of looking at foreign investment from a slightly wider point of view than the operations or workings of FIRA. That is a question for the Minister of State for International Trade (Mr. Wilson)—and we must assume he has good reason for not being here this afternoon—to answer before the committee is struck in the House of Commons or when it holds its first meeting.

That is all I have to say today, Mr. Speaker. I expect the committee will come out in the usual balanced way in which

parliamentarians come out of these exercises, that is, by seeing the good points and the weak points, by recognizing that there are advantages and disadvantages to foreign ownership in Canada, realizing that divisions are more on degrees and ways and means than on fundamental philosophical differences. Personally, I hope that to the largest possible extent the work of the committee on FIRA will be a constructive one, that it will be a uniting exercise and not a dividing one.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, like the hon. member for Ottawa-Carleton (Mr. Pepin), I wish to make only a few short comments. I feel it is very important that some minister of the Crown respond to the questions put by the hon. member for Broadview-Greenwood (Mr. Rae). He asked some very important questions about the scope of the committee that will be looking at the question of FIRA and also some of the other questions to be dealt with regarding the purpose of the Foreign Investment Review Act.

The point I want to make is that we, as a Parliament and a government, should not be looking at the Foreign Investment Review Act in isolation. In a debate like this, we should spend a couple of minutes looking at other aspects of Canadian independence and the importance of Canada having control over its destiny, having some leadership and developing its destiny as a country on its own. I want to give one example of that, the whole area of self-sufficiency in agriculture.

Hon. members have heard me speak on this before, but I cannot help repeating some of my concerns as they pertain to the increasing lack of Canadian independence in that area and the lack of self-sufficiency in the production of food. One can mention a number of things, but aside from grain, for almost every other foodstuff in this country we are dependent to a certain extent, sometimes greater and sometimes lesser, on foreign farmers. It is that way because we have not had a government recently that has been determined to ensure that we are independent, that we grow our own food, and that we process it in this country for our people. I maintain if we do not do something about this soon, there will be a real crisis in this country. For example, the Science Council recently stated that even with grain before the year 2000 we will not be able to feed ourselves. That will be the case if the government does not change its policies. I believe that is very important.

A country that is so large, with so many acres of land, so few people and so many resources not being able to feed itself is a real crime. It is a commentary on the lack of foresight, vision and leadership by governments of this country over the past three or four decades.

When we discuss FIRA and the Foreign Investment Review Act, we must remember that through FIRA we will not make this country independent economically. We need many other policies to complement the Foreign Investment Review Act. One has to make sure that in every important sector we start becoming self-sufficient, that we start doing our own thing and processing our own goods and materials.

The other day in the House I referred to a recent study by the Department of Agriculture for the United Nations. It shows that starting about 1974 Canada's potential to produce more food began to diminish in very real terms. It showed that in the 1960s, for example, over a million hectares of land in the province of Ontario went out of production of food, most of it plowed under or paved over for urban sprawl, housing development, industrial development, freeways—I think of the Niagara Peninsula as one example where you have highways and hydro grid lines going through, taking out of production a good chunk of prime farmland which should have been saved for the use of agriculture. It is not just the highway.

• (1510)

When one puts a highway through a productive area there are service stations and restaurants built around it, there will be suburbs going up around that highway, industrial concerns and, before one knows it, in the province of Ontario in the sixties over one million hectares of land went out of production and went out of production for good. Once it is paved over, it cannot be rehabilitated, of course. That is a tremendously sad commentary on the lack of leadership in this country. And I know that land use is primarily under the authority of the provinces. But we have seen many, many federal government projects which have been located on prime farm land. I remember the argument over Mirabel a few years ago. I am sure hon. members will recall the farmers who came to this House from around Mirabel, and they demonstrated in front of the Parliament Buildings. They were asking that the Mirabel airport be located a few miles over where the land was not prime agricultural land. Instead of that, we saw the airport located on land which could be used to produce food.

That is but just one example. I think of another near Toronto, at Pickering. We saw the possibility—almost a decision—of locating an airport on good farmland. Thank goodness there was enough protest to prevent that airport going ahead at Pickering, on good agricultural land.

I notice from the same study that in 1976 some 3.6 per cent of the prime agricultural land in Ontario went out of production. I ask: how long can we afford to let that happen in our country? I think we are rapidly approaching the stage, not only in this country but around the world, at which we will have to face the fact that we will be called upon to feed the population of the world. It is the question of the availability of food. If we have to import food into a country as wealthy and abundant as ours, then we are making an immense mistake and we are doing irreparable harm to countries which are much poorer than we are and which have many fewer acres of land and much larger populations. These are countries we should be helping to feed, as well as assisting them to become self-sufficient in the production of food.

I could not let the opportunity of this debate go by without saying these few words, Mr. Speaker. There are other aspects of Canadian economic independence which I think are very important. It is not just a question of food, it is the fact that when we are importing so much we are harming the balance of payments. We are also creating a negative impact on the value of the Canadian dollar as well as taking jobs from Canadi-

ans—not just farm jobs but thousands of jobs in Ontario, British Columbia and the other provinces because of our less productive capacity in the field of agriculture. There are the jobs on the farms, the processing of the food, the manufacturing and packaging of the food, and so on. It is therefore an over-all net loss to this country which we cannot afford.

Just the other day in committee the person who wanted to be the member for Ottawa Centre and who now sits in the Senate, Senator Robert de Cotret, the Minister of Industry, Trade and Commerce, was talking about chicken imports into Canada. Again, that difficulty arises because of the uncoordinated policies followed in this country. In brief, Mr. Speaker, historically only 1 per cent of our chicken consumption came in from abroad. Because of the negotiations carried on by the government across the way, after 1981, 6.3 per cent of our chickens will come in from abroad. Some studies have shown that the gross economic loss to Canada under this program will amount to more than $100 million. I think that is pathetic. If you look at the figures for the Department of Agriculture you will find that over 100 million pounds of turkey and chicken have been sitting in storage. Despite that quantity, which represents five pounds for each man, woman and child in Canada, the government across the way just last week issued supplementary import permits to import more chicken, and two weeks ago it issued supplementary import permits to import over a million pounds of turkey into this country from the United States.

Mr. Ouellet: Unbelievable!

Mr. Nystrom: The hon. member for Papineau (Mr. Ouellet) says it is unbelievable. When we discuss the Foreign Investment Review Act—an act which I believe has not been tough enough or strong enough—we must remember that we cannot patriate the economy and develop a Canada which is strong and economically viable from coast to coast unless we do many other things besides just making FIRA stronger than it is today.

One of the areas in which we need to act is the area of food self-sufficiency, whether you go on land use policy, whether you go sector by sector, whether it is chickens or turkey, or whether you take beef. Roughly 10 per cent of the beef we consume in Canada is imported from the United States, from Argentina, or Australia, though we have the acreages in western Canada where we could produce a lot more beef than we could possibly consume in this country.

The price of vegetables went up this month by 5½ per cent. Why did this happen? It is because we are now relying more and more on foreign imports. When the price of vegetables goes up in the United States, that increase is reflected here in Canada. There are many vegetables we could be producing here. Many of them we used to produce here in Canada. A former Liberal government got rid of a program which was established to subsidize the storage of vegetables. We used to produce vegetables, store them, and use them in the winter months. But they got rid of that program and thus we are again placed in the position of having to import more foodstuffs from abroad.

So, it is not just a question of land use, of turkeys or chickens, or beef or vegetables. We import 45 million pounds of cheese every year, mostly from Europe. Nor is it just a question that we do not have appropriate agricultural policies that look after the farmland. The quality of the soil is deteriorating all the time, acording to the Rennie report in Saskatchewan. The hon. member for Crowfoot (Mr. Malone) agrees. I think any member who comes from a rural area knows these facts.

These are just some of the questions which will face this country in the 1980s and that are going to face the world in the 1980s. The availability of food will be the question, and I do not think there is any question more important than the capacity of mankind to produce food and distribute it to all parts of this country and to all parts of the world. I take my seat with the plea that when we consider FIRA in the committee we go beyond that as a solution for Canadian economic independence, and that in every sector of this country we devise policies that will make Canada much more self-sufficient and make sure that we can do our own thing, with our own people, and make a contribution to the world community at large.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, after hearing the speeches of my two hon. friends, the hon. member for Broadview-Greenwood (Mr. Rae) and the hon. member for Yorkton-Melville (Mr. Nystrom), I realize no one has anything to fear from FIRA, especially foreign groups trying to come in to buy into the Canadian economy. To my mind that is a disaster.

I rise to speak—I had not intended to do so, Mr. Speaker.

An hon. Member: Then sit down!

Mr. Waddell: No, I won't do that. I am telling hon. members that I am speaking on it because it is an important matter. As a matter of fact, I think it is going to be one of the big issues of the 1980s. It will be an issue that our party especially will emphasize again and again. I think it will be an issue to which Canadians will respond. So my friends across the way need not scream that I should sit down. I have every right to speak on it.

• (1520)

As I was saying, what causes me to rise and speak is something contained in the remarks of my colleague, the hon. member for Broadview-Greenwood, that is, that there is no one in the government across the House this afternoon who is prepared to answer his questions, and they are good questions about FIRA. As a matter of fact the minister responsible for FIRA is Senator de Cotret, I believe, someone whom we cannot even question in the regular way in the House. We cannot even approach him and put these questions to him. I have said this before in the House and I will say it again. It is an obscenity to have the Senate to begin with, and it is unfair

and unworkable to have a minister in the Senate whom we cannot question, who is responsible for one of the most important areas of government, namely, FIRA, and who apparently calls the economic tune to the melody of this government. Frankly, if I were sitting on the opposite side of the House, I would be a little concerned about that too.

The other matter that I wish to emphasize—I think this was mentioned in the remarks of the hon. member for Yorkton-Melville when he spoke about the kind of industry that will exist in the 1980s and when he spoke about the food industry—is that, to me, one of the very important industries—and this again was mentioned by my colleague, the hon. member for Broadview-Greenwood—is the communications industry and the high technology industry. It causes this party a great deal of concern regarding what will happen in the technological revolution. We are concerned about the high unemployment which will result from the development of some of these industries. So we say now that these industries have to be controlled by Canadians and we must get moving in that area. This again is an area where FIRA must be active. This is where we need more information and where we need the government to respond. We should not just have a House with no one in it who can respond to the legitimate questions that my colleague, the hon. member for Broadview-Greenwood, posed today. Instead, we have other ministers who are busy with other things. But we want answers about FIRA.

Earlier on in the year I wrote a letter to Senator de Cotret. As many hon. members know, we get a pile of papers across our desks every day and usually most of that paper, while very interesting, such as addresses by the ministers opposite as they go around the country making those deep and personally written addresses, is not as important as some of the FIRA reports which have come across my desk.

I noted one where a foreign oil company was taking over a small outfit in Orillia, I believe. I wrote to Senator de Cotret about this and I asked him whether he could tell me what are the reasons behind FIRA's decision, what is the information he has on it, because I wanted to know why FIRA took that decision. I received a letter from him yesterday saying he was sorry but he could not answer those questions; he is not allowed to give me that information. I thought that was rather ironic. We just debated, in a really excellent debate last night in the House, the first freedom of information act in the British parliamentary system. I see the President of the Privy Council (Mr. Baker) looking this way. We are all proud of that debate and proud of that act. We are going to improve it in committee, but we are glad there is an act introduced. I notice the President of the Privy Council does not have his rose and his dump truck this afternoon.

Mr. Baker (Nepean-Carleton): They are in my office.

Mr. Waddell: No doubt they are being recirculated as Christmas presents. The Christmas present we want today is information about FIRA. We want the government to respond to the legitimate questions raised by the hon. member for Broadview-Greenwood. My point in touching on freedom of information is that here we have an act which does not allow the minister to respond. As a matter of fact the minister said to me in his letter that he cannot respond to my questions, he cannot give me the information behind this takeover, he cannot tell me why FIRA agreed to this takeover of a Canadian company by an American company. But I will tell you what he has done. He wrote to the American oil company and asked them if they would allow the information to go out. The American oil company said, "No, do not give that information to the member of Parliament." So there is an example of what we were talking about last night on freedom of information. There is an example of something that our new act will not cover, that within the FIRA act is still not allowed. We still cannot get that information. So not only do we have a body that is not restricting these takeovers, not only do we not have a general policy, as the hon. member for Broadview-Greenwood pointed out, we cannot even get information about one case.

I see the Minister of Employment and Immigration (Mr. Atkey) in the House. I once called him in a speech, and now I would retract it, an obscure law professor from Ontario who has risen to greater things. He is a member who respects freedom of information, and I give him his dues in that department.

Mrs. Mitchell: He does not give out all the documents.

Mr. Waddell: That is right, as the hon. member for Vancouver East (Mrs. Mitchell) says, he does not give out all the documents, but once when he made a couple of manuals public he was moving in the right direction of freedom of information. I am sure he would agree with me that it is wrong to have in the FIRA act the refusal to provide any information behind the decisions, because how can you question those decisions?

The hon. member for Broadview-Greenwood was very specific in dealing with that, and I was even more specific with regard to the one case I mentioned. But the hon. member was also general in his criticism of the whole area. I like what he said with reference to the origins, what he speculated were the origins of FIRA. Frankly, I think it goes back to the fight in the Liberal party between one Walter Gordon and one Mitchell Sharp, and Mitchell Sharp won the fight. He won it for ten or 15 years. That goes back to the early 1960s. Finally, our economy was becoming so controlled by foreign interests and the pressure became so strong that the previous Liberal government had to compromise and bring in a token act. That is when they brought in FIRA, but not very seriously.

I think my friend, the hon. member for Broadview-Greenwood, was correct when he said FIRA was a poor substitute for a general policy dealing with the foreign control of the economy. I thought he was right, when he was asking about unemployment, about high interest rates, about housing problems, about our problems with the dollar, and so on, and he came back to the fact that we have fundamental problems with our economy because we are a colony. Basically we are an American economic colony. That is going to be the issue of the 1980s, the issue we will fight.

But what I am concerned about today more specifically is that we have a government that is not prepared to answer our questions, that does not have anyone in the House prepared to answer our questions. I notice my friend on the Liberal front bench, the hon. member for Ottawa-Carleton (Mr. Pepin). He is the only one there; the rest are out running for leadership. Perhaps he has given up the ship so soon.

An hon. Member: He's waiting to be asked.

Mr. Knowles: He is doing his duty by being in the House.

Mr. Waddell: I will conclude by saying that unfortunately we have nothing to fear from FIRA. We should have a lot to fear from FIRA, that is, the people who seek to take greater control of the Canadian economy should have something to fear from FIRA and it should be out in the open. We should know why FIRA is making these decisions and the facts behind them, and we should have a minister responsible for FIRA who is not a senator but a real minister who can sit in the House of Commons. The government should have someone here today who can answer the legitimate questions put by the hon. member for Yorkton-Melville and the hon. member for Broadview-Greenwood.

● (1530)

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in particular I should like to engage the attention of the President of the Privy Council (Mr. Baker) in his capacity as government House leader. As he knows, we have been more co-operative than he might have anticipated with respect to some of the motions which he has put before us. We are making pretty good progress, and we would like to continue in that vein. But my colleagues and I are quite upset about the situation this afternoon. My friend, the hon. member for Broadview-Greenwood (Mr. Rae), pressed pretty strongly for an answer about the terms of reference of this motion. The Minister of State for International Trade (Mr. Wilson) is not here to reply, neither does anyone else seem to be here to give that answer.

We do not want to vote against the motion, and I must admit that I am reluctant to move a motion to adjourn the debate. It is Friday afternoon, and the House does not like recorded votes on Friday afternoon. I wonder if the government House leader, with the co-operation he shows so often, would agree to let this debate be adjourned at this point so that we can get an answer to that question on Monday. We could move to one of the other motions.

To us it is a very important question: is this committee to be empowered to look only at the act, or is it to be empowered to look at foreign investment itself? I do not know how much attention was paid by members to the speech made by the hon. member for Broadview-Greenwood, but I thought he made the point extremely well. If I may say so in a very low key, we feel a bit offended, almost insulted, that no one has paid attention to it. The hon. member for Ottawa-Carleton (Mr. Pepin) agreed with the proposition, but we have had no response. At one point this afternoon there was not a single minister in the House. There are four or five of them here now, but none of them with responsibility for FIRA.

I put it to the President of the Privy Council: I am prepared to move the motion that the debate be adjourned now so that we can go on to voluntarism. I think that might be more satisfactory than having someone try to give us a reply who is not familiar with the field.

Mr. Kempling: Mr. Speaker, the Minister of State for International Trade (Mr. Wilson) had to leave the House after he spoke. He had a minister sitting in for him. He expected to be back here by about 3.15 o'clock. Obviously something has happened that he has not been able to return. But it was his intention to return, and of course it was our intention to bring the question put by the hon. member for Broadview-Greenwood (Mr. Rae) to his attention for reply. I apologize that he is not here to answer it. It was not the minister's intention to stay away because he had spoken. He fully intended to come back, but obviously he has been held up somewhere along the line.

Mr. Knowles: Mr. Speaker, I thank the chief government whip for that statement. I am not making an issue out of the fact that the Minister of State for International Trade had to leave, but I am making an issue out of the fact that there is no answer forthcoming this afternoon to this important question.

We can put up other speakers and use the time until four o'clock, but I think it would make more sense if we simply adjourned this debate and dealt with it on Monday, as I am sure it could be dealt with very quickly.

We had even considered trying to move an amendment to the terms of reference. I was in on the consultations, and I suggested that maybe an interpretation from the government would give us assurance that the committee's discussions could be very wide. But without that assurance, we are reluctant to let this motion be passed this afternoon.

Mr. Baker (Nepean-Carleton): Mr. Speaker, as I understand the hon. member for Winnipeg North Centre (Mr. Knowles), he is saying that the committee should be allowed to investigate broadly with respect to the whole point of foreign investment in Canada. That is the intention of the government with respect to the matter. It is not to be limited to the Foreign Investment Review Act. I give the hon. member that assurance with respect to the matter.

As my friend was speaking, I reread some of the words in the motion which are very interesting. Paragraph (1) reads as follows:

—to inquire into and report upon the extent to which the Foreign Investment Review Act has achieved and is achieving its purpose as described by Parliament in section 2 of the act—

I have always looked upon that as rather broad, and I sincerely hope they will accept my assurances with respect to that matter.

Mr. Rae: Since this was in reply to my question, I hope Mr. Speaker will permit me to respond. There is a circularity in the

wording of the motion which for me was a problem. The circularity is that the purpose of the committee is to review the purposes of the Foreign Investment Review Act. I am not sure if the President of the Privy Council and Minister of National Revenue (Mr. Baker) was here when I was making my point. I indicated that it is possible the committee may find the purposes set out in the Foreign Investment Review Act are an inadequate statement of the problem. We wanted to be sure that the committee would not be restricted to doing simply a plumbing job on the Foreign Investment Review Act, but it would be looking at the problem of foreign investment.

Mr. Baker (Nepean-Carleton): Mr. Speaker, just to further that, I should like to look at paragraph (2) which deals with the recommendations for the committee. It reads as follows:

—to make recommendations for changes in the act or its implementation with a view,

(a) to increase the effectiveness of the act in the achievement of its purpose.

Mr. Rae: "Of its purpose".

Mr. Baker (Nepean-Carleton): Yes. I think that would encompass a review of the field and a review of the problem; I could not imagine anything else. I just want the hon. member to know that we do not intend to fetter the committee. I hope that is the assurance the hon. member for Winnipeg North Centre (Mr. Knowles) was requesting on behalf of his party.

Mr. Knowles: Mr. Speaker, with that firm assurance from the President of the Privy Council, we are prepared to let the resolution pass this afternoon.

Mr. Pepin: Mr. Speaker, I do not mind being associated with the hon. member for Broadview-Greenwood (Mr. Rae). He has a very nice family. But the thought that this committee should study the whole phenomenon of foreign investment, in all its details and intricacies, is something rather frightening. I would have hoped that the committee would concentrate rather early on ways and means and instrumentalities more than the phenomenon as a whole.

I should just like us to be cautious. The danger in what is being said here now is that, in the hope of being accommodating, we might make the mandate of the committee an impossible one.

Mr. Baker (Nepean-Carleton): Mr. Speaker, that is a good point. I am not arguing that point, but I think the question put to me was whether there would be any fetter by the government with respect to the review, and the answer is no. The committee itself may decide to deal with the matter, which is quite within the purview of the committee. It may choose to deal with it in the manner raised or suggested by the hon. member for Ottawa-Carleton (Mr. Pepin). I think I was asked for a specific assurance, and I hope I have given it to the satisfaction of the hon. member for Winnipeg North Centre.

Mr. Knowles: Yes, Mr. Speaker, we are prepared to let the committee make the decisions as to what it will do. We just wanted to be sure that the committee would not be fettered by a government direction. We welcome the assurance given this afternoon by the President of the Privy Council.

The Acting Speaker (Mr. McCain): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. McCain): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

VOLUNTARY ORGANIZATIONS

STRENGTHENING OF ROLE—APPOINTMENT OF SPECIAL COMMITTEE

Hon. Walter Baker (for the Secretary of State and Minister of Communications) moved:

That a special committee of the House of Commons be appointed to inquire into and report upon means to strengthen the role of the voluntary sector in Canadian society;

That the committee, taking into account the scope of activities now being carried out by the voluntary sector, the problems being faced by voluntary groups and the extent, nature and impact of current government support, report its conclusions and recommendations with respect to the measures that could be taken by the federal government to strengthen the role of the voluntary sector

(1) as an objective that is desirable in its own right,

(2) as an alternative to public dependence on government services, and

(3) in ways that would enhance the ability of such groups to operate independently of government

together with such other matters as the committee considers relevant;

That the committee submit reports from time to time, as appropriate, and in any case a final report not later than May 31, 1980;

That the special committee be composed of seven members of the House of Commons to be designated at a later date;

That the committee have the power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of its powers except the power to report directly to the House;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee have the power to adjourn from place to place within Canada; and

That the committee be empowered to retain the services of expert advisers and to commission studies or research to assist in its work and that it also be empowered to retain such professional, technical, clerical and stenographic help as may be required.

● (1540)

Mrs. Diane Stratas (Parliamentary Secretary to Secretary of State): Mr. Speaker, I rise on this motion to establish a special committee which would investigate and report on the appropriate means by which the role of the voluntary sector in Canadian society can be strengthened. I support this motion because it manifests the long-standing concern and willingness

of my party to set the federal government's relationship to and conception of the voluntary sector off on a new course.

In spite of the fact that over three million Canadians are involved in voluntary organizations, and in spite of the fact that these organizations provide such a wide-ranging list of vital services to our communities, the voluntary sector has traditionally been taken for granted, very much so, by Canadians. It is my view and the view of my party that the activities of the voluntary sector must not be taken for granted or considered peripheral, but rather that they are essential to the development and maintenance of a strong and vibrant Canadian social fabric.

Community based voluntary activities are crucial to Canadian society because it is through such interpersonal interaction, together with traditional institutions, that every Canadian develops and sustains his sense of personal and collective identity, his personal and social values, and his sense of personal responsibility towards others. Voluntary activities generate community; they forge the interpersonal bonds of identity and caring; they foster social responsibility, self-reliance and initiative in both the individual and the society. Voluntary activities promote those desirable qualities which we call citizenship.

In spite of the crucial role voluntary associations play in integrating individuals into communities and binding communities together into Canadian society, the continued existence of the voluntary sector in Canada has for some time been in jeopardy.

Inherent in any advanced industrial society are a multitude of pressures that work on the individual. A growing inclination towards professionalism and towards a more standardized, bureaucratic structure for the provision of increasingly specialized community and social services, and pressures from a growing attitude of passive materialism whereby personal worth is defined in terms of possessions and where government is expected to do everything: all these pressures militate against voluntary activity. They segment and obstruct interpersonal relationships; they destroy the social fabric, where people are increasingly alienated from each other, where people pursue only their individual self-interests, where people are passive, waiting for others or government to meet their needs, and when people just stop caring, then community and society fall apart.

Past governments have increasingly come to recognize some of the difficulties encountered by the voluntary sector. Traditionally, however, they have not only lacked a comprehensive policy to focus government programs, but as well the response of the federal government has usually obstructed or misdirected the efforts of the voluntary sector. Being unable to recognize the legitimacy and the proper functions of voluntary organization, except in terms of large, formal organizations which can fulfil the needs and objectives of the state, government therefore has increasingly tried to regulate and channel voluntary activities to suit its own needs and not those of individuals or communities.

Through financial support and other incentives, government has gradually enticed the voluntary sector to alter its view of its own legitimate functions to suit government needs. This has created a very dangerous dependence of the voluntary sector on government. Government's view of the voluntary sector is thus paternalistic; it is ignorant of the inherent importance of voluntary activities to developing identity and self-worth in the individual; it is insensitive to voluntary activity as a medium of individual and collective expression and initiative. This dependency has become so ingrained that when economic conditions force government to tighten its belt, the voluntary sector feels immediately, and justifiably, threatened.

My party recognizes that voluntary activity, especially at the grassroots community level, responds to community and social needs and to issues for which a government response would be inappropriate or even detrimental. My party recognizes that a coherent and comprehensive policy for the voluntary sector must encompass those critical functions which fulfil individual and collective needs beyond the scope of government.

The primary purpose of the special committee on the voluntary sector is thus not to study whether the federal government should provide financial support of voluntary organizations. Rather, its purpose is to draw from previous research and from the grassroots a clear, coherent, and comprehensive policy and action strategy by which the government can establish in Canada those conditions through which the binding force of voluntary, community based activity will be encouraged. Our predisposition is thus to establish the necessary conditions through which the voluntary sector will prosper. The function of the special committee is to advise the government on how this goal can be achieved.

Given that an effective policy on the voluntary sector must be rooted in the needs and goals of communities, the process of putting together such a policy requires input from the grassroots and participation from persons who have ready access to the myriad voluntary associations across Canada. Clearly, members of Parliament are far more qualified to perform this task than are those public servants living in the rarefied atmosphere of Ottawa. The rationale for setting up a special committee is not only to focus the work of members of Parliament on this issue, but also to provide a forum for input by non-governmental bodies, not to mention fulfilling our pledge to increase the meaningful role of Parliament.

In addition to looking into those specific areas mentioned in the terms of reference, I expect the special committee will want to investigate the ways in which the growth of social consciousness and the concept of participatory society can be tapped to foster voluntary activity. I assume the government will want to define the limitations of government's role in meeting voluntary sector needs. Committee members will no doubt try to delimit the present impediments to the growth of voluntary activity and suggest how they can be removed. They probably will want to look at what permanent structures could be established to provide ongoing communication between government and the voluntary sector. They will, no doubt,

investigate ways of ensuring the accountability of voluntary organizations. They will be expected to recommend the specific policy tools by which the federal government can directly and indirectly encourage voluntary activity, including tax deductibility and tax incentives.

The government has great faith, Mr. Speaker, in the ability of members of Parliament from all parties to perform this policy formulation and this task effectively. We await their advice and recommendation with great expectation.

[*Translation*]

Mr. Jean Lapierre (Shefford): Mr. Speaker, I am pleased to speak to this motion on behalf of the official opposition and to assure the House and the Canadian public that we are very much interested in the voluntary sector. Hon. members can appreciate better than anyone else the important role of that sector of our Canadian society since we owe a large number of our seats to the hundreds of volunteers who work for us every election time.

● (1550)

The government initiative aimed at creating a special committee to inquire into means to strengthen the role of the voluntary sector in Canadian society may, at first glance, seem worthy and inspired by the highest and noblest motives. Still, some doubts persist in my mind as to what really motivated this initiative. Several observers claim that the proliferation of committees is a Conservative strategy aimed at appeasing the frustrations of the backbenchers who were appointed neither members of the cabinet nor parliamentary secretaries.

Others suggest that the government wants to keep the opposition busy to prevent hon. members from dealing with political organization. Finally, old hands are convinced that this is a neat way for the Progressive Conservative government to defer important decisions. As long as the committee is considering the issue, the government will not have to make a decision.

Be that as it may, I do not think that the government would stoop that low and use the voluntary sector of this country as a tool of political strategy. I cannot believe that this government would compel members of this House to devote their time and energy to a vile and futile exercise. I do not think either that public funds would be earmarked merely to restore peace within the Progressive Conservative caucus.

This is why, Mr. Speaker, in the interest of the voluntary sector in Canada, we are giving the benefit of the doubt to the government and are willing to take part in that special committee. We deeply regret that by appointing this committee the Secretary of State is delaying the implementation of 81 recommendations drawn to his attention in the report of the Advisory Board of People of Action, which is also called the Andreychuck report. I think the Secretary of State now has it and, through that exercise, he will unduly defer the implementation of those recommendations.

The 15 members of that board spent over two years studying all aspects of voluntary work in Canada, and seven parliamentarians are now asked to do the same work in six months. We must admit that it is a huge task and that some doubts remain in our minds. However, as I said, we will take an active part in the proceedings of the committee hoping that it will be a pause for reflection before taking strong and positive measures.

The Canadian people have doubts when they are told about new study groups, they are fed up because we are forever studying. They want action and, as strange as it may seem, after having elected a party which promised them some action, once in power we have never seen such a number of study groups, special committees, missions and consultants, and recently we have heard a lot about them. It is almost as if they have actually elected a government of students.

Coming back to the essence of the motion for debate today, it is imperative that everyone should acknowledge the fundamental value of voluntary work within Canadian society. Respect for this type of action must presuppose respect for the freedom, the integrity and the independence of members of the voluntary sector, no matter what they stand for, what they believe in or what they are doing. Parliamentarians who will deal with this issue will have to display this type of open mindedness and I would even dare say liberal spirit which alone can ensure the success of such a study.

In order to get a better perspective of voluntary work, we must look beyond the limits of federal involvement and study the treatment it gets from provincial and municipal governments as well as from school boards. Voluntary workers, for the most part, are not specialists in constitutional law and do not want to become bones of contention between levels of jurisdiction. The people who want to get involved in voluntary work should not find their activities curtailed by political bickerings. It is up to us to create a sound and open climate for everyone. The advisory board warned us not to take voluntary work for granted and I am personally convinced that these political conflicts can undermine this whole sector.

This whole situation will have to be studied and recommendations made to overcome these problems which may be insurmountable for the layman. The private sector and the media also have a role to play in strengthening the role of the voluntary sector in our society. The committee will have to find the present flaws and propose realistic ways for the voluntary sector to have access to the media and especially the private sector which, because of its capacities, can do much to help us achieve our common objectives.

We must not be afraid of going to existing organizations and sharing their experiences concerning the demobilization of their workers and their causes. We must also get the general public's perception of the role of these organizations, since the public is more and more leery of frauds as far as their

donations to such organizations are concerned. Why? That is a question we must answer. Should there be better control over the funds or the accounting of these organizations? Should we review their operation, either through a government agency or otherwise? These are all questions which should be answered.

We will also have to consider carefully the various categories of organizations. There are, of course, the national and the provincial organizations, but it will be important to evaluate the role and credibility of local and community organizations which certainly have the best public penetration. We will have to visit the small communities since they often find it impossible to be heard in Ottawa as they cannot afford to come here to make presentations. In this same area, we shall have to show creativity in recommending means to enable all voluntary associations, whatever they are and whatever the number of their members and their budget, to have equal access to grants and other means of support offered by the Canadian government.

The complexity of regulations concerning the various government programs is a major obstacle to the development of the voluntary sector. For instance, several groups in my constituency have met with an unbending attitude on the part of some public servants, which has discouraged them and killed their initiative. However, I am not blaming these public servants because they often have no choice but to apply the regulations dreamed up in Ottawa by legal officers who have no knowledge of what goes on in the field. I am firmly convinced that if we want to help improve relations between the state and the voluntary sector, we shall have to emphasize the need to leave more freedom of action to local public servants. We shall also have to develop mechanisms which will prevent ministers from being tempted to interfere politically in the distribution of grants. I hope that one of the colleagues of the Minister of Employment and Immigration (Mr. Atkey), who has just left the House, will give him this message—

An hon. Member: And especially to him!

Mr. Lapierre: Especially to him, as my colleague has said. I believe that the Minister of Employment and Immigration would need very strict regulations—

An hon. Member: Right on.

Mr. Lapierre: —to avoid the temptation of patronage. Indeed I think that in the next few days we will be in a position to say that the temptation was too strong for him to refrain from indulging in—

An hon. Member: —patronage!

Mr. Lapierre: My colleague calls this "patronage", but I would rather call it "political intervention"—

An hon. Member: Right on.

Mr. Lapierre: —in the Canada Works program.

We should also assess the dependency of the voluntary sector on government. I have seen too many groups established to meet specific needs, with voluntary personnel motivated by an urge to help their fellow man, which federal funds reduced to a state of complete subservience and which had to close shop when finally federal funds dried up. I have also seen profiteers who under the guise of noble intentions found this a way to make a living and appropriated funds for their own personal use.

There can be no complete study of the voluntary sector unless major legal and fiscal reforms are proposed. Well organized lobbies are already making fiscal reform representations to every member in this House. We cannot ignore that proposal, and should assess on its merits the campaign on the theme "tit for tat".

In these few minutes, Mr. Speaker, I have briefly listed the challenges facing the special committee. We in the official opposition want to meet these challenges, providing our recommendations are acted upon. The hon. member for Brandon-Souris (Mr. Dinsdale) suggested yesterday that historically, between the time an issue comes up in Parliament and the moment where significant changes are made, there is a 37-year lag. On behalf of the majority of my colleagues who cannot live that long before they see major changes in the voluntary sector, I express the hope that as soon as our report is tabled on May 31, 1980, the government will act promptly and diligently.

• (1600)

[*English*]

The Acting Speaker (Mr. McCain): Is the House ready for the question?

Mr. Knowles: May we call it four o'clock?

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Mr. Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) has called it four o'clock. Before we look at the clock, would it be possible to ignore it for a few moments and to ignore it at the end of private members' hour for the appropriate time to allow the House to deal with Bill S-10, an act to confirm the authority of the Federal District Commission to have acquired certain lands.

There have been discussions among the house leaders that would permit us to proceed through all stages in the House today, including Committee of the Whole and third reading, so that the House could dispose of that.

If you could get confirmation of that, Mr. Speaker, I would be grateful. And, as well, if you could ignore the clock, both at the beginning and at the end of private members' hour, for the purpose of allowing us to do that, then perhaps we could add the time used to the end of private members' hour.

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

Some hon. Members: Agreed.

The Acting Speaker (Mr. McCain): It is my understanding of the agreement of the House that we are to go through second reading, Committee of the Whole and all of the stages of the bill forthwith and extend private members' hour for the appropriate time so that there will be no deprival of time for private members' hour. Is that agreed?

Some hon. Members: Agreed.

* * *

FEDERAL DISTRICT COMMISSION

ACQUISITION OF CERTAIN LANDS

Hon. Walter Baker (for the Minister of Public Works) moved that Bill S-10, to confirm the authority of the Federal District Commission to have acquired certain lands, be read the second time and referred to the Committee of the Whole House.

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

On clause 1—*Acquisition confirmed*

Mr. Knowles: Mr. Chairman, I should like a minute to indicate what we are doing. It might look somewhat strange on the record to put a bill through without any reference to it at all. We have been thoroughly briefed as to what it is all about. It has to do with a piece of land that the government sold and the purchaser sold it to somebody else, but there was a technicality that was overlooked. We are correcting that technicality so that the sales are legal down the way. We see no reason to take time on this bill. We are prepared to put it through all stages right now.

Mr. Baker (Nepean-Carleton): Mr. Chairman, I thank the hon. member. I just want to make it clear that it was in the days of the old Federal District Commission in 1954 that this occurred.

Clause agreed to.

Title agreed to.

Bill reported, read the third time and passed.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. McCain): It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, notices of motions, and private bills.

Mr. Stan Schellenberger (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would ask that all bills preceding Bill C-206 be stood by unanimous consent in order that we might proceed with Bill C-206 in the name of the hon. member for Vaudreuil (Mr. Herbert).

The Acting Speaker (Mr. McCain): Is it the pleasure of the House that all other bills stand by unanimous consent so that we might proceed with Bill C-206?

Some hon. Members: Agreed.

* * *

CRIMINAL CODE

AMENDMENT REGARDING ABORTION

Mr. Hal Herbert (Vaudreuil) moved that Bill C-206, to amend the Criminal Code (abortion), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: This afternoon I will not be following the usual procedure in that it is not my intention to debate the merits of the bill. I will explain why.

In my province of Quebec we have a situation which is undesirable, and I doubt that any member here this afternoon will dispute that statement. In parts of my province a woman can obtain an abortion by little more action than the making of an appointment. In other parts of Quebec, the other extreme exists, and a woman can find herself in the obviously undesirable position of not having access to a therapeutic abortion committee. In such situations it is almost always the less fortunate who are penalized the most.

Thus, Mr. Speaker, I have introduced a bill with the express intention of giving all parties of all points of view the opportunity to present their opinions to the legislators of this country. Only in committee study, without the time pressure that exists this afternoon, can there be free discussion of the legislation as it exists, its application, and the desirability or not of making changes.

Bill C-206 is my personal opinion of the way that the Criminal Code could be amended in order to fulfil the intent, as I see it, of the then minister of justice when the present provisions were introduced in 1969. This objective is explained in the explanatory note printed in the bill.

Approval of second reading is now, by our present rules, approval in principle, however, even now there is the opportunity to express disapproval by calling "on division".

May I reiterate my point that my objective is not to use this bill as the tool to change legislation but as the means to afford all members of Parliament, and particularly the public, the opportunity to present their points of view in committee. Many persons from all parts of the country have written to me or called me. A very large number of members of Parliament have spoken or written to me. They cannot all speak in less than one hour this afternoon.

May I also remind the members who are here that, should this bill come back into this House on third reading, it would then be allotted only one hour of time before disappearing to

the bottom of the list if that was the will of three or four members. This particular procedure was argued by me at great length in the last session. Thus those who are adamant that the bill should not be passed will have no difficulty killing the bill at a later stage. However, they will, in the meantime, have given to all citizens and all members an opportunity to debate the apparent inequities that seem to exist in the present legislation.

● (1610)

In the belief that no member of this House is opposed to open discussion, I am confident that Bill C-206, an act to amend the Criminal Code (abortion), will be given the approval, if necessary, "on division", to go to the Standing Committee on Justice and Legal Affairs where everyone will have the opportunity to express his point of view.

Mr. Douglas Roche (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the approach used by the hon. member for Vaudreuil (Mr. Herbert) is very interesting, and one that I partly support. I believe, with the hon. member, the time has come for a serious study to be made on the abortion question. In order for a committee to function it needs either a reference from the House or a second reading of a bill. In order for a bill to get second reading, there ought to be some defence by the member introducing the bill as to what he is intending to accomplish through it.

I will not be long, Mr. Speaker, because there are others who welcome this opportunity to make a contribution on a subject of deep concern to increasing numbers of Canadians, and I dare say to many members of Parliament who have not had a sufficient opportunity to express themselves and the views of their constituents on this extremely difficult question facing society today.

What is the basic situation we are facing? We are facing the results of the omnibus Criminal Code bill of 1969 that, through application of the whip, brought about a situation in which section 251 of the Criminal Code was changed to allow abortion when the life or health of the mother is in danger. Because of the failure of the Parliament at that time to spell out and define precisely what is meant by health, we left ourselves open to a growing abuse of this bill which came law in 1969, a greater abuse of the new law in terms of health which has brought us into a ludicrous situation today.

The latest statistics on abortion were released by Statistics Canada only a few days ago for the year 1978. We find that abortions rose in that year alone by 8.2 per cent. The total number of abortions in Canada in 1978 was 62,290. For every 100 live births, 17.4 abortions took place. The year after the 1969 law came into effect, there were approximately 11,000 abortions that took place in Canada. We see this rapid escalation all through the seventies to the point where we now have over 62,000 abortions per year. Even worse than that figure is the fact that 30.5 per cent of the women who had abortions were under the age of 20. That is from the statistics I just gave for the previous year.

I could go on with that type of statistic to show that the abortion law brought into this House in 1969 for the purpose of allowing a woman an abortion when there is a serious threat to her life and health is being abused. It is ludicrous to suggest that there were 62,000 cases in Canada, most of them in British Columbia, Alberta and Ontario, the chief have provinces, resulting from serious difficulties with pregnancy. That is scandalous.

According to many experts who have studied this question in great detail, abortions are now being performed for social and economic reasons. There are many women in this country who are pregnant and who have serious economic and social problems. It is the duty of government at various levels to respond to the legitimate problem of women carrying babies. A way to respond positively to help women is not ipso facto to turn a law that was intended for a good purpose into runaway abortion, virtually abortion on demand. There are hospitals in this country that have a higher number of abortions than live births.

All of this is not news to members who have been following the tragic train of events regarding the abortion question through the decade of the seventies. There is a dispute about the effect of the present law. Some hold, as I do, that the weakness is fundamentally in the wording of the law and the reluctance of the previous government in 1969 to define what they meant by health. Some claim the weakness is there, as I do, and if we are going to be serious in trying to stop this escalation of needless abortion, we must repair the law.

Others hold that the law is okay, that it is the administration of the law, and therefore we have to go to the provinces for a total application of the law. There you get into two divisions. Some say there is too much strictness, that therapeutic abortions are not available, that there are therapeutic abortion committees in about 250 hospitals out of some 600 hospitals in Canada. Others say the application is far too weak, and that therapeutic abortion committees are nothing but a rubber stamp, largely because many doctors will no longer serve on therapeutic abortion committees. They know the character of those committees has been impugned by the willingness of doctors who have served on them to put through abortions at the request of the mother who claimed that she had a problem, but without any certifiable evidence that the problem was a serious threat to her life or health.

We had in 1976 a petition brought before this House presented by ten members of Parliament on behalf of the ten provinces. It contained the names of more than one million Canadians who had signed the petition brought about by the umbrella group, the Alliance for Life. There are several other groups promoting a tighter application of the law throughout Canada. I will not mention them all. The general umbrella group, the Alliance for Life, was able to produce a petition which was the largest petition ever brought into this Parliament.

What happened to that petition? If someone went into the lower bowels of this establishment, the petition would probably be found on some dusty shelf. Nothing happened to it. The

idea that one million Canadians can express their views on a matter of this importance and not have any debate in Parliament, or any legislative action taken, compounds the difficulties.

This brings us to a situation in which many private members of Parliament find themselves, particularly the hon. member for Vaudreuil. There are others, such as the hon. member for Beaches (Mr. Richardson), and the hon. member for Edmonton East (Mr. Yurko), who have bills before this House. I am sorry if I do not remember every member who has a private bill in this House which is designed to correct this anomaly we are facing. Private members have to try to repair this injustice in the application of a badly worded law, the results of which are becoming worse by the year. What happens to these private bills? They come up for debate for an hour. There is not sufficient time for real analysis of their contents. Few of them ever get to committee.

● (1620)

The government has brought in a paper on reform of Parliament, the position paper introduced by the President of the Privy Council (Mr. Baker) a few days ago, and the changes in this document, among other things, would specify a certain number of private members' bills being brought to a vote. I myself believe that if we are serious in defending the rights of private members to bring their concerns before Parliament in the expectation of a vote in a reasonable number of cases, we ought to expedite the process of that position paper through Parliament by a quick acceptance of a motion on the order paper so there will not be a protracted debate on the motion itself, and then by getting that motion into committee so that serious work can begin on the reform of Parliament among which would then be the assurance that a certain number of private members' bills would be brought to a vote.

I believe the hon. member for Vaudreuil has done a service to Parliament this afternoon by emphasizing the need for an examination in committee of the whole question of abortion. Such an examination has not been undertaken for 11 years. Some of us have been in Parliament, now, for going on eight years and we have never had an opportunity to deal with the subject. Yet we have had two full-scale debates on capital punishment during that period. It is an important question, obviously, but if there can be two full-scale debates and votes on the issue of capital punishment since 1973—and one hears, now, suggestions of a third—I believe the time has come to state clearly that there are many members, and I am one of them, who believe that the abortion question which affects the lives of 62,000 individuals annually should certainly be discussed and a position taken with regard to it.

I shall not even attempt to go into the whole question here that the fetus is a premature human being; I think the scientific evidence is fairly clear on that question; we are not talking about some abstract matter, what we are talking about is incipient life in the womb of the mother.

The bill brought forward by the hon. member for Vaudreuil contains some weaknesses. My bill has some weaknesses in it.

[Mr. Roche.]

Perhaps other private members' bills have some weaknesses in them, too. The point is, it is not weaknesses in these bills which are important. It is important that progress be made toward the construction of a bill which will meet the needs of the situation and will meet with some consensus in this House. I believe there is a consensus. I cannot prove it because I have never had a chance for a vote. But I do believe there is an emerging consensus from within the country—some of the statistics the committee will be able to study will bear this out—that what a growing number of people want is a law which would allow a mother to have an abortion when her life and health are seriously threatened, where the continuance of a pregnancy would be a very serious threat to her well-being.

I will not go beyond that now. It is the job of the doctors and of the professionals to make that determination and to find the language to put it into law. I believe mothers have a right to such protection. But society has an obligation to protect all lives, including incipient human life, and increasing numbers of people recognize the validity of what I said in the earlier part of my comments, namely, that the law, whatever its intentions, has produced a situation in which it has been abused, and it is the abuse of the present law which we see in the figures of 62,000, it is the abuse to which an increasing number of members of Parliament wish to address themselves.

If other members have a better suggestion, by all means let us hear from them in this debate, but I am advancing the specific thought that maybe a way out of this dilemma would be to establish an all-party committee to work out the terms of a bill—if it has to work on an ad hoc basis, then let it—which would find some general acceptance in this House and which would have a chance for passage, a bill that would appeal to many members of Parliament, if not all, who want to see justice done toward human life in this country, who want to see justice done to pregnant women who have very serious difficulties in the continuation of their pregnancies, and who want to see justice done to the lives of the unborn.

This is not just a religious question. It is not just a philosophical or humanitarian question. It is a question of civil rights. We have to address ourselves to the civil rights of unborn children, and that is very much within the domain and, indeed, the obligation of members of Parliament. I suggest that serious thought be given in the House to the construction of such a committee to work out a pattern of legislation which would stand a reasonable chance of passage in the House and that, in any event, expedition be given to the motion in the name of the President of the Privy Council to bring forward the paper on the reform of Parliament so that the rights of private members would be enhanced, especially in matters like this.

Mr. John Reimer (Kitchener): Mr. Speaker, I am pleased to recommend the adoption of the bill sponsored by the hon. member for Vaudreuil (Mr. Herbert). I so agree with the comments of my hon. friend from Edmonton South. When we come to the discussion of a bill such as the one before us it is with humility and hesitancy that I rise to make my contribution.

There are some people who do not understand why a person would speak to an issue such as abortion. In the few moments available to me I would like to explain why I am speaking in favour of this bill and why I believe the measure should go to committee. I support the bill because I am acutely aware of my heavy responsibility both as an individual and as a member of Parliament to speak as forcefully as I can against the tendency to dehumanize modern life.

I rise to speak today not because I am necessarily confident that if I do so we can definitely reverse the course of our society, but because I am fearful that if people who share a reverence for human life do not speak, our cause is certainly lost.

The present abortion legislation is a classic case of an unenforceable and morally indefensible law. It satisfied neither the proponents of unlimited abortion nor those who opt for life. What it does is to put an impediment which is far from insurmountable between some pregnant women and the abortion they want. It is discriminatory in that the application of the law varies widely throughout Canada and it is almost impossible to enforce as the key element—the health of the mother—is subject to so many different interpretations. Of course it also fails totally to come to grips with the question of the humanity of the fetus.

When I look at the bill before us I see the hon. member proposes to remove the phrase "danger to health". I totally agree with him that that phrase must be removed from the present legislation. If we look at the definition given by the World Health Organization of the word "health" we find that the World Health Organization defines health as a state of complete physical, mental, and social well-being, and not merely the absence of disease or infirmity. I think we are all aware of the fact that the word "health" is a word that is tremendously abused. The definition of the World Health Organization, which is applied in many of our hospitals, is simply too wide, and in practice leads to the evergrowing abortion on demand. So, on the basis of the mental and social well-being in this definition, I think that if I were a doctor I could convince any abortion committee to give my patient an abortion within the definition of the WHO.

● (1630)

I was a member of the Kitchener-Waterloo hospital board for four years and during that time we looked at the whole question of abortion. We tried to grapple with it in that hospital and we found that it was the law that was at fault, not necessarily the practice in the hospital. The hospital had great difficulty in knowing just what guidelines it should set for its doctors. In that sense I think it is unfair to accuse the doctors of being the ones who are the problem in this case and of being too liberal in the way in which they interpret this law. I think the responsibility for ambiguity in this law rests right here in the House, and in that sense we must correct the law and remove the phrase "danger to health".

In the explanatory notes to the hon. member's bill we find a quotation of the then minister of justice. In 1969 he said:

The bill has rejected the eugenic, sociological or criminal offence reasons.

He went on to say:

—only where the health or the life of the mother is in danger—

will abortion be permitted. I think I have to say, if I may be a little partisan about this, that the minister of justice at that time was trying to suck and blow at the same time. What he was trying to do was to appear to be truly against abortions on the one hand, while on the other hand he knew that the word "health" was going to be wide open and therefore abortions would take place. In that sense he was either totally naive, which I do not think he is, or he deliberately made a law which was open to abuse in that sense.

My reasons for supporting this bill and wanting it to go to committee are as follows. First, the committee can then call in witnesses who, being the best from the medical and scientific community in Canada, could tell us whether or not we are dealing with a human being. That is the key question behind this. We should send this bill to committee so we can have those witnesses and we can decide whether or not we are dealing with a human being. If we are, then obviously the law must be changed. If we are not, then the law should be removed from the Criminal Code. That is the key issue.

As I see the facts in this case—and I will only mention a few—I think we are dealing with a human being. A couple of weeks ago in the Standing Committee on Justice and Legal Affairs the commissioner of the Law Reform Commission indicated to committee members that what we need in Canada is a law which spells out when a human being is legally dead. In the questioning that took place, the commissioner told us that there is a considerable consensus that when a person's brainwave activity ceases, the person is dead. I would accept that definition, but I think we should apply it at both ends. If we say that a person is dead when his brainwaves cease, then we can say that person is alive when his brainwaves begin, and that is on the forty-second day in the development of the fetus. Clearly the vast majority of our abortions take place after that day. In that sense a human being is being done away with. I think that is really one of the key points to which we should address ourselves.

Another point is that we have had about 140 abortions a year since 1972, that were as late as six months after conception, and later. We all know that a premature baby can be taken care of from about that stage in its development, and we know that in some hospitals we can have the dramatic situation of a premature birth where all the staff and the equipment go to help the child, while in another part of the same hospital an abortion is being carried out on a child exactly the same age. In spite of the fact that the heart is beating, that you can measure the pulse, we throw that fetus in the garbage. Surely we must call in witnesses to tell us whether or not we are really dealing with a human being. That is another key point we must consider.

The third point I would like to make is taken from the studies done by the West German supreme court in 1975. In a calm, very rational and objective manner, that supreme court called in the best witnesses they had at the time to tell them whether or not the fetus is a human being, and should we therefore protect that human being and give it full and equal protection of the law. In that discussion the German supreme court was deadly serious because they knew that from 1933 to 1945 Germany had called a group of people subhumans. The German word for that is "untermenschen". They simply said that they can be killed any time. That is why they had to be so careful. In carrying out their investigation, they found the following, in answer to the question: "When does the fetus gain the civil right to life?"

Life, in the sense of historical existence of a human individual, exists according to definite biological-physiological knowledge, in any case, from the fourteenth day after conception.

That is even before a woman knows she is pregnant. They said that from then on the physiological evidence was quite clear.

It is my contention that if that is the evidence, then our actions have to follow or we would be simply dishonest. I think we should take the best evidence that is available in Canada, let the experts come to the committee and explain whether or not we are dealing with a human being. We must be very coldly objective and we must look at what we are really talking about. But at the same time we have to be compassionate. I think we have to do two things at once. This is not easy, but we must try.

I think we must be very much like the statue that stands outside the Supreme Court, the statue of the person dispensing justice, wearing a blindfold. The blindfold is there so that she will listen to the evidence and rule accordingly without being swayed by emotion, and so on. In that sense we must be coldly objective. However, as I said, we must also be compassionate. If we are really serious in our desire to reduce the rate of abortions and if we have compassion for women caught in the tragic situation of carrying an unwanted child, we must be willing as a society to put our money, our legislation and our moral suasion on the side of life. These are the other components of a policy that could reverse the direction in which we are going now. I should like to list a few.

First, I think all levels of government must co-operate in improving birth control education throughout Canada. Improved educational programs could result in an attack on ignorance and would be powerful means of reducing the number of these human tragedies. Second, I think improved assistance should be provided to children's aids societies for their important work. Third, society should provide every assistance possible to unwed mothers to help them over this crisis, instead of the harassment and discrimination against them. I think we must support them instead of making their lives more difficult. Last, I think our social assistance program should provide a decent level of assistance to needy families with children because much of the trauma for many families involves having another child when the money is scarce.

[Mr. Reimer.]

I should like to see this bill go to committee. I realize we must watch our time in the private members' hour. I want to put some of my thoughts on the record. I am clearly in support of reducing the number of abortions in Canada and trying to correct the abuses that are there.

I would like to conclude by expressing one thought, and that is that when some people listen to this debate they will say, "Please do not force your morality on others because we have a different moral code." I would like to answer that objection by referring to history. When the German war criminals at the end of the war were on trial at Nuremberg, they sought to defend themselves on the grounds that they were loyal to a different set of values, different orders, and a different legal system. Therefore they could not be judged by someone else. Robert H. Jackson, Chief Counsel for the United States, had to think about that. He came back with the following answer, to which I should like to refer:

● (1640)

It is common to think of our own time as standing at the apex of civilization, from which the deficiencies of preceding ages may patronizingly be viewed in the light of what is assumed to be "progress". The reality is that in the long perspective of history the present century will not hold an admirable position . . . These two-score years in this twentieth century will be recorded in the book of years as one of the most bloody in all annals. Two world wars have left a legacy of dead which number more than all the armies engaged in any war that made ancient or medieval history. No half-century ever witnessed slaughter on such a scale, such cruelties and inhumanities, such wholesale deportations of peoples into slavery, such annihilations of minorities.

He went on to say the following:

Goaded by these facts, we have moved to redress the blight on the record of our era . . . At this stage of the proceedings, I shall rest upon the law of these crimes as laid down in the charter.

He was referring to the Atlantic Charter. He continued:

In interpreting the charter, however, we should not overlook the unique and emergent character of this body as an International Military Tribunal . . . As an International Military Tribunal, it rises above the provincial and transient and seeks guidance not only from International Law but also from the basic principles of jurisprudence which are assumptions of civilization.

In other words, he appealed to a much higher law which respects all individuals, no matter what their colour, creed, or national background. On that basis he could try these criminals at Nuremberg.

I am not trying to force a moral code on someone else. I am trying to be as objective as I possibly can by saying: let us look at the evidence in committee. In that sense I think we could come to the bottom of this issue.

Also we must realize that the basic principles of jurisprudence and the basic assumptions of our civilization are founded upon the Ten Commandments and the Judaeo-Christian ethical code. When we remove these, and when we ignore all the facts which point in one direction, then the very existence of our freedom is at stake. Relativism ultimately will lead to anarchy and then tyranny.

On his recent visit to the United States the Pope told his audiences in very simple terms that if we want to enjoy real freedom, then we must do so in harmony and in obedience to laws of the Ten Commandments and the directions within the

Judaeo-Christian ethical code. He said that if we do not do that we will lose our very freedom. I think he is right on.

As legislators we must always be sure that our laws are based on the best available evidence. That is the purpose of sending this bill to committee. Also we must be sure that they are in harmony with the directions of the Judaeo-Christian ethical code.

Again I should like to quote from Robert H. Jackson who said that we should move to redress the blight of the record on our era and return in law-making to nothing less than a recovery of those basic principles of jurisprudence which are the assumptions of our civilization. I hope the bill will go to committee.

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I believe that Bill C-206 is a retrogressive step, contrary to the official policy of all political parties in this House, contrary to the opinions of most Canadians, contrary to the realistic real-life situations in the real world which face many women, and indeed, many men today in Canada.

If it is passed, it will deny human rights. My friends spoke about human rights, but what about the rights of women to decide what is best for them in their particular situation? It will not prevent abortions or unwanted pregnancies. Indeed, it will force an increase in illegal, dangerous backstreet abortions. If passed, it will bring heartbreak to many people, particularly families who may have teenage daughters who are in a situation of unwanted pregnancy and who are faced with requiring some choice in planning their future.

The bill distorts the concepts of health, as was pointed out by the last speaker. It contravenes the opinions of most experienced medical practitioners. It ignores the very strong, well-informed and well-documented persistent positions of women's groups across the country. After all, it is a question facing women primarily. Certainly it would be opposed by most professional counsellors who have worked with young people, women, families, husbands and male partners who are involved in situations where there are unwanted pregnancies. In my opinion it is in conflict with basic human rights.

As I read the aims of this bill, it is to restrict the option of legal abortions to only very limited, narrowly-defined situations involving actual physical or acute mental danger. This seems to go completely in the reverse trend to what happened in Canada in the last ten or 15 years. Before 1967 all abortions were a criminal offence, but this did not stop abortions. There were abortions, deaths, and very inhumane practices. Abortions have been with us always.

Since 1967 the New Democratic Party approved limited legal abortions. In 1969 the Liberals introduced legislation in the House, and abortions were approved within certain stipulations. The abortion had to be performed by a qualified physician in an accredited hospital. The operation had to be approved by a three-person therapeutic abortion committee which would decide whether the pregnancy would or would not be likely to endanger the woman's life and health. Incidentally, the practitioner who performs the operation could not be a member of the committee. In 1970 the Liberal party endorsed the removal of abortion from the Criminal Code and recommended that it be the personal and private decision of the woman and her doctor. In 1974 the Conservative party voted to remove abortion from the Criminal Code.

Now we have abortions which are available under very limited situations. Certainly I do not see why people who do not want the availability of abortions extended should have very much concern. They are very, very limited under the present situation. They are done with medical approval. They are available with medical approval. Incidentally, there is no abortion on demand, for those who are concerned about liberalizing it to that degree. Individual cases are reviewed. It gives a woman, her partner, doctor, and perhaps her family, a chance to look at all alternatives. Counselling is available because it is acceptable to talk to people about a possible abortion. Also the other options of family planning, adoption and so on, are available to people. However, it is limited to few hospitals and to the situations under which abortions are approved.

I know this is a very emotional topic. Personally I do not advocate abortion as a desirable situation. I think we should be very clear about this. Abortion, certainly under this bill, is not being advocated as a method of birth control. If I were in the situation, I am not even sure I would have an abortion. However, if I found myself in the situation that many women are in, a real life situation, perhaps I would look at this quite differently.

● (1650)

I also respect the different views of people in this House, throughout this country and, indeed, those in my own party, because there is a different point of view on this question. Some people oppose abortion on religious grounds as a matter of conscience. They have a right to their personal views and, of course, a right to their religious views.

However, not one of us in a democracy has the right to impose our views on others. We have no right to tell a woman who is pressured by many problems because of an impossible life situation, a woman who cannot care for her child perhaps because of health problems, and I use that term in its broadest sense, and maybe in a situation in which she would damage an unwanted child, or the child would be neglected and perhaps abused, that she cannot consider an abortion, or that it is not her right to make the decision.

There are many misconceptions about the kind of jargon we use. For instance, freedom of choice does not mean that we are necessarily in favour of abortion, or that a woman will decide in favour of an abortion in her own situation. Many people are very much opposed to abortion, and certainly would be opposed to it as a method of birth control in Canada. Freedom of choice means in this case that a woman should not be pressured against her will to bear a child, nor indeed should she be pressured against her will to have an abortion. It is the individual human right of a woman to have the freedom to decide whether to continue with an unplanned and undesirable

pregnancy. Surely we in Canada believe in this form of justice as well as in the advice and expertise of the doctors who will be working with these women.

Abortions take place every day. Involuntary abortions are a part of nature in every species. Illegal backstreet abortions by quacks will continue regardless of whether we have legislation or change the legislation, but there is no doubt that they will increase in frequency and in danger if there is no legal alternative. They will increase for the poor people. Young teenagers and poor women are the ones who will go to the backstreets. The rich people can afford to go across the border, or have this done by private means.

I would like to discuss some of the facts that were referred to by a previous speaker, and also contradict some of his interpretations of the statistics. For instance, abortions are not readily available now in Canada. Only 58 per cent of hospitals are eligible to establish abortion committees. That is not very many and they are not available to people in all communities. Only 52 per cent of eligible hospitals are actually performing abortions, and 45 per cent of Canadians live in communities where legal abortions cannot be performed.

As to the opinion of Canadians, I should like to refer to a Gallup poll in April, 1978, which shows that 69 per cent of persons interviewed were in favour of abortions under some circumstances. Therefore, they would indeed support the present legislation with no change. There was a reduction from 16 per cent to 14 per cent in that period from 1975 to 1978 in the number of people who were not in favour of the present legislation and felt that abortions should be made illegal. Some 76 per cent of the people believed that abortion should be available if a woman's health was seriously endangered. Most important, one third of all legal abortions in Canada are performed on young women under the age of 20, and that represents only the registered abortions, not taking into account the many illegal abortions that are certainly performed.

In 1977 there were 54,000 legal abortions in Canada, and 3,000 Canadian women, presumably women in the upper income group, who went across the border to have their abortions. In 1977 some 57,000 legal abortions were performed in Canada and 2,000 women crossed the line into the United States. There was some decrease in that regard probably due to the fact that the opportunity was available in Canada.

The rate of abortions in Canada is very low compared to that in other countries. Our abortion rate is about half of that in the United States per 1,000 females, it is about equal to that in the United Kingdom, and it is half the rate in Sweden. In many developing countries, of course, abortion has been liberalized far beyond this responsibility, particularly to economic and population factors.

I would like to mention quickly just two or three other points. I wish it were possible for men to get really emotionally involved in this question. It is really impossible for a man, for whom it is impossible to be in the situation, to really see it from the woman's point of view. That is why I am concerned that there are not more women in this House available to speak about this from the woman's point of view. The only thing I can think of which would bring this closer to those gentlemen in the House, is to refer to the situation of a teenage daughter. How would you really feel if your young daughter was pregnant and was told she could not have an abortion?

Many young people are living together in temporary kinds of arrangements. They are living away from home without a regular source of income. The relationship is probably not stable, and certainly most young people are not mature enough to think of having families and providing the nourishment and care that children require. What would you do if your daughter was in this situation? Would you say she had no right to go to the hospital for a legal abortion? Would you force her and her boyfriend to go to the back streets of Toronto or Vancouver to some quack? That is what you are saying if you support this bill.

Let me refer for a moment to other forms of birth control. We know that women are increasingly concerned about present forms of contraceptives, many of which have side effects and, indeed, are not nearly as infallible as we once thought. More and more men are thinking in terms of having vasectomies. If we apply the same principle, what is the situation then? I know this is not analogous, but perhaps the principle is the same. How would you feel about a bill in this House forbidding you to have a vasectomy if you felt that was the best way for you and your wife to prevent unwanted pregnancy? Women have the right to make their own decisions, hopefully without torture, without feelings of guilt and without being blackmailed. If they have access to proper counselling, education, family planning, contraceptives and good medical advice, maybe they would choose some alternative to abortion.

Certainly with my background I am familiar with children who have been taken in for care, and I can certainly tell members of this House that the rights of those children who go into one foster home after another are not being observed. Their health, welfare, and ability to mature as human beings are in serious jeopardy.

The question of health was referred to, and we all know that health involves the total human being and not just the narrow area of physical or mental damage as mentioned in this bill.

● (1700)

Finally, Mr. Speaker, I would really like to address myself to the rights of children. Those who have spoken today have mentioned this. It seems to me that the rights of children are the right to be loved, to have care, to be nourished emotionally as well as physically, to have security, hopefully to have two parents, hopefully to have decent housing, decent income, and food on the table. There are millions and millions of families across this country who cannot provide that for their children. Children have the right not to be abused or neglected.

It is demonstrated every day that child abuse and neglect are on the increase. Men and women who have not had their own needs met and are seriously deprived themselves, who

have no hope for the future and no jobs, are taking it out on their children. There is compulsive abuse. Do we want these families to continue to have children if they should, in a moment of enlightenment, choose to have some control over their family and, if necessary, have an abortion? I think not, Mr. Speaker. Anyone who really knows the situation respects the future for children.

Some hon. Members: Hear, hear!

Mr. Bill Wightman (Parliamentary Secretary to Minister of Labour): Mr. Speaker, having heard the words with which the hon. member for Vaudreuil (Mr. Herbert) introduced Bill C-206, and the eloquence with which it was supported by my colleague, the hon. member for Kitchener (Mr. Reimer), I would not have addressed the House but would have been content to support the bill from my place. I am moved to say a few words, however, in light of the intervention we have just heard from the member of the NDP.

It strikes me that to argue that we do not have effective abortion on demand in this country is to ignore all the empirical evidence, and certainly the evidence offered by the hon. member for Kitchener. To equate vasectomy with abortion strikes me as convoluted reasoning, to say the least.

I shall not take the time of the House to make a point by point rebuttal of the statements we have just heard, but I will respond to the perception of the hon. member for Vancouver East (Mrs. Mitchell) that somehow the male members of this House are not emotionally concerned or involved about the issue. I would assure her, and all hon. members, that we are deeply involved and concerned. I would say, too, that the vast majority of people who speak with me on this subject and who have brought me to my present opinion, have been women. They have certainly been deeply and profoundly and emotionally concerned and involved.

I can guarantee, finally, that on this motion or any like motion, I will stand and support it.

Some hon. Members: Hear, hear!

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise to express some serious concern about the bill before the House today. There are a number of questions in this whole area of abortion which certainly I think all members of this House would want to consider very carefully.

In 1977, in January, Dr. Robin Badgley reported on this question of abortion and talked about some very serious concerns in this whole area. The Badgley report, which involved extensive consultations within the medical community, with women all across this country, and looked at practices in other countries, came to the conclusion that one of the most important factors in reducing the number of abortions was the existence of adequate family planning funding. Despite that conclusion, despite the clear message, which was found in the Badgley report, the response of the government was to slash the family planning program which is administered by the Department of National Health and Welfare, from $2.1 million in 1978-79 to $1.1 million in the current fiscal year and, in addition, to slash the sustaining grant to the Planned Parenthood Federation of Canada from $600,000 to $440,000.

No one in this House, I am sure, is "pro-abortion". Members on all sides of this House have a deep respect and reverence for life. Our concern, however, is that where strong and restrictive abortion laws exist, the simple reality is that they do not reduce the number of abortions. What they do, as the hon. member for Vancouver East said, is to drive poor women, women who cannot afford to go to other countries where abortions may be more readily available, to drive those women to the back street butchers.

It is the position of this party, and it has been our position for some time, as it is the position of the Canadian Medical Association, that this very serious decision by a woman to have an abortion is one which should be taken out of the framework of the Criminal Code. It is a decision which should be made by a woman in consultation with her doctor.

I should add, Mr. Speaker, that I, myself, have tabled a private member's bill on this subject. I am concerned, as well, with the application of the law, but from a somewhat different direction than speakers on both sides of this House who have spoken so far, other than my colleague from Vancouver East. I think the point which my colleague from Vancouver East made with respect to men legislating for women is an important point. There was one woman who spoke on this question and her views were quite clear and were very eloquently put. One of the concerns which was expressed by the Badgley report was that the law in Canada is not equitably being applied, that only in some 250 hospitals across this land are there therapeutic abortion committees, that particularly in the province of Quebec there are very serious problems in terms of accessibility to these therapeutic abortion facilities.

I must confess, Mr. Speaker, that I am somewhat surprised to hear the Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Roche) speak about 250 committees in a total of, I believe he said, 500 or 600 hospitals. One is somewhat disturbed to know that the parliamentary secretary—

The Acting Speaker (Mr. McCain): Order, please. The hour provided for consideration of private members' business has expired. It being after five o'clock p.m., this House stands adjourned until Monday next at two o'clock p.m., pursuant to Standing Order 2(2).

At 5.08 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, December 3, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

ENERGY

CALL FOR INQUIRY INTO FINANCIAL ACTIVITIES OF OIL MULTINATIONALS—MOTION UNDER S.O. 43

Hon. J.-J. Blais (Nipissing): Mr. Speaker, pursuant to Standing Order 43, I rise on a matter of urgent and pressing necessity. Canadians, facing tight oil supplies this winter and concerned with the total inability of their government to take any decision in energy matters, except the dismantling of Petro-Canada, have been shocked to learn that at least two of the major oil multinationals have been siphoning millions of Canadian dollars to their United States parents, while others have diverted large amounts into enterprises unrelated to the oil and gas industries.

Since the amounts of Canadian dollars passing through the hands of multinationals annually may exceed $25 billion, or 10 per cent of the gross national product of Canada, I move, seconded by the hon. member for Ottawa Centre (Mr. Evans):

That this House urges the government to charge the Auditor General to inquire, pursuant to section 11 of the Auditor General Act and section 9 of the Petroleum Corporations Monitoring Act, into the financial activities of the oil multinationals operating in Canada, including the transfer of funds into parent companies as well as the diversion of funds into investments unrelated to the oil and gas industry in Canada or abroad.

Mr. Speaker: In accordance with the provisions of Standing Order 43, such a motion can be presented for debate only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

REQUEST GOVERNMENT MODIFY POLICY CONCERNING PETRO-CANADA—MOTION UNDER S.O. 43

Hon. Marc Lalonde (Outremont): Mr. Speaker, pursuant to Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of urgent and pressing necessity.

Considering that the latest Gallup poll confirms the retreat of this government, and that the Prime Minister and the officials of the Progressive Conservative Party did not even succeed in having their own candidate elected as president of the Quebec section of that party at their convention last weekend; considering that not only public opinion but even the members of the Progressive Conservative Party have lost confidence in this government, I move, seconded by the hon. member for Hull (Mr. Isabelle):

That the House request the government to modify completely its policies and, especially, to relinquish its plans to dismantle Petro-Canada and to raise taxes substantially on the pretext of energy conservation.

Mr. Speaker: The House has heard the motion of the hon. member. This motion, pursuant to Standing Order 43, can be presented for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

CANADIAN PACIFIC RAILWAY

MISSISSAUGA DISASTER—RELEASE FORMS SIGNED BY AFFECTED RESIDENTS—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, whereas the Canadian Pacific Railway has been exacting liability release forms from the residents of Mississauga before making any payment for out of pocket expenses, and whereas this amounts to a form of economic duress and proves once again that some rob you with a six-gun and some with a fountain pen, I move, seconded by the hon. member for Nickel Belt (Mr. Rodriguez):

That this House condemns the CPR for exacting releases from future liability from the residents of Mississauga as a precondition for payment of out of pocket expenses, calls upon the government of Ontario to render such releases null and void, and calls upon the Government of Canada to use all the resources at its disposal to dissuade the CPR from this course of action.

Mr. Speaker: Such a motion can be presented for debate at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

[*Translation*]

ENERGY

REQUEST GOVERNMENT INTRODUCE LEGISLATION ESTABLISHING ENERGY BANK BEFORE BRINGING DOWN BUDGET—MOTION UNDER S.O. 43

Mr. Armand Caouette (Abitibi): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

In view of the announcement made by the right hon. Prime Minister (Mr. Clark) during the conference which was held among the premiers of the provinces and himself last November 12, regarding the creation of a Canadian energy bank; and considering the commitment he made last weekend in Quebec City during the convention of the Quebec wing of the Progressive Conservative Party, I move, seconded by the hon. member for Beauce (Mr. Roy):

That the House request that the government introduce in the House its legislation on the Canadian energy bank before bringing down the budget scheduled for next week.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*English*]

NATIONAL DEFENCE

ALLEGED INADEQUACY OF NORTHERN DEFENCE FORCES—MOTION UNDER S.O. 43

Mr. Alex Jupp (Mississauga North): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the claims by Major General Herbert Pitts, formerly the head of the Canadian Airborne Brigade, in last evening's CTV program "W5" that because of the neglect of our defence requirements over the past decade, our northern defence forces are so inadequate and antiquated that as few as 1,000 Soviet troops could take over our northern installations, I move, seconded by the hon. member for Assiniboia (Mr. Gustafson):

That the government undertake a special inquiry into the serious nature of General Pitts' allegations, with a mandate to recommend specific steps to restore our northern defence capacity.

Mr. Speaker: Is there unanimous consent for the presentation of such a motion?

[Mr. Speaker.]

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

METRICATION

REQUEST FOR CONTINUATION OF CONVERSION—MOTION UNDER S.O. 43

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, I rise under Standing Order 43 to ask for the unanimous consent of the House to introduce a motion on an urgent and important matter.

Considering that the metric system has been adopted by almost every country, except the United States, considering that it was introduced in Canada almost ten years ago and that Canadians from coast to coast are gradually yet quickly getting used to it, considering that governments, small and medium businesses and institutions have, since 1970, spent large amounts of money to acquire the new weights and measures equipment; and considering that it will cost us millions of dollars more if the handful of Progressive Conservative members who have been attacking the system for highly questionable reasons continue to do so, I move, seconded by the hon. member for Spadina (Mr. Stollery):

That the Prime Minister, the Minister of State for Small Businesses and the Minister of Energy, Mines and Resources indicate to the House, unequivocally and as soon as possible, whether it is their intention to continue to obstruct for a long time, and without reason, the total and complete conversion in Canada to the metric system.

Mr. Speaker: Order, please. Under Standing Order 43 such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF FIRST VICE-MINISTER OF FISHERIES AND MEMBER OF SUPREME SOVIET OF THE U.S.S.R.

Mr. Speaker: May I invite hon. members to join with me in signalling the presence in our gallery of a distinguished visitor in the person of the First Vice-Minister of Fisheries and, of course, he is also a member of the Supreme Soviet of the U.S.S.R., Mr. Kudryavtsev.

Some hon. Members: Hear, hear!

HOUSE OF COMMONS

[*English*]

NEW MEMBER

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Stan J. Hovdebo, Esquire, member for the electoral district of Prince Albert.

NEW MEMBER INTRODUCED

Mr. Stan J. Hovdebo, member for the electoral district of Prince Albert, introduced by Mr. Edward Broadbent and Mr. Lorne Nystrom.

• (1415)

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

IRAN CRISIS—COLLECTIVE STATEMENT DENOUNCING HOSTAGE-TAKING

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister, as we enter the fifth week of the hostage-taking incident in Iran. As, over the last few days, the heads of the European Economic Community have decided to make a collective statement denouncing that incident—I hope they do not have to apologize to the members of the European Parliament, as our foreign minister did when I asked that the statement be made at the heads of government level—I would like to know, and the House would like to be informed by the Prime Minister whether he has taken steps toward getting that type of statement from the seven participants at the Tokyo Summit, which would constitute a reinforcing of our solidarity with the United States.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I naturally welcome the decision taken by the leaders of the European Economic Community at Dublin. I think their statement was strong and unequivocal and indicates that they stand, as Canada does, very strongly in support of the efforts of the United States to have Iran respect international law.

Pursuant to suggestions made by the right hon. Leader of the Opposition and others, I have been in touch with some of the other countries represented at the Tokyo Summit. It is my view that it would not be particularly productive to have the wealthy nations of the world, represented at the Tokyo Summit, gathered together at that forum or as emanations of that forum to add to statements which each of those nations has already made individually, or in other forums.

Mr. Trudeau: A supplementary question, Mr. Speaker. When it comes to upholding international law, I am not quite certain how the Prime Minister thinks the size of one's pocketbook can affect the declaration. Surely the members of the EEC did not look to their pocketbooks before making that statement. The Prime Minister fails to see the point, once again, that it is collective action and collective decisions which are noted and needed at this point, not individual statements by Canada or someone else. The Europeans have understood that.

I should like to ask the Prime Minister, once again, if he could tell us if he is working toward some international statement of co-operation of the leaders of the seven nations. Could he tell us what kind of statement he is looking at? Is it merely a statement of protest at the breach of international law, or is he seeking to get a commitment from various friends and allies of the United States that they would be prepared to impose international sanctions on Iran or any other country which acted in breach of international law?

Mr. Clark: Mr. Speaker, I would have thought that, of all people in this House, the right hon. Leader of the Opposition would have understood that in a situation as delicate and as complex as this, the purpose of Canada and other countries in seeking to uphold international law should not be simply to be heard, but should be, rather, to be effective in trying to bring influence to bear on the Iranian authorities.

Some hon. Members: Hear, hear!

Mr. Clark: I am not interested, and I think most Canadians are not interested, in finding a forum for Canada to speak. We have plenty of those forums, and we have been effective there. What I am interested in, and what I think other countries in the world are interested in, is finding a variety of means by which the authorities in Iran can be persuaded to respect international law.

Consequently, we as the Government of Canada have taken a role of leadership, through a variety of the forums open to us, that we believe will have influence on the Iranians. We have done that at the United Nations; we have done that through the Commonwealth; we are doing it through Francophonie. We are doing that individually and bilaterally with other countries. That will continue to be our approach, to try to amass as much as possible a range of influence upon the Iranian authorities to encourage them to respect international law. Our interests will be in the response of Iranian, not the response of Canada.

• (1420)

Mr. Trudeau: Mr. Speaker, I think the Prime Minister is on solid ground when he asks for effective action and not merely expressions of indignation. But it seems to me that that is what the world has been having a lot of in the past month, expressions of indignation, of solidarity for the United States, and the whole point of my question, Mr. Speaker, is that it has not been effective. A month will have elapsed tomorrow since the taking of the hostages. We have not been effective. When we met in Bonn a couple of summers ago, we took effective action

against hijacking by deciding that we would all act collectively against those who perpetrated any hijacking.

What I want to know now from the government is whether it is contemplating such a form of action or declaration, a declaration of solidarity with the United States indicating that if we do not act collectively against this international terrorism, at least we would support the United States in imposing sanctions on its own against any country like Iran which is perpetrating indignities against the United States.

Mr. Clark: Mr. Speaker, we are, naturally, considering whether sanctions by Canada, by the United States or by anyone else would be effective. At this stage, we think what will be effective is not a show of force in relation to Iran, except the force of international opinion, and we are trying through a variety of initiatives, public and private, to bring to bear upon authorities in Iran the view of Canada and the view of other countries which respect international law that the situation now existing in Iran is not acceptable.

I repeat to the House, and I repeat to the right hon. Leader of the Opposition who, of all members in this House, should understand the delicacy of the situation, that this is not a matter where a desire for domestic publicity should be allowed to interfere with the effectiveness of international action.

Some hon. Members: Hear, hear!

UNITED STATES DECISION NOT TO PURCHASE OIL FROM IRAN—POSSIBLE ASSISTANCE FROM CANADA

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I will attempt to avoid seeking publicity in putting this question, and follow the modesty of the Prime Minister who has never been known to seek publicity on any subject.

Some hon. Members: Oh, oh!

Mr. MacEachen: But more seriously, Mr. Speaker, the Prime Minister has talked about effective action and a range of influences, especially the necessity of supporting the United States. In view of the fact that a high official in the Carter administration had a statement attributed to him over the weekend, that allies of the United States were prepared to do everything they could to help the hostages, except to hurt themselves—it seems to me that that reflects the feeling of isolation that is growing in the United States—has the Prime Minister explored within his government or with other governments the possibility of assisting the United States this winter because of its decision not to purchase any more oil from Iran by making available, in concert with other nations, some additional supplies?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, we would certainly be prepared to consider that.

Mr. MacEachen: Mr. Speaker, on another point related to that, may I ask the Prime Minister, has he explored or is he prepared to explore, in concert with other nations, taking the step which the United States has already taken, namely, to declare that it will no longer rely upon sources in Iran for oil supplies? Would he explore that possibility and consider it possibly with other nations as a way of giving some teeth to his readiness to apply sanctions in this situation?

[Mr. Trudeau.]

Mr. Clark: Mr. Speaker, certainly, again, we would be prepared to consider that to see whether it would be effective. I repeat to the hon. member and to the House that what we are interested in here is not simply showing the extent of our support for the United States, for North American reasons, but what we are interested in here is to try to mobilize international opinion in a way that will have an effect upon the authorities in Iran.

It may be that indications of support for the United States, of the kind to which the hon. member refers, would be useful. If so, we will certainly consider them seriously. But I think it is important for me to underline to the House how essential it is, in circumstances like this, for us to act with some calm, to act in a way that is designed to have influence upon authorities in Iran as our primary purpose, and not to let that primary purpose fall prey to any subsidiary domestic purpose.

* * *

● (1425)

NATURAL RESOURCES

CLOSING OF IRON ORE MINES—CALL FOR INVESTIGATION AND ACTION TO PREVENT

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the fact that a particularly serious situation exists in the iron ore mining industry in Ontario, with four out of nine iron ore mines closing in the last 18 months, with a loss of over 1,200 jobs, the fact that the Ontario steel industry now imports 58 per cent of its iron ore, most of it from the United States, and the fact that mines in Atikokan and Capreol can still provide this iron ore, will the minister tell the House what steps he plans to take to investigate the situation and to get these mines and men working again?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): As the hon. member knows, Mr. Speaker, there has been a downturn in the demand for steel from Canadian producers, as well as with respect to iron ore from mines in Canada. Part of this is attributable to increased production in the United States. We in the department are very much involved in monitoring this situation. In conjunction with my colleagues in cabinet, we will continue to watch the situation in order to see what can be done to improve the circumstances in Canadian mines and with regard to steel producers.

Mr. Rodriguez: Mr. Speaker, I will direct my supplementary to the Prime Minister, because trying to get an answer from the minister is like trying to find eggs in a cuckoo clock.

Some hon. Members: Oh, oh!

Mr. Crosbie: You're the expert on cuckoos.

Mr. Rodriguez: Keeping in mind that steel mills in Canada are operating at or near 100 per cent capacity, and that it is the density of foreign ownership of our resources and the vertical integration of monopolies in the iron mining and steel industries in Canada that are resulting in the replacement of Canadian iron ore production by foreign imports, can the Prime Minister tell us whether his government is prepared to take steps to rationalize the iron and steel industry so that Canadians can get the maximum benefits from their resources?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the claim of the hon. member to absolute authority in relation to anything touching on cuckoos is uncontested in this House.

Some hon. Members: Hear, hear!

Mr. Clark: In relation to his question, we as a government are certainly interested in developing means by which we can encourage more Canadians to become more active in the ownership of Canadian resource industries. That is one of the reasons we are proposing the steps we are in relation to energy policy. If the hon. member and his party are seriously interested in practical steps that will encourage Canadian ownership of Canadian resources, I hope they will support the measures we put forward in relation to energy development.

Mr. Rodriguez: Mr. Speaker, the Gallup poll has determined who the real cuckoo is in this House at the moment.

Some hon. Members: Hear, hear!

Mr. Rodriguez: I will direct my final supplementary question to the Minister of Employment and Immigration, the friend of the mining companies. Maybe he will have some answers. Was the minister informed, in advance, of the lay-offs in all of these iron ore mines? What steps is he taking to overcome the disastrous effects of such shutdowns, because all of them have occurred in one-industry communities? What is he going to do? We want no pussy-footing around.

Hon. Ron Atkey (Minister of Employment and Immigration): The answer is yes, Mr. Speaker. My officials were informed of, I believe, all the cases to which the hon. member has made reference.

Mr. Rodriguez: What are you doing about it?

Mr. Atkey: My officials in the Manpower consultative services have been meeting with mining company officials and union officials to see if there are certain alternatives that can be taken to soften the blow of the lay-offs for the men concerned. One, of course, is unemployment insurance. Another is work-sharing. A variety of options are available within the Manpower consultative service program, and these will be fully explored.

• (1430)

[*Translation*]

ENERGY

INQUIRY AS TO DATE OF ESTABLISHMENT OF NATIONAL ENERGY BANK

Mr. Fabien Roy (Beauce): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

Mr. Speaker, at the first ministers' conference which met here in Ottawa on November 12 last, the Prime Minister proposed the establishment of a national energy bank. Over the weekend, in Quebec City, the Prime Minister said he would keep his promise. Today, I should like to ask him, for the benefit of the House and the Canadian people, first, when that project will be put before the House; second, who will finance that bank and, third, whether the oil companies will have to participate in it?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, that is a serious question and I appreciate it very much. I intend to discuss the establishment of a Canadian energy bank with the provincial premiers here on December 17 and 18. We have already had general discussions with them in this regard but, as the hon. member knows, the government hopes that Canada can have such an institution in which not only the federal government would participate but also some of the provinces; if the provinces participate, it would be appropriate for them to take part in drafting the terms of reference of that bank.

With regard to the funds, they would be collected through federal taxes. We intend to channel all the funds provided by new taxes to oil companies; we want to channel them to the Canadian energy bank and other energy projects. We hope it will be possible for some of the provinces to contribute to it financially.

As for the third part of the question dealing with the participation of the companies, we intend to have the Canadian energy bank give special assistance to those Canadian companies that want to participate in the development of Canadian natural resources.

INQUIRY WHETHER AGREEMENT IN PRINCIPLE CONCLUDED WITH CERTAIN PROVINCES

Mr. Fabien Roy (Beauce): I have a supplementary question, Mr. Speaker. The Prime Minister has had talks with the provincial governments. I would like to know whether his proposal or at least its basic principle has been accepted by some of them. Further, I would like to ask him whether the oil companies will be obliged to deposit in the Canadian energy bank the profits accruing from the price increases or if the government only intends to get that money through the tax system. In other words, I would like to know whether the increases—

Mr. Speaker: Order.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, most provinces have made a statement of intent about the establishment of a Canadian energy bank. If that is necessary, I hope we can introduce a bill in the House in January or February. I hope we can do it in January. As for the issue of profits, we intend to develop a taxation scheme through which we can recoup most of the new profits the oil companies will make following the increase in the price. We will direct a large part of this money towards the Canadian energy bank while other revenues from that source will be directed towards Canada's other energy goals.

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[*English*]

INTERNATIONAL TRADE

REQUEST FOR REPORT ON POSSIBLE FINANCIAL ASSISTANCE FOR CHRYSLER CANADA

Hon. John C. Munro (Hamilton East): Mr. Speaker, I should like to address my question to the Minister of State for Small Businesses and Industry. He is no doubt aware that a few days ago Mr. Greenwald, a vice-president of Chrysler (America), appeared before a congressional committee and stated that negotiations were under way with the Canadian government for financial help for Chrysler Canada to the extent of $150 million to $300 million. As I say, he indicated—and this was confirmed to the standing committee last week—that negotiations were going on with Canada.

Could the minister advise the House whether, in the process of these negotiations, we are insisting on Canadian equity participation in the ownership of Chrysler here, as a means of ensuring that our money stays in Canada and that Canadian jobs stay in Canada to give our people opportunity for employment?

Hon. Michael Wilson (Minister of State for International Trade): One of our principal concerns in the negotiations we are carrying on right now with the Chrysler Canada people is the employment of the people involved in Windsor. This will be studied from a number of different angles. Indeed, the question has been under study for about two months as a result of a series of meetings we have had with Chrysler Canada officials. I cannot say at this stage just what form of government support they would receive, if any.

As to the proposals we are considering, we are looking at a wide range of possibilities and as soon as decisions have been reached I will be very happy to advise the House.

Mr. Munro (Hamilton East): I will direct my question to the Prime Minister. He can no doubt give a specific answer to my question. About three months ago the Automotive Parts Manufacturers' Association of Canada suggested to the Canadian government that in return for financial help to Chrysler, we should ask for the sale of Chrysler parts manufacturing subsidiaries to Canadians, and that in addition we should ask for increased Canadian participation and ownership in Chrysler Canada. That would be one of the conditions for advancing any money to save Chrysler Corporation. If the Prime Minister is not aware whether this is a condition or not, would he be prepared to consider it as one of the conditions for any help?

Mr. Wilson: As I said to the hon. member earlier, that is one of the options which is open to us. We are looking at a variety of options. Our principal concern is to protect the jobs of the people in the Windsor community who are affected. As soon as we are able to put forward a specific package on completion of our negotiations with Chrysler Canada, we shall do so.

STUDY OF CANADA-U.S. AUTO PACT

Mr. John Evans (Ottawa Centre): Mr. Speaker, my question is directed to the Prime Minister. In view of the great concern over Canada's international deficit situation and the fact that the auto pact is about to add some $3.1 billion to that deficit, and bearing in mind that the Ontario minister of industry and tourism has announced that the province is preparing a study of the auto pact—which is a federal government agreement with the United States—is the right hon. gentleman prepared to enter into joint co-operative effort with Ontario to examine the auto pact which could have such a great bearing on the future of our economy?

Right Hon. Joe Clark (Prime Minister): As the hon. member may know, the Government of Canada completed a study last year and so, I understand, did the government of Ontario. I would certainly be prepared to discuss the matter with officials of the Ontario government to determine whether they think there is any need for a new study, and whether they believe it would be useful for the federal government to participate in such a study. We would make our decision on the basis of the response.

* * *

ENERGY

OUTFLOW OF FUNDS FROM OIL MULTINATIONALS—SITUATION WITH OTHER MULTINATIONALS

Mr. John Evans (Ottawa Centre): Mr. Speaker, I should like to address a further question to the Prime Minister, again dealing with the question of the deficit. The Minister of Energy, Mines and Resources has indicated he intends to bring in the multinational oil companies to look into the outflow of funds which was announced on Friday in a report from his department.

Would the Prime Minister agree to involve himself in these discussions, and would he be prepared to pursue the matter further by inquiring whether other multinational corporations might be behaving in a similar way by allowing money to flow out of Canada?

Right Hon. Joe Clark (Prime Minister): I do not think there will be any need to involve myself at this stage. The matter is within the active responsibility of the Minister of Energy, Mines and Resources. His officials are meeting this week with those of the companies concerned, I believe. The minister himself will be meeting with other representatives of those companies, more senior representatives, if that turns out to be necessary. I think there is no need for me to become involved at this stage.

● (1440)

In relation to the broader question, I will check with our officials to see if we have any record of significant movement in fields other than energy. As the hon. member and the House will know, the danger has been most acute and most evident in relation to energy companies.

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INTERNATIONAL TRADE

INTEREST RATE INCREASES—IMPACT ON AUTOMOBILE INDUSTRY

Mr. Denis Ethier (Glengarry-Prescott-Russell): Mr. Speaker, my question is to the right hon. Prime Minister. In light of the statement last week by Ken Graydon, executive vice-president of the 2,800 member Federation of Automobile Dealer Associations, predicting that the delayed impact of recent interest rate increases could mean that the Canadian auto industry is only "a month or two away from real hurt", does the government not feel that there is an urgency involved in making a decision about Chrysler Canada before the situation deteriorates any further?

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, we have been very conscious of the state of the industry in the discussions we have had with Chrysler Canada officials. I think a great deal of good discussion has been going on today to try to get to the heart of this problem so that we will be able to come forward with a proposal which will receive acceptance by this House.

I should point out that the proposal which has been put forward by Chrysler does not call for a bail-out situation the same as in the United States. It is a proposal which relates to the long-term development of the company and the industry in this country.

Mr. Ethier: Mr. Speaker, my supplementary is to the Prime Minister. Given that employment at the Chrysler Canada engine plant in Windsor has dropped from 2,800 workers in 1978 to around 500 workers now, because of the plant's continued reliance on production of V-8 engines, and given that this plant could be the location of production of a new Chrysler V-6 engine, will this House be assured that any aid given to Chrysler will be contingent on the V-6 engines being produced at Windsor rather than the rival site considered at Trenton, Michigan?

Mr. Wilson: Mr. Speaker, the future of the engine plant is very much a part of the proposals which have been put forward by the people of Chrysler. I do not think anything more can be said now in a meaningful way without jeopardizing the industrial confidence and the competitive position of Chrysler in the automotive industry.

REQUEST FOR STATEMENT ON NUCLEAR EXPORT PROGRAM

Hon. Jean-Luc Pepin (Ottawa-Carleton): Mr. Speaker, on the same subject of jobs, but changing the industry to the nuclear industry, my question is to the Prime Minister. About 35,000 jobs directly, and the fate of more than 100 manufacturers, wholly or in part, are dependent on the success of the nuclear export program. Yet there are uncertainties and difficulties in marketing in Argentina and Japan.

The Secretary of State for External Affairs has made a statement demanding "the most stringent conditions", which is unclear. A parliamentary committee might be created soon on the whole problem of nuclear energy. Could the Prime Minister commit himself to a calm, but strong and relatively detailed statement on the nuclear export program, in the coming weeks?

Right Hon. Joe Clark (Prime Minister): Yes, Mr. Speaker, I think I can state again the position of the Government of Canada in relation to the nuclear export program. It might be helpful for that to be done as a prelude to the consideration of related questions by a committee of this House. I will take the opportunity to review the guidelines and the conditions set down, not only by this government but also by the preceding government, and also to review the very active work which has been undertaken by the Minister of State for International Trade and others in pursuing contracts for the Canadian nuclear industry.

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FISHERIES

POLICY RESPECTING BRITISH COLUMBIA HERRING FISHERY

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, my question is to the Minister of Fisheries and Oceans. The minister was quite busy at the end of last week announcing three policies, one on Atlantic salmon and another on the roe herring industry in British Columbia, and on Friday he announced a new policy for factory trawlers on the east coast.

In view of the fact that the policy of the minister on the roe herring industry in British Columbia will result in the loss of 800 to 1,000 jobs in that industry, and in view of the fact that the minister has guaranteed that in the Atlantic industry bona fide salmon industry fishermen will maintain their jobs, will the minister guarantee the same rights to bona fide fishermen in the British Columbia herring industry, and will he assure us that those moonlighters who have been in the industry will be curtailed just as they will be on the Atlantic coast?

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, my understanding is that this will result in a short disruption for the fishermen who are to be affected. However, I will certainly take the hon. member's question as a representation and I will be prepared to discuss it with him.

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NATIONAL DEFENCE

ALLEGED INADEQUACY OF NORTHERN DEFENCE FORCES

Mr. Alex Jupp (Mississauga North): Mr. Speaker, my question is to the Minister of National Defence. It is a follow-up of my motion under Standing Order 43 which, unfortunately, was turned down because of the negative votes of some hon. members in the New Democratic Party.

Some hon. Members: Order.

Mr. Speaker: If the hon. member has a question, would he put it forthwith.

Mr. Jupp: Yes, Mr. Speaker. My question pertains to the very serious allegations which were made in last evening's "W5" program in which it was said that because of a decade of neglect, Canada's situation in terms of being able to defend our country is in very serious jeopardy and that, indeed, 1,000 Soviet troops could take over our northern installations.

Would the Minister of National Defence be prepared to consider setting up a special inquiry which would have as its mandate the making of recommendations to Canada on the necessary steps which must be taken in order to restore our defence capacity in northern Canada?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, this is a very serious question and I can say that I, of all people in the House, am well aware of the deficiencies in the equipment of the Canadian Armed Forces. Unfortunately, we cannot turn a situation like that around in six months. A more modest appraisal would be that in about six years we can turn it around. We intend to do the best we can, with the funds which are available to us, to provide equipment and armed forces to ensure the sovereignty of this nation.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

INQUIRY WHETHER BASIC AGREEMENT WITH QUEBEC ON CREATION OF JOBS WILL BE RESPECTED

Mr. Gilles Marceau (Jonquière): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. On March 14, 1974, one of his predecessors, the Hon. Don Jamieson, signed a basic agreement with Quebec for a period of ten years in order to stimulate the creation of permanent jobs and a more balanced development among Quebec and the other provinces of Canada. This basic agreement and this development agreement was translated into subsidiary agreements.

Can the minister say whether that agreement will be honoured up to its term of expiry and, if so, in order that it does not become inoperative, did the minister ensure that the Minister of Finance will grant the necessary funds and, more particularly, does the minister intend to stand by the letter of the subsidiary agreements being implemented and to respect the timetables agreed upon, so that the Saguenay-Lac-Saint-Jean area may benefit from the $16 million set aside for this year and the $55 million earmarked for the period 1980 to 1983?

[*English*]

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, I can assure the hon. member that our department will continue to perform its mandate under the tems of the general development agreement, not just in Quebec but in all the provinces, and that my colleague, the Minister of Finance, has a very genuine commitment to regional development. We will be following through and honouring our commitments.

[*Translation*]

AGREEMENT WITH QUEBEC—REQUEST FOR MODIFICATION TO ASSIST SAGUENAY-LAKE SAINT JEAN REGION

Mr. Gilles Marceau (Jonquière): I have a supplementary, Mr. Speaker. While he is favourably disposed, could the minister indicate whether new and additional agreements, as well as amendments to existing agreements could be negotiated and signed between the Government of Canada and the government of Quebec in order to assist the Saguenay-Lac-Saint-Jean area which requires major and immediate assistance to alleviate its economic situation?

[*English*]

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, I trust that this will be possible: certainly, it is my desire that it be so. This will be a matter for continuing discussion between ourselves and the government of Quebec.

* * *

[*Translation*]

ENERGY

REQUEST FOR ASSURANCE OIL SUPPLIES WILL BE SUFFICIENT THIS WINTER

Hon. Marc Lalonde (Outremont): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. It relates to the extremely serious, extremely fragile situation, to

use the minister's own terms, of Canada's oil supply this winter, particularly in eastern Canada. A few weeks ago, in answer to a question, the minister indicated that an oil shipment leaving Iran today would reach Canada on December 14, and that another shipment would leave Iran on January 4 and arrive on February 5. Can the minister tell us, first, whether the loading of the December 3 shipment is proceeding normally and whether we can count on this oil being delivered? Also, can he tell us whether Canada expects a fifth shipment which is not scheduled yet in addition to the January 4 one, which would reach Canada later during 1980, so as to ensure that we will not experience any oil shortage this winter?

● (1450)

[*English*]

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I can tell the hon. member that this morning I communicated with the president of Gulf with respect to the present circumstances on shipment of crude to Canada from Iran. He confirmed that the second shipment is, in fact, very close to delivery in eastern Canada and we should expect it.

Also, he indicated to me that he expects arrangements will be made relating to additional shipments at the beginning of the New Year. Due to the uncertainty in terms of the Iranian situation, it is impossible to say whether or not that will be the source of supply. But the company is working very hard to obtain alternate sources of supply with respect to crude. They are very optimistic that that, in fact, will be received by us in February.

[*Translation*]

INQUIRY WHETHER FIFTH OIL SHIPMENT WILL ARRIVE FROM IRAN

Hon. Marc Lalonde (Outremont): Mr. Speaker, I have a supplementary. My question may have confused the minister a little. I wanted to know if another shipment is scheduled after the January 4 shipment. Could the minister confirm that this fourth shipment is indeed scheduled for early in 1980, or is there some connection between this shipment and the lack of vigour with which the government is dealing with the matter of the hostages' release in Iran?

[*English*]

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I find it rather strange that the hon. member would raise this point with respect to further deliveries from Iran when his leader, not five minutes ago, indicated that we should impose a sanction with respect to deliveries from Iran.

The fact is that the corporation indicated to me today, in the discussions, that they are not only bringing in supplies in terms of light crude which will be brought to the refineries here, but also are investigating in a very serious way the importation of product to supply Canadian needs over the course of this winter.

* * *

GOVERNMENT EXPENDITURES

ESTABLISHMENT OF COMMITTEE WHICH WILL DUPLICATE WORK OF STANDING COMMITTEE

Mr. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is for the President of the Treasury Board. As the House is aware, the government has announced its intention to appoint a special committee to look into cost overruns on major government projects, which would appear to be part of the mandate of the Standing Committee on Public Accounts.

Therefore, my question to the President of the Treasury Board is: during this period of concern with government expenditure, how can he justify the establishment of a committee which effectively would duplicate the mandate of a standing committee of this House?

Hon. Sinclair Stevens (President of Treasury Board): Mr. Speaker, I am very pleased that the hon. member has asked me that question, because it gives me an opportunity to draw the significant distinction between the work the special committee will be doing and the very good work which the Standing Committee on Public Accounts does with regard to such things as major capital expenditures.

The special committee will deal with the present: it will deal with jobs that are ongoing, where we have been told that there could be overruns as much as 400 per cent from the original estimate. We would like that committee today to tell us what we can do to arrest this dreadful situation with such overruns. I hope the Standing Committee on Public Accounts will carry on its good work of looking at the deals which were reported on, say, two years ago by the Auditor General, and of drawing up more general guidelines as to what might be done of a more general nature in order to have a more satisfactory management system in Canada.

Some hon. Members: Hear, hear!

Mr. Johnston: Mr. Speaker, the President of the Treasury Board does not appear to be aware of the current work of the Standing Committee on Public Accounts and the Study of Procedures in Cost Effectiveness on an ongoing basis which the Auditor General is carrying out.

My question is: since the work, essentially, has had this same objective, non-partisan approach, surely it would be appropriate to appoint a member of the opposition as chairman of such a committee, in the same spirit as the Right Hon. John Diefenbaker established in 1957, that a member of the opposition should be chairman of the Standing Committee on Public Accounts.

Mr. Stevens: Mr. Speaker, if I may reply to the hon. member, in no way do we wish to see the Standing Committee

on Public Accounts cease doing its good work. But what we are saying is that there are specific projects before us. At the present time, Treasury Board is considering an overrun in the Prince Rupert grain drying facility, in the MAPP facility in Montreal, in an environmental centre in Newfoundland, and we would like the advice of a parliamentary committee as to how it thinks we can arrest, somehow or other, these dreadful overruns which we are now experiencing. We would like the committee to tell us, have we done enough to arrest the deterioration as far as the expenditures are concerned? Do they have any suggestions?

* * *

NATIONAL DEFENCE

FEASIBILITY OF STATIONING NUCLEAR SUBMARINES IN GREAT LAKES

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, my question is for the Minister of National Defence and Minister of Veterans Affairs. It concerns the rather startling reports that the United States department of defence presently is seriously investigating the feasibility of stationing Trident nuclear submarines in the Great Lakes as an alternative to the MX program.

Has the minister informed his American counterpart that such a plan would place the United States in violation of the Rush-Bagot agreement, and has he taken steps to inform the United States that Canadians are not prepared to accept, under any circumstances, Trident nuclear submarines in the Great Lakes?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Frankly, Mr. Speaker, it has always seemed to me that the idea was too preposterous to take seriously.

* * *

[*Translation*]

SUPPLY AND SERVICES

CALL FOR TENDERS ON CONTRACTS—INQUIRY WHETHER GOVERNMENT HAS CHANGED POLICY

Mr. Bob Kaplan (York Centre): Mr. Speaker, I would like to ask the Minister of Supply and Services why he changed the policy relating to Media Buying Services Ltd. When he testified before the Standing Committee on Miscellaneous Estimates, he repeated three times that the government would use the tender system for contracts to advertising agencies. Now, the House knows about two contracts which were awarded to Allan Gregg and a third one about the tourism bureau without any call for tenders. Why did the minister change his policy?

Hon. Roch La Salle (Minister of Supply and Services): Mr. Speaker, the answer is quite simple. When the committee asked those questions, I referred to an eventual contract which was to be signed in the short term. That contract should be signed very soon now. I clearly stated to the committee that I could not say anything about that contract because it had not been signed yet. Given the old practice of calling for tenders, we hired a company specializing in that field for the reasons we have already told the House. That mechanism allows us to achieve the goals that we had already set—reduction of expenses and quality of programs—and we trust that MBS will give us the best possible information because of its experience and qualifications in the field.

INQUIRY AS TO PAYMENTS MADE TO MEDIA BUYING SERVICES

Mr. Bob Kaplan (York Centre): Mr. Speaker, since there is no contract at present between the federal government and that firm, and since the latter has nevertheless started to award contracts, and so on, has the government already made payments to that firm? If so, how much, and how does it figure out how much a firm that is doing so much for the taxpayers will be paid without a contract?

Hon. Roch La Salle (Minister of Supply and Services): Mr. Speaker, given the responsibilities of MBS, I am talking about an over-all contract, but my department has already signed three contracts for July, September and October in the amounts of $39,000, $20,000 and $21,000. Contracts have been awarded by my department and we hope to sign at least a medium-term, over-all contract for the responsibilities entrusted to that firm.

* * *

REGIONAL ECONOMIC EXPANSION

DATE OF PROGRAM TO PROVIDE NEW IMPETUS IN UNDERDEVELOPED REGIONS

Mr. Marcel Dionne (Chicoutimi): Mr. Speaker, my question is also for the Minister of Supply and Services. Last week, he said that we have made a lot of speeches and now the time has come to act. Now that the government is about to unveil the details of a broad strategy for economic recovery by all underdeveloped regions, including Chicoutimi, may I ask the minister when that announcement will be made and what economic sectors it will deal with?

Hon. Roch La Salle (Minister of Supply and Services): Mr. Speaker, I think I do not have any particular news to give the hon. member for Chicoutimi today. I simply said we had made a lot of assessments and we are about to announce certain projects that will please Quebec as a whole and Canadians as a whole. The budget of the Minister of Finance is forthcoming, and there will also be statements by the Minister of Regional Economic Expansion which will surely please, I hope not only Canadians as a whole but also the people of Chicoutimi.

● (1500)

[*English*]

ENVIRONMENTAL AFFAIRS

STUDY OF PROPOSED BRINEX URANIUM MINE

Mr. Peter Ittinuar (Nunatsiaq): Mr. Speaker, my question is to the Postmaster General and Minister of the Environment. Public hearings on the Brinex uranium mine proposal are commencing today and are to continue until December 8, 1979. Residents of coastal communities in Labrador have informed me that they have neither the time nor the funds with which to study and assess the available data and information in order to prepare their position.

Can the minister assure the House that he will send representatives from his department to cover and monitor the hearings on the proposed Brinex uranium mine and to ensure that residents are satisfied with the review process?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, I thank the hon. member for the question. As a result of representations made by the hon. member last week, I have made arrangements to have an official of my department at the hearing today. A senior official was dispatched this morning and will be there for the remainder of the hearings. I thank the hon. member for his concern.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MR. CLAUDE CHEYSSON, SENIOR REPRESENTATIVE OF FRANCE IN EEC

Mr. Speaker: As we conclude question period, may I be allowed to point out the presence of a distinguished guest in the gallery in the person of Mr. Claude Cheysson, senior representative of France in the EEC.

* * *

[*English*]

PENSIONS

STATUS OF LAZAR REPORT

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I rise on a point of order. I want to clear up a matter that has been arousing some controversy in the House while I have been away, and Your Honour commented on it on Friday. It has to do with the status of the Lazar report on the Canadian pension system, a study done over a period of two or three years by officials of the government.

These are the facts, Mr. Speaker. The report is in three sections; a report, summary and appendices. It was originally drafted in English. With regard to the English version, the report and the summary are ready for printing. These have been delayed awaiting the French version. At the present time the budget has priority with the printing presses. The report and summary in English are scheduled for printing beginning the weekend of December 15. They can only be printed on weekends and can be completed on the weekend of December 21 and 22. The appendices in English will be ready in mid-January. We are dealing with hundreds of pages of material, some 400 to 450 pages.

Having regard to the French version, the translation should be returned around mid-December. This has been farmed out to translators around the country in order to expedite it. It is being done by those translators in addition to our own. The edited French version of the report should be completed in mid-January, and the summary should be ready by mid-December. The French version of the appendices should be ready by mid-January.

I believe that we can undertake to have the complete English and French versions ready for tabling in the House by the end of January. If there are members in the opposition, pension critics or whoever the opposition parties nominate, who are anxious to get a copy now, we can supply the English version. We cannot table it in the House until we have both the English and French versions. If there is great anxiety in this regard, and certainly there is no one more anxious than we are as we want to refer this report and others to the committee for consideration of the whole pension area, we have several English copies we can provide for this purpose.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

REQUEST FOR ADDITIONAL HATCHERY CAPACITY FOR SALMON STOCKS

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the second report of the Clerk of Petitions, stating that he has examined the petition presented by the hon. member for Cowichan-Malahat-The Islands (Mr. Taylor) and advising that it meets the requirements of the Standing Orders as to form.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the following questions are being answered today: Nos. 151, 230, 243 and 378.

I would ask that the remaining questions be allowed to stand.

Order Paper Questions

[*Text*]

REGULATORY AGENCIES

Question No. 151—**Mr. Herbert:**

1. How many federal regulatory agencies, having regulatory or semi-judicial powers, exist?

2. What is the number of such regulatory agencies reporting to Parliament through members of the ministry and what is the number the Prime Minister and each cabinet minister is primarily responsible for?

3. What is the number reporting only to the Prime Minister and to members of the ministry and what is the number from whom each receives a report?

4. How many do not report to Parliament or for whom no cabinet minister is responsible?

Mr. John Bosley (Parliamentary Secretary to Prime Minister):

1. There is no formal official definition of what constitutes a regulatory agency.

One possible definition was provided by the Royal Commission on Financial Management and Accountability, as "agencies whose primary functions are licensing, making rules and orders, and supervising activities in a particular industry or sector of the economy" (Final Report, page 309). On this basis the royal commission listed the following bodies:

Anti-Dumping Tribunal

*Anti-Inflation Board

Atomic Energy Control Board

Canada Labour Relations Board

Canadian Radio-television and Telecommunications Commission

Canadian Transport Commission

International Boundary Commission

*Since ceased to exist.

International Joint Commission

National Energy Board

Office of the Administrator under the Anti-Inflation Act

Petroleum Compensation Board

Public Service Staff Relations Board

Restrictive Trade Practices Commission

Tariff Board

It might be noted that other writings on the subject have usually suggested less broad definitions of the term regulatory.

2 and 3. Eight of the bodies mentioned above have reported annually to Parliament through members of the ministry. These are:

Minister of Communications

Canadian Radio-television and Telecommunications Commission

Minister of Energy, Mines and Resources

Atomic Energy Control Board

National Energy Board

Minister of Finance

Anti-Inflation Board

Anti-Dumping Tribunal

Minister of Labour

Canada Labour Relations Board

President of the Privy Council

Public Service Staff Relations Board

Minister of Transport

Canadian Transport Commission

The situation with the remaining six bodies, classified according to minister responsible, is:

Minister of Consumer and Corporate Affairs

The activities of the Restrictive Trade Practices Commission are encompassed in the annual report of the director of investigation and research, both being bodies established under the Combines Investigation Act.

Secretary of State for External Affairs

Annual and other reports of the International Joint Commission and the International Boundary Commission are made public.

Minister for Energy, Mines and Resources

The Petroleum Compensation Board is established under the Petroleum Administration Act. Section 94 of that act requires the minister to prepare a report to be presented to Parliament on the administration of the act.

Minister of Finance

The Tariff Board is not required to report annually, but all reports, evidence and information (other than confidential material) on specific matters examined by the board must be laid before the Parliament.

Minister of National Revenue

Reports of the administrator under the Anti-Inflation Act are tabled.

Further information on reports and documents to be laid before the Parliament is obtainable from relevant statutes, and from the "List of Reports and Returns to be made to the House of Commons by Public Officers and Private Corporations" prepared for members by the Law Clerk and Parliamentary counsel.

4. None.

REDUCTION OF PUBLIC SERVICE

Question No. 230—**Mr. Lambert (Bellechasse):**

Was a study undertaken to ascertain the profitability of the possible 60,000 jobs cut in the Public Service and, if so (a) which sectors will be affected (b) how many lay-offs will there be in each sector (c) what will be the saving for each sector?

Hon. Sinclair Stevens (President of Treasury Board): There has been no single study undertaken to determine the profitability of the 60,000 job cut. However, a board strategy to achieve this reduction has been developed and announced. The strategy is based on a reduction of 20,000 to be realized from the privatization of Crown corporations, a decrease of 5,000 in the agencies and Crown corporations that receive parliamentary appropriations but whose personnel resources are not subject to Treasury Board control, and a reduction of 35,000 in the controlled public service. The government also announced that one of its guiding principles in achieving these reductions would be reliance on attrition. As each phase of this strategy is implemented, studies will be undertaken to ensure that the cuts are designed to achieve the greatest possible savings for Canadian taxpayers.

RE-EVALUATION OF GOVERNMENT'S ELECTORAL POSITION

Question No. 243—**Mr. Lambert (Bellechasse):**

Between May 22 and October 9, 1979, did the government conduct any studies re-evaluating the electoral position of the party in power and, if so (a) how many (b) what was the total cost?

Mr. John Bosley (Parliamentary Secretary to Prime Minister): No. (a) and (b) Not applicable.

SUPERANNUATION

Question No. 378—**Mr. Pepin:**

1. For the fiscal year ended March 31, 1979, what amount of interest was credited to the (a) Public Service Superannuation Account (b) Canadian Forces Superannuation Account (c) Supplementary Retirement Benefits Account?

2. What amount did each account receive by way of contributions in the same period?

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): I am informed by the Department of National Defence and the President of Treasury Board as follows:

1. (a) The amount of interest credited to the public service superannuation account during the fiscal year ended March 31, 1979 was $374,687,241. This represents interest earnings at a rate of 4 per cent per annum. Interest earnings over that amount (currently earnings from the difference between interest rates of 8 per cent and 4 per cent) are used to offset the cost to the government of amortizing over a period of five years, the liability created by salary increases.

   (b) $310,700,953.91

   (c) The amount of interest credited to the supplementary retirement benefits account was $36,680,602.

2. The total amount of contributions paid into the public service superannuation account including government contributions, employee contributions and salary increase deficiency credits was $1,016,141,519.

The total amount of employee and government contributions paid into the supplementary retirement benefits account was $134,377,334.

Canadian Forces superannuation account:

Current contributions	$69,318,651.85
Arrears of contributions	$1,383,899.58
Transfers from other funds	$45,644.40

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, if question No. 548 could be made an order for return, because of its length, this return could be tabled immediately.

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered.

[*Translation*]

Is it the wish of the House that question No. 548 be deemed to have been made an order for return?

Some hon. Members: Agreed.

[*Text*]

CBC ART COLLECTION—CALGARY

Question No. 548—**Mr. Friesen:**

1. How many works of art are in the collection at CBC headquarters, Calgary, Alberta and, what is (a) a description of each item, its purchase price and the name of the artist (b) the purpose of the collection?

2. Does the corporation have other collections or does it plan any other collections?

3. Is the collection added to on a regular basis and, if so, how are the works chosen?

4. How were the original works chosen and what was the budget for each year since it was initiated?

5. Who owns the collection, i.e. CBC Calgary or the corporation as a whole?

6. For how long has it been CBC's practice to purchase art works for a collection?

7. How many original works have been purchased by the corporation in the past ten years and, in each case, what was the (a) name of the artist (b) name of the work (c) purchase price?

8. (a) How many collections does CBC have (b) where are they located (c) how many works are there in each collection (d) what is the estimated value of each collection (e) is any item ever loaned to a private gallery etc.?

9. Does the corporation ever sell any of its acquisitions and, if so (a) what is the policy in this regard (b) how many have been sold to date (c) what policy does the corporation follow in the expenditure of this income i.e. is it used to purchase art?

10. How does the corporation refer to such collections for the purpose of documentation, i.e. as an art collection or furnishings?

11. (a) How are the art works displayed in each collection (b) what number are in public areas, private offices or are located in a gallery situation?

Voluntary Sector

12. How many persons are involved in (a) choosing the works (b) maintaining the collection?

Return tabled.

[*Translation*]

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

VOLUNTARY ORGANIZATIONS

STRENGTHENING OF ROLE—APPOINTMENT OF SPECIAL COMMITTEE

The House resumed from Friday, November 30, consideration of the motion of Mr. Baker (Nepean-Carleton) (for Mr. MacDonald, Egmont):

That a special committee of the House of Commons be appointed to inquire into and report upon means to strengthen the role of the voluntary sector in Canadian society;

That the committee, taking into account the scope of activities now being carried out by the voluntary sector, the problems being faced by voluntary groups and the extent, nature and impact of current government support, report its conclusions and recommendations with respect to the measures that could be taken by the federal government to strengthen the role of the voluntary sector

(1) as an objective that is desirable in its own right,

(2) as an alternative to public dependence on government services, and

(3) in ways that would enhance the ability of such groups to operate independently of government

together with such other matters as the committee considers relevant;

That the committee submit reports from time to time, as appropriate, and in any case a final report not later than May 31, 1980;

That the special committee be composed of seven members of the House of Commons to be designated at a later date;

That the committee have the power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of its powers except the power to report directly to the House;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee have the power to adjourn from place to place within Canada; and

That the committee be empowered to retain the services of expert advisers and to commission studies or research to assist in its work and that it also be empowered to retain such professional, technical, clerical and stenographic help as may be required.

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I am pleased to speak on behalf of my party today in relation to the proposed special committee on voluntarism. I should like first of all to review the purpose of this special committee, which is to "inquire into and report upon means to strengthen the role of the voluntary sector in Canadian society". Several questions need clarification, however.

[Mr. Friesen.]

First, what is meant by "voluntary sector"? I assume the government refers to non-profit activities in the fields of health, welfare, environment, recreation, education and many other community or national endeavours which are sponsored by private organizations rather than by governments, and which involve the use of volunteers or the participation of ordinary citizens.

We hear so much these days about government privatization, or "privateering" as we call it on this side of the House, or at least those of us in this corner, that we should perhaps clarify that this, indeed, is not what will be the concern of this committee. I assume this committee will not concern itself with the great debates on free enterprise versus public ownership, but will concentrate instead on human services that are primarily for the benefit of humanity, and are not concerned with profits in the material sense.

My next question then is, why do we need another committee to study the many aspects of voluntarism? I hope most members are aware that there was a lengthy report put out by the national advisory council on voluntary action called "People in Action", commissioned by the past Liberal government. It was published in September, 1977, after a three-year period of study that involved many groups across Canada.

This extensive analysis posed many valuable recommendations for government action. Why do we need another study committee? There are a few things the report left unanswered, including a clear definition and a listing of voluntary organizations that were involved. However, surely we do not need a repeat performance. We do not need another study on the need for action which would only serve to delay further action.

I can only assume that the present government is suspicious of studies done by the previous government, and perhaps we should share their suspicion, even though the "People in Action" report appears to be fairly objective and even critical of the role of government in relation to voluntary activities. I appreciate, hopefully as a means of promoting action, that there has been a short time span designated for this special committee. I sincerely hope this means that action is intended in the very near future.

● (1510)

Whether or not this special committee can adequately study the scope of activities carried out by the private sector, the problems faced by voluntary groups, the extent, nature and impact of current government support, and report its conclusions, as has been suggested within this proposal, within six months remains to be seen. I know that there are certain organizations of poor people, such as the federation of anti-poverty groups in British Columbia, which cannot wait this long to receive funds for such things as stamps, telephones, an office and a newsletter. I would ask the Prime Minister (Mr. Clark) to see that such priority requests are dealt with immediately.

The proposed motion states three objectives relative to strengthening the role of the voluntary sector: first, as an objective that is invaluable in its own right, and there is no real elaboration on that point; second, as an alternative to public dependence on government services; and third, in ways that would enhance the ability of such groups to operate independent of government.

If one were cynical, one might wonder if there is a hidden motive here. Is the hand of the President of the Treasury Board (Mr. Stevens)—the hand of the "slavish slasher"—looming over us to curtail, cut back and starve voluntary services? Is he also planning to rid the government of responsibility for essential public services? We on this side of the House will certainly be watchdogs to ensure that this is not the main interest of this government in reviewing the voluntary sector. In all seriousness, I hope that that is not the government's intention.

During times of high unemployment which create many economic and social stresses for families and individuals, the need for public and private services increases. The government must not pay for the national debt by cutting essential human services. We recognize the value of volunteer participation in both private and community services. Effective volunteer effort benefits the community, but it must also be satisfying to the volunteer. Training and support are very essential. The days of volunteering as a charity service are long gone. Now volunteer activity is a means of mutual help and learning.

In recent years there has been a major change in the nature of volunteer help. With the growth of welfare rights groups, citizen's action movements and self-help community services, the role of the middle class volunteer has changed. No longer do low income people who take pride in their own efforts and who want to be in control of decision-making in their own communites welcome the lady bountiful or the patronizing patrols who used to come down from the other side of town to do good. Indigenous members of low income communities want and have the right to funds, opportunities and training to develop their own leaders, their own programs and their own actions to solve community problems.

There are many new types of volunteer actions which are evolving, some of which were reported in the recent study I mentioned but many of which were not, and I hope that this committee will look at them. I am thinking particularly of new innovations such as were developed by low income people on welfare in Vancouver under a program called the Vancouver opportunities program. Under this program people on social assistance received an incentive allowance to work in the community to develop many self-help programs of their own and to grow and develop confidence which eventually led to their own employment. I understand that there is also potential for looking at this program in relation to unemployment insurance, where claimants in a voluntary way might give of their efforts and develop their own potential through community activities while unemployed.

As a result of these new developments and their self-help nature, many middle-class volunteers have had to find new ways to participate in their communities. They have become involved in their own community issues. So we see the growth of environmental people's movements, and we see new alliances and mutual partnerships being formed where people with a greater degree of education, skill and perhaps leisure time are sharing their skills as resource people with groups that need such expertise.

We recognize the value of volunteer participation, but voluntarism cannot replace the need for quality programs and services that are essential to meet the basic needs of Canadians. Essential services are a public responsibility available without stigma for those in need, and should be paid for by all of us through an equitable sharing of our tax dollars.

It is important that the proposed special committee confirm that approach as a basic first assumption and confirm the areas of community service that are a legitimate, essential public responsibility so that we not lose the programs which we have struggled so hard to establish over the past years. Public responsibility includes the provision of public health, medical care, adequate income supplements, pensions, employment services, social services—both preventive and remedial—child welfare and many broad educational and recreationals and para-professionals are needed. Most of them are government employees, but there is also a great potential for the use of volunteers as long as they are used in appropriate roles in public services as well as in private organizations.

I hope that these roles will be clarified in this committee with the agreement of organized labour so that people who wish to help as volunteers—perhaps in schools, in public health services and so on—may perform these satisfying and important tasks without replacing potential paid employees. Of course, there are many programs which are co-sponsored by public and private organizations in which volunteers are also active. I hope that these programs will also be considered.

We in this party agree that volunteer participation by citizens in social action and community programs is essential to democracy. We believe that government should encourage and actively facilitate such development. This is not to say that we necessarily agree that long established, highly institutionalized, self-perpetuating private agencies are all necessarily relevant to the needs of today. Many of them I think are not and should be reviewed.

Nor should such programs necessarily be funded at the expense of more dynamic, indigenous groups that have grown out of people's own needs and a desire to solve their own problems in communities. I hope that this committee will look at new self-help community services and people's movements which have emerged in recent years and which are not now a part of the welfare establishment. In fact, many of them have difficulty getting meagre funds allocated through community united appeals.

The role of advocacy groups in helping individuals who are beaten down by the red tape of bureaucracies and of groups which are pressing for institutional legislative reform is also very important. It is a very worth-while voluntary activity that is important to government if it is to function effectively

because it provides the kind of criticism that is essential to review programs to make them more relevant to human needs. Studies of self-help volunteer action should also include the full range of citizen action groups which have emerged in recent years and have a voice in planning and improving communities. For example, neighbourhood improvement committees, local area councils and some other groups are all very important, as are tenant action groups and environmental groups.

● (1520)

There is now a great impetus in the anti-nuclear movement which promises to be active in the future as well. These groups are all important, as are the anti-poverty groups that I have mentioned. They are important not only in local communities but also as national movements which can have considerable impact on society and governments. Non-profit co-operatives in the areas of housing, food and day care, as well as many other kinds of community enterprises, are all forms of self-help volunteer activity. I expect and hope that the Conservative government will see this in line with their philosophy of trying to develop self-reliance and individual human rights. I am pleased to hear that the government has recognized co-operatives. I have heard that term used several times and it was included in the Speech from the Throne. I am anxious to see how this will be encouraged with the needed start-up funds and technical resources.

This committee should examine a new form of development, one which is not too prevalent in Canada but which could have great meaning. I refer to community development corporations. These can be organized with help in the beginning to train and employ local people to deliver the services needed in local communities. They can also develop expertise and business skills which may result in one very essential kind of job creation, as well as important services in the local communities.

These important aspects of volunteer activities in Canada often lead to needed reforms and contribute to the healthy development of self-reliant communities. People who participate in them develop confidence and skills that help them become more employable. Some go on to work in public life and some become politicians. Not only is it a service to communities and not only is it important as a form of active citizen participation, but it also gives great opportunities for individual growth in many ways.

I hope there will be greater recognition and support for the self-help movement as a very vital part of the volunteer sector in Canada which should be actively encouraged by this government.

I should like to note also that the "People in Action" report that I referred to earlier points out that some form of honorarium to cover the cost, at least, of child care, transportation, or the other expenses incurred by people who volunteer, particularly those in low income communities, is another element that should be considered carefully.

[Mrs. Mitchell.]

I am pleased that there seems to be a very positive response from members to my proposal that a subcommittee on self-help voluntary action should receive particular attention from this committee.

I fully support the views of others who have spoken who say that priority must be given to grass roots community organizations, to volunteers working in local communities and citizen action groups, as well as local community service agencies.

In conclusion, Mr. Speaker, I should like to quote a passage from the "People in Action" report. I believe this statement might well form the basic assumption for the special committee which has been proposed. On page 134 of the report there appears the following statement:

> The federal government has a responsibility to ensure that there is a general social, economic and political climate in which the basic needs of the people can be met, their basic freedoms can be exercised, and opportunities for growth and a better life can be accessible to all. Where equality of opportunity is not present, the government has an obligation to correct the imbalance. In particular, the government has an overriding responsibility to remove any and all barriers to equal participation in the democratic process and equal access to government. No person or institution should be in a privileged position.

[*Translation*]

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, if I rise today, it is to express my opposition to the arguments in favour of setting up this committee. I believe that the government, even though it is new at its job and is still a student government, cannot truly justify setting up this committee in view of the major cost in time, travel and money to those who will be on it.

Our major role should be to sit in Parliament when Parliament is in session, and to take part as much as possible in its work and committee work here in Ottawa. I have never been in favour of proposals aimed at making committees travel. I have had to sit on such committees in the past. I therefore speak from personal experience when I say that during their travels, these committes accomplish nothing which could not be done here in Ottawa.

Therefore, instead of setting up another committee, which, in my opinion, is a simple diversionary tactic to keep its backbenchers and perhaps opposition members busy, immediately after receiving the report of the Canadian advisory committee entitled People in Action, the government should have put a group of experts to work, because there are such experts in the government, very well paid and very able experts, I am happy to say. They should have agreed immediately to analyse the 80 or so most concrete proposals made by the Canadian Advisory Council and come back to Parliament with some sort of legislative statement of the type usually tabled as a white, red or green paper, I am not sure which, but with concrete legislative proposals which come immediately before the legislative process as such, and referred that document to a committee. I believe that the action taken by this government simply aims at delaying even more the implementation of the many excellent recommendations contained in this report.

Of course, the council did not exhaust all the arguments or all possible situations in its report, but the subject matter is sufficient for the government to take action as soon as possible and instead of looking for excuses by setting up another committee. I even believe that the motion to set up such committee could be interpreted as a slap in the face for those who have spent weeks and months to prepare their report, make their study and submit specific proposals.

● (1530)

In any event, had I been a member of that council, that is how I would react to the government's motion to set up yet another parliamentary committee. It certainly shows a lack of determination and of fortitude on the part of the government to take action when it already has the data required to legislate or at least—since legislation may not be necessary—to issue statements of policy which would be guiding lights for all voluntary groups throughout the country.

Should the House authorize, today or at some later date, the setting up of this committee, I hope that its members, the seven or so members chosen from either side, will have the basic common sense not to crisscross the country and consult, as is usually the case, only the experts in the various types of voluntary action or the various voluntary sectors in Canada, but that they will consider also the situation in which the beneficiaries of voluntary action find themselves. They are very often the first to be forgotten when a committee is established. I say that from experience. For example, Mr. Speaker, I can quote a press release issued by the Minister of Employment and Immigration (Mr. Atkey) on June 8 when he decided to order the proclamation to enact on July 1 the last provisions of Bill C-14, the legislation amending the Unemployment Insurance Act. The minister said that he was not satisfied with current conditions but, and I quote from page 3 of his statement:

> During that study the government will thoroughly consult the provinces and the private sector—

We have a fair idea of what "private sector" means. They are those who pay part of the contributions to the unemployment insurance scheme. They are generally the companies which more often than otherwise object to that contribution. The press release goes on:

> —to make sure that their concepts and views will be taken into consideration.

Nowhere in that press release is there any mention of the claimants, those who receive unemployment insurance benefits or the poor workers.

Mr. Speaker, I want to make sure that, should it be decided to set up that special travelling committee, someone will go out into the field. The only justification for authorizing the committee to travel is to go and see the people who benefit from voluntary services throughout the country because, to my mind, those who are really interested in the work of the committee could easily come to Ottawa themselves. As in the past, the committee would approve their expenses, which is something all committees do, since we would stay here to enable a great number of hon. members to participate in the work of the committee. I am also against the idea that the committee should be composed of only seven hon. members. The work should go on here. This committee should give a large number of hon. members a chance to participate in its efforts.

Mr. Speaker, as the former speaker said, and as I have already mentioned, we received the report of the adivsory committee; no mention is made, which I sincerely regret, in the motion of the House leader or in the speech of the Parliamentary Secretary to the Secretary of State (Mrs. Stratas), to the fact that the report was requested by and presented to the immediate predecessor of the present Secretary of State, the hon. John Roberts. Mention could at least have been made to the fact that it was an excellent initiative of the former secretary of state but, for some reason that escapes me, nothing was said about that; I have a feeling someone wants to give the public the impression that nothing was done before in that very interesting and certainly very worthy field of endeavour, that of voluntary organizations in Canada.

Mr. Speaker, if at least the government spokesmen had recognized the essential role of the Canadian family in a strong national structure, I would have been half satisfied. But here again no mention has been made of the basic role of the Canadian family in the welfare of the whole Canadian society, as if the very important role of the Canadian family in the stability of the nation has been deliberately downgraded. And voluntary groups will never be able to replace the family, the obligations, the responsibilities of the father and mother. I deeply regret this omission by the Parliamentary Secretary to the Secretary of State who, two weeks ago, talked out my private motion in which I proposed to establish a national family week in Canada. And I find that the reasons given by the government to kill my bill are the same as those given today to justify the establishment of that special parliamentary committee.

I simply cannot understand that attitude, but I have reasons to worry about the general direction taken by the new government in the area of social policy, of policies affecting the basic unit of Canadian society, the family cell.

I wish to conclude my remarks because I said to the President of the Treasury Board (Mr. Stevens) that I would not take too much time, and I know he has an important duty to fulfil. Mr. Speaker, we cannot be against voluntary groups any more than we can be against motherhood or fatherhood or family or all the decent institutions in our society. So I shall accept the verdict of my colleagues who are favourable to the establishment of that committee, even though the government did not convince me of its necessity. I seriously question the reasons of the government, as did our party's spokesman Friday afternoon, and I intend to keep a very critical eye on the work and travels of the members of that committee and I shall certainly scrutinize the report that they should submit to us within six months.

[*English*]

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

GOVERNMENT EXPENDITURES

PREVENTION OF RECURRING COST OVERRUNS

Hon. Sinclair Stevens (President of Treasury Board) moved:

That a special committee of the House of Commons be appointed to enquire fully into the measures necessary to prevent recurring cost overruns on major government projects (defined as those involving expenditures in excess of $1 million) and in particular

(1) to carry out a review and an analysis of the measures already taken by the Treasury Board to prevent cost overruns on major government projects, and assess their impact;

(2) to examine measures in place or planned in departments in respect to present or future major government projects, with a view to assessing their compliance with Treasury Board guidelines and directives; and

(3) to examine major government projects that will be referred to the committee by the President of the Treasury Board, where the Treasury Board has identified a cost overrun;

That the special committee be composed to seven members of the House of Commons to be designated at a later date;

That the committee have power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of their powers except the power to report directly to the House;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to report from time to time, to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee have power to adjourn from place to place within Canada; and

That the committee be empowered to retain the services of advisers to assist in its work and that it also be empowered to retain the professional, clerical and stenographic help as may be required.

He said: Mr. Speaker, if the House were going to pass this motion automatically, maybe I would have nothing further to say. On the assumption that hon. members would like a brief explanation of what we have in mind respecting this special parliamentary committee, perhaps I should take a few minutes to explain why the government is asking for the establishment of this committee.

I would like to say that I find the debate on the establishment of a special parliamentary committee on project cost overruns is, if you like, an opportunity welcomed by myself so that I may share with this House the government's concerns regarding the provision of ever costlier services to the public.

● (1540)

I have stated on numerous occasions that reducing both the presence and the cost of the federal government in the economy of our nation is our first priority. One important step in reducing government expenditures is through more frugal and efficient utilization of resources. The purpose of my comments now is to present to this House the reasons why this government has felt it necessary to ask a parliamentary committee to examine major projects undertaken by the government, and their associated costs to the taxpayer.

[The Acting Speaker (Mr. Scott, Victoria-Haliburton).]

It is not unusual that governments undertake projects which for a variety of reasons eventually cost much more than anticipated. Canada has had its share: the hydrofoil and the *Bonaventure* and I could name more. What concerns me, however, is that notwithstanding our earnest efforts to minimize the increase in expenditures of projects, the federal government, now and in the past, appears to be plagued with projects which are not, and cannot, be completed within budget.

In saying this, it is not my intention to allocate blame but rather to focus attention on the situation, to bring it into the open, and to discuss it in a public forum in order to arrive at a course of action which will correct this drain on public funds.

Let me also hasten to add at this time, Mr. Speaker, that many, indeed, the majority of government projects are managed efficiently with due regard to prudence and economy. Nevertheless "most" is not good enough; we must continuously strive to improve until the federal government is achieving high standards of efficiency and effectiveness in the management of all of its projects.

What then appears to be the main problem with government projects experiencing cost difficulties? The essence of the problem which distresses this government is the large discrepancies between the funds initially approved for projects and the final costs to completion, together with an attitude that once a project is approved all necessary funds will somehow be forthcoming to ensure its completion.

The Auditor General of Canada states in his one hundredth annual report:

Capital cost estimates at all stages of the planning process should be realistic and complete, covering all aspects of the project. A revised estimate based on the actual design, schedule and site conditions should be prepared before seeking final approval. The effects of possible future inflation should be considered separately from other cost-increase factors. Estimates should be expressed in both current and anticipated future dollar values.

The Auditor General goes on to cite examples of capital projects which experienced inordinate cost escalations. Indeed, the 12 projects identified by the Auditor General had initial cost estimates of $281.6 million but resulted in expenditures of $699.7 million, an increase of almost 150 per cent. Our Standing Committee on Public Accounts is currently reviewing these projects, but they are by and large completed. I am confident that every member of the House will look forward to their findings, but what I am concerned about, Mr. Speaker, is the present, the ongoing projects which are currently off the rails.

Recently, this government directed the Treasury Board secretariat to conduct a study which will identify the scope of the cost overrun problem as well as the difficulties in the various stages of decision-making, funding, contracting and implementation where departments need assistance in coming to grips with trade-offs, such as site reconnaissance to identify alternatives; feasibility studies to determine the best approach using common costing techniques; detailed design and costing

by phases; inflation contingencies in materials and labour; international monetary fluctuations; project management and funding operations; and project deferment or schedule extensions due to restraint needs or priority adjustments.

Initial results of this study verify, as I have already mentioned, that everything is not bad. Approximately 75 per cent of our projects are completed at or below budgeted forecasts. Some of the remaining 25 per cent, however, are projects which we feel should be examined to determine the major causes of, and identify the measures needed to prevent cost overruns.

I am not suggesting that we have been sitting on our hands in providing guidance to departments on project management while determining the magnitude of this problem. Major initiatives have been taken in the development of directives, guidelines and suggested practices which will ensure the establishment of improved systems and procedures. I would like briefly to review a number of these.

In June, 1978, the Treasury Board issued policy and guidelines on the management of major Crown projects. A revised version of this circular was incorporated in the administrative policy manual under the heading "Management of Major Projects" in September of this year. This document addresses in detail the over-all planning, budgeting, execution and control of major Crown projects. The policy deals with such questions as: single point leadership and the interdepartmental organization of these projects; the consideration of socio-economic objectives; the approval process; the resolution of disputes; and the control and evaluation of projects. A major Crown project is a project of a value in excess of $100 million, or a lesser value but deemed to have a major social, environmental and economic impact and a significant level of political sensitivity and public visibility. Projects falling under this policy include the new fighter aircraft, the Canadian patrol frigate, the search and rescue satellite, the Leopard tank and the nuclear icebreaker.

Following the Treasury Board's issuance of the policy relating to major Crown projects, two follow-up activities were undertaken. These were a simplified version of the policy and guidelines, as a working guide for departments to be used generally for smaller projects referred to as "Management of Projects—Aide Memoire" issued in September, 1979; and a policy statement on the process for the identification, provision and remuneration of qualified project leaders for major Crown projects, also issued in September, 1979. Additionally, as a direct result of this government's concerns with respect to project management, accountability concepts, cost overruns and requests for retroactive approvals, Treasury Board issued "Directives on Cost Control" in July of this year.

In this circular letter 1979-20, deputy heads were informed of the requirement of the ministers of the Treasury Board for increased control over the expenditure of public funds in the implementation of all government projects, be they capital or operational in nature. This directive requires departments and agencies to submit to the secretary of the Treasury Board a complete list of all approved capital and operational projects where the total estimated cost to completion exceeds $500,000.

Another requirement of this directive is that a project manager be appointed for each project which may require contract or project approval by the Treasury Board, and that the project manager be answerable to his deputy head for achieving the planned results within budget. The circular letter goes on to state that the Treasury Board will not entertain submissions requesting funds for cost overruns, nor requests for retroactive approvals. In order to provide the needed incentive for complying with this directive a sanction has been included as follows:

> When a project exceeds the approved budget, including allowances for contingencies, and the cause of the overrun is considered by the ministers to be the result of inadequate management, a penalty may be levied against the responsible department in an amount up to twice the total overrun. Whether this penalty will be levied against current or future departmental programs will be at the discretion of the ministers.

In order to deal with this difficult problem of cost overruns, the government announced in the Speech from the Throne on October 9 its intention to create a select parliamentary committee on major government projects. This intention was formalized in the draft motion tabled on November 5.

● (1550)

It is proposed that this committee be given a mandate to inquire fully into reasons for which overruns have occurred and consider the measures necessary to prevent recurring cost overruns in connection with major government projects. More specifically, it will be asked to carry out a review and analysis of the measures already taken by Treasury Board to prevent cost overruns on major government projects and to assess their impact, as well as to examine measures in place or planned in departments with respect to present or future major government projects with a view to assessing their compliance with Treasury Board guidelines and directives. In addition, the committee would be asked to examine major government projects which would be referred to it by the President of the Treasury Board where Treasury Board had identified a cost overrun. It is the intention of this government to see the problems of project management and cost overruns discussed in public in order to arrive at a proper understanding of the underlying causes and to further improve the efficiency and effectiveness of government operations while, at the same time, emphasizing that the majority of government projects are properly managed.

The government feels that a select parliamentary committee is the ideal vehicle to accomplish this purpose. It can work closely with the public accounts committee which reviews the past expenditure of funds and discusses observations contained in the Auditor General's reports. The select committee will focus on current projects with a view to recommending corrective action for the future.

To deal specifically with the question of why we believe a committee is needed to deal with current projects, first, a select committee would be focusing sharply on one specific aspect of government activity while the public accounts com-

mittee involves itself with total government activity, not with respect to project management alone but with respect to government expenditure generally.

Second, I would point out that the select committee we are contemplating would, under its mandate, focus its attention on current activity in connection with major projects. As well, the public accounts committee has normally restricted itself to examining departmental response to observations made public by the Auditor General. This frequently involves a time lag of one to two years between the observation being made and corrective action being taken. In short, a select committee could concentrate on procedures for prevention rather than simply on examination after the event.

Earlier today the hon. member for Saint-Henri-Westmount (Mr. Johnston) asked me why I thought a special committee should be set up. It might be helpful if I could give hon. members an insight into a few of the projects before us which might well be referred to such a committee for study and recommendation as to what we at the Treasury Board can do to arrest the dreadful outflow of money that is occurring.

I referred earlier to a project known as Montreal MAPP involving the construction of a postal plant. Mr. Speaker, I am glad you are sitting in your chair because this is going to startle you. Approval was originally given in 1974 for the expenditure of $161.2 million on that project. At the present time it is estimated the final cost will be $273.6 million, which means an overrun of $112.4 million or, in percentage terms, 69.7 per cent. Surely, every member of this House is bound to ask himself whether he ought to resist the setting up of a select committee to look into that kind of thing.

It is not just the cost overruns that concern us. This program, if completed, is going to be completed 37 months later, it is estimated, than the date originally established. This may well be one of the projects I would refer to the select committee should Parliament see fit to set it up.

Earlier I referred to the Prince Rupert grain dryer. Approval was originally given to the allocation of $705,000 for the construction of this project. The final cost is now estimated to be $3,812,000, or an overrun of $3,107,000—in percentage terms, 439 per cent. Moreover, Mr. Speaker, that project will be eight months late if it is finished by the new due date.

I could read into the record comments made in my briefing document explaining how we got into this position. In this case, the case of the 439 per cent overrun, I asked certain officials: can we assume, if this last amount of money they have requested is forthcoming, that that will be the end of it and we will finally have a finished grain drying facility in Prince Rupert? All they can say is: "We hope so, Mr. Stevens." I hope the new committee will look into this situation and tell us whether there are any new steps we should be taking to ensure that these cost overruns are arrested and that if we do agree to further funding, no additional funding will be requested.

In case you may think such things happen only in Canada, Mr. Speaker, let me take you to Paris, to the chancery they are building there. The cost originally estimated for that complex was $4.5 million. It is now estimated that the final cost will be $8.98 million, that is, an overrun of $4.4 million or in percentage figures 96.6 per cent.

An hon. Member: Do they have a Liberal government?

Mr. Stevens: Surely, every member of this House, if he were talking to a constituent back in his own riding, would have to agree that we owe it to the Canadian public to look into overruns of this kind, not in the abstract, not after they have become history, but today while the projects are still under way. The French authorities now estimate the chancery will not be completed until June of 1981.

Let me give you another example, Mr. Speaker. You have heard of Mirabel airport. The original completion date was to be late in 1974. The actual completion date was 12 months later and there are still things that need to be done with regard to land acquisition. The original cost of constructing the airport and acquiring the land was estimated to be $243,495,000. That is what, initially, the government of the day said would be the total cost. Well, the final cost was $360,667,000 for an overrun of $117,172,000, or 48 per cent. That is only part of the story, Mr. Speaker. The adjacent land which was orginally said to be needed for Mirabel was supposed to cost $86 million to acquire. The final cost is likely to be $142,136,000, an overrun of $56,136,000 or 65 per cent.

Surely, these four examples I have given should be sufficient, though I could talk literally for the rest of the afternoon about other projects which are coming down the pike toward us, projects where massive cost overruns are anticipated. Within the context of what I am saying it surely behooves every member of the House to support this resolution, which would ensure that a special committee is set up to look into specific ongoing projects which are subject to cost overruns for which somebody should be answering to the Canadian public.

• (1600)

Mr. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I was interested in hearing the remarks of the President of the Treasury Board (Mr. Stevens) both during the question period this afternoon and in explaining the purpose of this motion to our fellow parliamentarians here in the House.

One might say that I have an axe to grind with regard to this particular motion inasmuch as I am chairman of the public accounts committee. I would like to assure the President of the Treasury Board that everyone on this side of the House, I am sure everyone on his side of the House and even all the members to my left can agree on one thing, and that is that government mismanagement of public funds must be arrested and efficient procedures introduced to prevent some of the so-called "horror stories" as that term has been used frequently in the past with regard to several, or many, projects which have taken place over many years. The reasons for that are manyfold. It has been an experience which many countries have suffered due to the extraordinary expansion of expenditures in the government sector and the lack of controls one

might find in the private sector where there is a bottom line at which to look. That is not the case, as we all know, in government.

So I can say to the President of the Treasury Board that I am terribly concerned about the management of government funds. In fact, I think I can say that that is one of the principal reasons I got into politics. I think that is true of many people of the young generation of politicians coming on stream, if I may use that term, at the municipal level, the provincial level and federal level.

Waste of public funds has been reflected in our whole fiscal apparatus. I have been told that we have seen an increase, for example, in tax evasion in this country. I believe that is partly because the public perceives that its funds are being squandered, mismanaged by bureaucrats, that there is fat in government and so forth. Accordingly, they have decided that they are just not going to pay the government funds to be squandered in that fashion. I think that is a general perception on the part of the public which we have to remove.

To that extent I basically agree with everything the President of the Treasury Board has said except with the necessity of appointing a special committee of this House to take on what is clearly the mandate of the Standing Committee on Public Accounts of this House of Commons.

Some hon. Members: Hear, hear!

Mr. Johnston: The minister has said that the public accounts committee has been concerned with matters which have arisen in the past. Historically that is the case, and I believe that when the President of the Treasury Board was first elected to this House, that indeed was the case. The public accounts committee normally looked into so-called horror stories and summoned people before it to find out what happened and why. There was much publicity and much media coverage. There were examinations into cost overruns, as in the case, hon. members may recall, of the aircraft carrier *HMCS Bonaventure*, which was one of the celebrated studies of the public accounts committee.

However, in the mid-1970s and beginning after the appointment of the current Auditor General, Mr. Jim Macdonell, the entire role and perception of the public accounts committee have changed. As we know, the office of the Auditor General was given extended powers in the amendments to the Auditor General Act in 1976, which basically introduced the concept of comprehensive auditing: "Is the Canadian public getting value for money?" The Auditor General has a mandate to look into the economy, efficiency and effectiveness of government programs; and in keeping with that mandate, the role of the public accounts committee has also changed because, as hon. members are aware, the committee receives an automatic reference of the annual report of the Auditor General of Canada.

That automatic reference, in 1978, included a large portion of that work devoted to comprehensive auditing and special studies which the Auditor General and his staff had taken upon themselves in pursuing their mandate to introduce into various government departments. I refer specifically, for example, to the study of procedures in cost effectiveness. If one looks to the report of the Auditor General of 1978, one will find in chapter 3 an analysis of basically the very matters which the President of the Treasury Board tells us we now need a special committee to look into, namely, planning capital acquisition projects.

I am not going to take hon. members of this House through the report of the Auditor General, but if they look at that report they will find that the Auditor General has established audit criteria which are to be followed in planning major capital acquisitions for the very reason that the President of the Treasury Board has suggested. We have to stop this haemorrhaging.

Let me just give a summary of the audit criteria which have been suggested by the Auditor General and were applied by the Auditor General's staff in analysing a series of capital acquisition projects, a number of which I might say have already been considered this very year by the public accounts committee. I refer, for example, to the celebrated cost overrun of the Calgary airport, and whereas the President of the Treasury Board says that he is interested in ongoing projects and not what happened in the past, I am completely satisfied that the public accounts committee is also concerned more with ongoing projects than with what happened in the past. What happened in the past is sad and unfortunate, but it is water under the dam, spilled milk or whatever term one might apply.

The fact is that we are primarily concerned not even with what is going on today but with what is going to go on for generations, the future structures we wish to establish to control and examine the efficiency, the economy and the effectiveness of government spending in this country, so that the public will regain confidence that its funds are being properly managed. I hope that the initiatives which have been taken by the Auditor General and which, by and large, will be supported, I hope, by the public accounts committee and by its reports to this House will in turn serve as an example to provincial levels of government, municipal levels of government and, in fact, any organization of any kind which is concerned about the mangement of public funds, be they universities, hospitals, charitable organizations and so forth.

The audit criteria which are set forth in chapter 3 for planning capital acquisitions are as follows: "Responsibility and accountability should be clearly defined and communicated". That criterion was tested against a variety of projects to determine whether it was followed. Second, "Requests for funds should be supported by accurate and complete documentation". Again, that audit criterion was tested against various projects to determine whether it had been followed. "Final approval should be based on full information". Again, that was tested against the Calgary airport, the schools in the north on Indian reserves and the acquisition of class R icebreakers by the Department of Transport. We have already looked at these areas to determine these criteria and the others to which I am about to come were followed. "Project implementation should

be properly controlled". Finally, "Completed projects should be reviewed". I am only touching upon the headings, not what follows from those basic criteria.

In the public accounts committee we in turn are endeavouring to determine, by working with and by questioning the Comptroller General, the staff of the Treasury Board, the Auditor General and the various departments, whether these criteria are acceptable and effective. And, complementary with that, the Comptroller General, as many members of this House know, has been conducting, basically, studies on improving the practices and controls within the various departments. With this study called "IMPAC", the Comptroller General in turn has a mandate to determine that each one of these departments is going to meet the criteria with respect to planning capital acquisitions which are set forth in the report of the Auditor General.

What we are hearing from the President of the Treasury Board is all very well, but it is a complete duplication of effort. I cannot see how any special committee charged with the mandate which the minister hopes to give it can avoid dealing specifically with the same audit criteria we are dealing with in the public accounts committee. In turn, what kind of image is it to portray to the Canadian public to get committee upon committee to examine what the Auditor General has proposed to us and what we have already undertaken to test?

I would not want to estimate the cost of that exercise and, in addition to that, I am particularly concerned because this will clearly draw upon the expertise of the office of the Auditor General which we need in the public accounts committee. It will probably draw upon the time of members of the committee who should be concerned about what is being done in public accounts. Also it should do no more than confirm the very report which we in the Standing Committee on Public Accounts will make to Parliament on the planning of capital acquisitions. So the whole thing to me is senseless in that context. It suggests to me that the President of the Treasury Board does not really know what the report of the Auditor General contained or what is going on in the Standing Committee on Public Accounts, because he insists on referring to this committee as a committee which is dealing with skeletons of the past, instead of one which is looking forward to the future and trying to establish proper management controls in every department of government.

● (1610)

An hon. Member: It is a Tory witch hunt.

Mr. Johnston: I am afraid there is a complete misconception in the mind of the President of the Treasury Board on this particular point.

Great accent was placed by the President of the Treasury Board on the fact that he was not dealing with the past. Yet in one of the very examples he cited, Mirabel airport, we are committee? When I look at the terms of the motion contained in today's order paper, I see nothing which suggests that this talking about a completed project. What is the mandate of this committee is to look at ongoing projects only, as was suggested by the President of the Treasury Board, both in his remarks and also in response to questions which I put to him this afternoon. The only departure from the consistent position he took was with regard to Mirabel. As I pointed out, it is a project in the past which, it would seem to me, would fall clearly outside the mandate that he indicated he intends to confer upon this particular committee.

[*Translation*]

Mr. Speaker, I am somewhat nonplussed. This may be because I chair the committee, but it seems to me that if we are going to be efficient in the management of government business, responsibility should lie squarely with the standing committee of the House that has the mandate. There is another aspect to this problem. It was decided in 1957 by a Progressive Conservative government to have an opposition member chair the committee. That Progressive Conservative tradition has always been followed since. It is a very important tradition because it gives the committee an objective perception, with the chairman coming from the opposition. The same tradition now exists in England. And it seems to me that the proposal to have a government member as committee chairman reduces that committee's objectivity.

I submit that if we accept the principle that there should be an opposition member to chair the Standing Committee on Public Accounts, it follows that the chairman of the proposed committee should also be chosen from this side of the House. Otherwise, there is the risk of creating a political forum rather than a committee with a genuine concern for the responsibility of managing public funds.

[*English*]

As Mr. Speaker might gather from my remarks, I for one am not happy with the possibility of the creation of another committee to duplicate the work of a respected committee of the House. I am very proud of the work of that committee, as I think other members will be, particularly when the session finishes. It distresses me to think that perhaps we may be drawn into some kind of political witch hunt in a special committee which the President of the Treasury Board wishes to initiate.

An hon. Member: That is the purpose.

Mr. Johnston: That being said, if members of this House—

[*Translation*]

They are laughing Mr. Speaker, I wonder why. Let them laugh, I shall be laughing in turn. Anyway, Mr. Speaker, if the House insists on the establishment of this committee, I would propose an amendment, an amendment to the terms of the motion.

[*English*]

Specifically, I would suggest that this motion be amended to reflect the mandate which the President of the Treasury Board

tells us will be the terms of reference of the committee, namely, the examination of major ongoing government projects. He said that in his view the Standing Committee on Public Accounts looks at history. I do not agree with that, but accepting that interpretation for the moment, and assuming that it is the wish of members of this House—to give that interpretation to the terms of reference of the Standing Committee on Public Accounts, I would insist that this motion be clarified so as to make it absolutely clear that it is concerned with ongoing major government projects.

Therefore, looking at the English version, I propose, seconded by the hon. member for Ottawa Centre (Mr. Evans), that the word "ongoing" be added after the word "major" in the third line of the motion. Thus the opening paragraph of the motion would read as follows:

That a special committee of the House of Commons be appointed to inquire fully into the measures necessary to prevent recurring cost overruns on major ongoing government projects (defined as those involving expenditures in excess of $1 million) and in particular—

The rest of the motion would remain the same. I formally propose that amendment.

Before concluding my brief remarks, I might add that the motion, as amended, is entirely in conformity with the *raison d'être* of this special committee as expressed to the House in the comments of the President of the Treasury Board during his presentation in support of the motion this afternoon, and also in response to the questions I put to him earlier during oral questions today.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. I understand that there is no written draft of the amendment available yet, but that one is being prepared now.

Mr. Johnston: Right.

Mr. Baker (Nepean-Carleton): While we are waiting for it to be prepared, did I hear the hon. member correctly to say that the word "ongoing" was after the word "recurring", in the third line, and before the word "cost"?

Mr. Johnston: No. The word "ongoing" is after the word "major". It will read, "major ongoing government projects".

Mr. Baker (Nepean-Carleton): Thank you.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. I understand we will wait for the hon. member for Saint-Henri-Westmount (Mr. Johnston) to present his amendment in writing.

Mr. Baker (Nepean-Carleton): That is right.

Mr. Knowles: Agreed.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Is the hon. member for Saint-Henri-Westmount ready?

● (1620)

Mr. Johnston: Mr. Speaker, could I present the amendment?

The Acting Speaker (Mr. Scott, Victoria-Haliburton): It is moved by the hon. member for Saint-Henri-Westmount (Mr. Johnston), seconded by the hon. member for Ottawa Centre (Mr. Evans), that motion No. 5 on the order paper be amended in the first paragraph by adding the word "ongoing" after the word "major" so that the paragraph would read as follows:

That a special committee of the House of Commons be appointed to inquire fully into the measures necessary to prevent recurring cost overruns on major ongoing government projects (defined as those involving expenditures in excess of $1 million)—

I would now invite views from both sides of the House on this amendment.

[*Translation*]

Mr. Gauthier (Roberval): Mr. Speaker, I would simply point out that it is impossible to be against the amendment because it is stated in paragraph 2, and I quote:

—present or future major government projects—

We are inserting "ongoing projects". The term is repeated, and nothing more.

[*English*]

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Is the House ready for the question?

Mr. Knowles: On the amendment.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): On the amendment. Does the House adopt the said amendment?

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): Mr. Speaker, I listened with considerable care to the speech by the hon. member for Saint-Henri-Westmount (Mr. Johnston). He was arguing very effectively and very eloquently for the work of the Standing Committee on Public Accounts, but when I compared what he had to say with what was said by the President of the Treasury Board (Mr. Stevens) in moving the motion, I was struck with the positioning of the word "ongoing". It is quite difficult for us to define what is an ongoing project in terms of the kinds of things that are envisaged by this amendment.

For instance, the President of the Treasury Board mentioned the Mirabel airport. Because aircraft are using that airport, and in terms of the cost overruns that are involved, is it to be said that it ceases to be a case where cost overruns in the present sense could not continue? I have in mind particularly what the President of the Treasury Board had to say about land acquisitions around the airport and the tremendous costs that are being imposed upon the people and the Government of Canada in respect of the operation of the airport.

What I am saying to the House is that I think it is important that this be considered not only in terms of the work of the Standing Committee on Public Accounts, but also in

terms of what the opposition is attempting to do by placing the word "ongoing" where it is proposed. I hope the President of the Treasury Board will come into the House so that I can discuss the matter with him in detail, because what really concerns me in regard to the work of this committee, given the terms of reference with which the President of the Treasury Board dealt, is that members of the opposition in this House who were members of the former government are very skilfully and artfully attempting to draw a curtain over several major government projects and contracts which can be defined as those involving expenditures in excess of $1 million. This would put them beyond the purview of the committee for consideration as undertakings or expenses of the government in relation to ongoing overruns. This is a very artful attempt, in my judgment, subject to the judgment of the President of the Treasury Board, to draw down a curtain. If that is in fact what is happening, under the guise of suggesting that this would contravene or interfere with the work of the committee on public accounts, I am really quite surprised.

In terms of these contracts or arrangements, I do not think we can say with precision what is the sense of the word "ongoing". When the President of the Treasury Board comes into the House he may be able to satisfy me regarding that matter, but I am concerned that the inclusion of the word "ongoing" will limit the ability of the committee of this House to inquire into a whole host of rather large projects which are now generally regarded as a problem for the Government of Canada. These projects may have been regarded as a problem for the former government. If they were not so regarded, they should have been.

I listened to what the hon. member had to say, and I certainly would not want to put a bad face on it, but I am not certain what the significance is of that word "ongoing" and its positioning, unless it is an attempt to draw a curtain over certain classes of contracts in respect of which this committee will not be allowed to deal.

Quite frankly, I had hoped there would not be an attempt by this House to limit the work of parliamentary committees. We are concerned with what is generally recognized as a very important consideration to the operation of government, namely, why millions and millions of dollars seem to be underestimated in relation to a host of government contracts. Was there something wrong with the estimating procedures? There is a whole host of similar questions that were supposed to be dealt with by this committee.

I am surprised at what the official opposition is really attempting by this amendment. The only purpose I can see is to limit the right of a committee of the House to examine these matters, and to limit the mandate of that committee as granted to it by the government's motion No. 5. Government motion No. 5 asks the House of Commons to appoint a special committee:

● (1630)

—to inquire fully into the measures necessary to prevent recurring cost overruns on major government projects—

[Mr. Baker (Nepean-Carleton).]

How can there be any serious objection to such a motion? Quite frankly, it was not clear in the speech made by the hon. member for Saint-Henri-Westmount why the amendment was proposed. It is the first time in my experience in this House that I have heard of the opposition attempting to limit the work of a parliamentary committee investigating the matter of government expenditures, cost overruns, and what have you. I am quite startled by such a move. I can only conclude that this amendment came off the top of the hon. member's head, because he did not have it prepared in writing. I hope that someone in that party will answer that question.

Is there something which the former government is attempting to cover up? I do not know. If there is nothing they want to hide, I think that the amendment should be withdrawn so that the fullest of consideration can be given to the motion by the government. The motion was proposed because there is a problem. If one has followed the awarding of tenders on government contracts for certain fixed amounts of money, or if hon. members have followed the proceedings of the Standing Committee on Public Accounts or other committees of the House, they will know that there are always applications for more money for extras on all contracts. The question is, why does that happen? What is wrong with the practice and where should it be changed to ensure that the tender system and the estimating system are appropriate? Are there new methods of arrangements for the letting of contracts that ought to be employed, both to expedite contracts and to ensure that the contractors get their fair amount? Why is it that these things occur? Is there some experience from the past that we can draw on that will help us chart a course for the future?

Is it the intention of the official opposition, for the first time in my history here, to limit an inquiry that, if they are on their toes, will be carried by the opposition anyway? That is the position in which we find ourselves, and I hope that debate will continue with respect to that one question. I am prepared to give the hon. member for Saint-Henri-Westmount an opportunity to explain why he would like to limit that inquiry, because I would certainly like to know. It is not our wish to precipitate or lengthen debate with respect to the matter.

I would like to know the opposition's position. Certainly the explanation given by the hon. member for Saint-Henri-Westmount does not satisfy me and, as he knows, I tried to follow his speech very closely. I thought that the President of the Treasury Board, both in answer to his question and in the House earlier today, explained well why he felt that the motion should be framed in the way it is. The minister referred to many projects which would now be considered old projects. The hon. member for Saint-Henri-Westmount ought not to muzzle the work of the committee. When the committee gets into the discussion of how it will interpret its terms of reference, it may very well decide that it will look at certain projects in certain ways. I do not think we should fetter the work of the committee in advance.

With respect to the foreign investment review committee, hon. members will recall that on Friday there was an explanation asked of the government by the hon. member for Win-

nipeg North Centre (Mr. Knowles). I indicated the government's view. The government would like this select committee to have as broad a reference as possible so that it can decide the areas in which it will undertake its work.

I hope that the hon. member will answer the question with regard to his amendment. As to why he did not answer in his speech, I do not know, but I invite him to answer and to indicate why, for the first time in history that I can recall, there is an attempt by the official opposition to limit an issue which is being sent to a committee of the House of Commons. Is there something which I do not know? Is there something which the opposition is trying to hide?

Mr. MacEachen: You obviously don't know.

Mr. Baker (Nepean-Carleton): The opposition House leader says that I do not know. He is quite right. I have been in government for only six months and have not had a chance to delve into many things. I must say that I am a little alarmed not only at the proposal to limit the work of the committee, but also that it would be supported by my good friend, the opposition House leader, because I would think that he, in his position, would want the fullest possible scope given to the committees.

That is the reason for my intervention. I am very concerned about this attitude which would somehow propose to limit a government proposal to Parliament. I hope that this approach of limitation is not supported in this House. I would hope that the wish of all members of the House would be to have the fullest possible scope in the terms of reference of committees so that the committees may decide for themselves whether they wish to limit the reference. There has been too much limitation put on committees of this House. This is one committee to which the government has given broad terms of reference, and I hope that the House will support those terms of reference.

Mr. Johnston: Mr. Speaker, on a point of order, could I have some clarification on my position. I have been asked a question by the government House leader, and I would like to know at this point if I have the opportunity of responding to that question.

The Acting Speaker (Mr. McCain): To answer the question, I would think yes.

Mr. Johnston: Thank you, Mr. Speaker. I had thought that during my speech the government House leader was in the House, but it is apparent from his remarks that he was not, or that if he was here physically, he was not here in spirit. I made it very clear at the outset that cost overruns were the purpose, the *raison d'être*, of the Standing Committee on Public Accounts. I was not suggesting that we should in any way fetter parliamentary inquiries into the activities or projects in question. I simply make the point that the public accounts committee is a standing committee of this House and has a permanent order of reference from the Auditor General's report to look into those very projects. The government simply wants to add another committee that will duplicate the work of the public accounts committee at the expense of the Canadian public.

The Acting Speaker (Mr. McCain): Order. I suggest the hon. member is now approaching debate and that his point of order has been made.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, some minutes ago I thought that the Chair had declared the amendment carried, but then the President of the Privy Council (Mr. Baker) got up and spoke as though he thought he was speaking to the amendment. I gather that the House is acting as though the amendment is still before the Chamber. Does Your Honour want to straighten that out?

• (1640)

The Acting Speaker (Mr. McCain): The matter is still before the chamber. The amendment was not carried.

Mr. Knowles: I am prepared to accept that. I think there has been a fair amount of misunderstanding. At any rate, we are still debating it and it seems to be the hope that if members can speak as freely and lengthily as did the President of the Privy Council, the President of the Treasury Board (Mr. Stevens) may eventually get here. I am surprised that he ever left the chamber when this important motion was before us.

I must say to my friend the President of the Privy Council that I am startled at his being startled at this motion, as though it has a restrictive effect. As I heard the speech of the President of the Treasury Board, his main justification for this committee alongside the public accounts committee, was that the public accounts committee deals with history and this one will deal with the present and the future.

I gather that all that the hon. member for Saint-Henri-Westmount (Mr. Johnston) wants to do is to make sure that the new committee will not go back into questions of ancient history. He wants the committee to have the power to investigate ongoing major government projects. I suspect that Mirabel is past, present and future, so it is ongoing. The amendment will not cut that out. I suspect, however, the amendment would cut out an investigation into the activities of Colonel By when he built the Rideau Canal!

Mr. Nystrom: And Stanley was here.

Mr. Knowles: Is that not what the hon. member for Saint-Henri-Westmount wants, namely, to ensure that this new committee will not conflict with the public accounts committee in being able to go back and dig up old projects that are completed? In other words, the new committee, in the terms of my hon. friend's amendment, would be able to deal with projects starting now or projects already in place which are continuing.

If that is the basis, I believe the President of the Privy Council ought either to accept the amendment or give us the same kind of undertaking that he gave us on Friday with respect to the committee on FIRA. We were concerned then

that the motion did not cover something we felt should be covered. The President of the Privy Council gave us an assurance that it did, and we were satisfied. Perhaps he could now give us an assurance that there is to be no investigation into the building of the Rideau Canal, that there is to be no overlapping of the public accounts committee in the sense that this committee will investigate things on which the books are closed. The public accounts committee is there to do that and we hope that its activities in that direction will continue.

At any rate, Mr. Speaker, that is my purpose in intervening at this point. I do not want to repeat myself a dozen times just so the President of the Treasury Board can get here. Perhaps others can do that. I believe that there is reasonable sense to the amendment that has been proposed and that the President of the Privy Council should have no difficulty in accepting it. We do not need to divide the House on this. Why does the government House leader, on behalf of the government, not say that this is acceptable, or at least give an interpretation of the motion that covers it?

I see that though the President of the Treasury Board has not come back, we have gone higher and got the Prime Minister (Mr. Clark) back. Maybe this matter can be resolved without its becoming a major issue on which we have to divide the House on a Monday afternoon.

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I am pleased that the Prime Minister (Mr. Clark) is in the House. I did not expect this bonus five or ten minutes ago when I planned to speak.

I want to begin with the point I would have begun with in his absence, namely, to ask where the President of the Treasury Board (Mr. Stevens) is. If this were an isolated absence on the part of ministers, then I would not complain. We had a similar experience when the House was asked by the Minister of National Health and Welfare (Mr. Crombie) to establish a committee to look into the problems of the handicapped: neither the minister nor his parliamentary secretary found it possible to come into the House either to participate in the debate or to listen to the presentation made, presumably on their behalf, by the hon. member for Brandon-Souris (Mr. Dinsdale). That was the first incident when neither a minister nor a parliamentary secretary came into the House to defend the motion being put forward by the government.

I was prepared to overlook that, Mr. Speaker, but on Friday afternoon the House had to deal with a second important committee—important in the view of the government—to establish a review of the Foreign Investment Review Act. For a good portion of Friday afternoon the Minister of State for International Trade (Mr. Wilson) was not in the House. The hon. member for Winnipeg North Centre (Mr. Knowles) complained about that. This afternoon the President of the Treasury Board has missed a certain portion of the debate.

I do not want to say anything further, except that if the Prime Minister is serious about his respect for Parliament, then he must ensure that ministers are present in the House when important motions standing in their name are moved and defended. This is one of the fundamentals of ministerial government.

[Mr. Knowles.]

Mr. Clark: Such hypocrisy.

Mr. MacEachen: If the hon. member is suggesting to me that I look after my business and let the Prime Minister look after his business, then I want to tell him that what I am talking about is the business of the House of Commons. If the President of the Privy Council (Mr. Baker) seeks co-operation to get his measures through the House, co-operation which we wish to give, then the most elementary thing he has to do in order to secure that co-operation is have ministers present to explain and defend their motions in this House.

That is the first point, Mr. Speaker. I appeal to the Prime Minister, who has made a fetish—almost an obsession—of declaring his respect for Parliament. Since this session began we have had incident after incident where that fundamental interest has been lacking. I want to express my complaint in that respect.

The President of the Privy Council has suggested that we have some sinister motive in moving an amendment to this particular motion. I want to assure him and members of the House that the proposed amendment was an effort to put into practice the principle which the President of the Treasury Board enunciated today in question period and, I understand, later in his speech.

We examined this motion and wondered why the government proposed to establish a further special committee on cost overruns when the public accounts committee is equipped to deal with that very subject. We know that we have many committees in the House of Commons. We are adding to them with a profligacy I have never seen in this House before. We therefore wonder why we should have a further special committee when we have an existing committee which can do the very task that is to be assigned to the special committee.

That is why the question was addressed, before the debate began, to the President of the Treasury Board. I do not have to go into the argument that was advanced by the youngest member of the Privy Council in saying that the President of the Treasury Board told us this afternoon that he wanted the public accounts committee to deal mainly with history and the special committee to deal mainly with what I understood to be ongoing projects. We are not happy with that but we think it is a better situation than a total duplication.

In order to improve the situation, we proposed the amendment, not to limit the inquiry because inquiries can move apace in the public accounts committee, but at least to reduce what appears to us to be duplication. That is the sole purpose of the amendment.

● (1650)

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. I appreciate very much what the opposition House leader has said. I wish to indicate to him that the inclusion of the word "ongoing" within the motion in the place

indicated in the amendment moved by the hon. member for Saint-Henri-Westmount is quite acceptable.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I understand the thrust of it now as it was explained to me by the hon. member for Winnipeg North Centre, and it is quite acceptable.

Mr. MacEachen: Mr. Speaker, I understand I have the floor. I yielded the floor on a point of order. It was not a point of order, but clearly a statement by the President of the Privy Council. Do I have to sit down and listen to another speech?

Mr. Kempling: Mr. Speaker, I rise on a point of order. I just want to correct the opposition House leader—

Mr. MacEachen: Your Chinese friend.

Mr. Kempling: —my Chinese friend, Gambay. In his remarks, he commented that the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Schellenberger) was not in the House on Friday. I can assure him that he was here all through that debate. In fact, he was trying to rise to speak in the debate.

Mr. MacEachen: Mr. Speaker, I want to thank the chief government whip for clarifying that point. I regret that the parliamentary secretary did not, in the normal way, lead the debate; I understand the purposes. But I do want to thank the Prime Minister for coming into the House, accepting the amendment and putting the President of the Privy Council straight once again. I wish he would come in more often.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

An hon. Member: Question.

The Acting Speaker (Mr. McCain): Shall the amendment carry?

Amendment (Mr. Johnston) agreed to.

Mr. Simon de Jong (Regina East): Mr. Speaker, I think the events of the last three quarters of an hour could have been put into five minutes had the government been on top of things and had the President of the Treasury Board (Mr. Stevens) been here to see his motion through the House. It is an important motion and there are a fair number of implications in it.

The present chairman of the public accounts committee has made a very good case to rely upon that committee, although I can understand the motivation behind the government's wanting a special investigation into government cost overruns. There is no doubt but that there have been some very serious and major cost overruns amounting to billions of dollars. I understand the desire of the government to get a handle on this and to investigate why these overruns occur and be able to put a stop to them. As a member of the public accounts committee, reviewing the report of the Auditor General and listening to some of the testimony I have been amazed by the lacklustre administrations in the past. I was amazed when I discovered that in public services over 50 per cent of the contracts were entered into without tender, and that 10 per cent of the contracts were done totally on an oral basis, without any written document. I stated in committee that this was a Mickey Mouse operation. It just blew my mind, Mr. Speaker. There is no doubt the Auditor General has zeroed in on this insanity in his report and that he has made some worth-while recommendations to stop it in the future.

On the one hand, we recognize the importance of the public accounts committee, but on the other hand we recognize the desire of the government to give particular attention to cost overruns. I am glad that the government has accepted the amendment. I think the motion as it stands is strengthened and we will be supporting it.

It has often been suggested that members in this particular corner of the House are crazy spenders and that we are really not concerned with a properly managed government enterprise. This is far from the truth. If one looks at the record of the provincial government of Saskatchewan, one will find that the public debt is very low. In fact, in 1976 it was the lowest in the country. Perhaps for the record I might just include figures concerning the public debt in the various provinces. For example, the public debt in British Columbia was $1,840 per person; in Alberta—such a rich province—the figure was $1,880 per person; in Saskatchewan the figure was only $960; in Manitoba the figure was $2,589; in Ontario, another Conservative province, the figure was $2,059; in Quebec the figure was $1,803; in New Brunswick the figure was $1,978; in Nova Scotia the figure was $1,886; in Prince Edward Island it was $1,042; and in Newfoundland, $3,274. It was the socialist province of Saskatchewan that had the lowest debt per capita.

We have one of the best managed government operations in Saskatchewan. We do not allow the type of cost overruns that the previous Liberal government and the various Conservative governments throughout this country have allowed. If there is a cost overrun, it is not added to the general budget. What happens in Saskatchewan is that another department or another project is cut. Throughout the seventies Saskatchewan has had balanced budgets. If a deficit does occur in one year, it is then made up in the other year. The province of Saskatchewan has had sound business practices.

The federal government meanwhile has experienced major deficits not only in government spending and overruning of costs, but also on the revenue side. Such giveaways as MURBs and drilling incentives have made the revenue side a very uncertain factor. There have been major giveaways resulting in some major deficits.

We have also experienced ongoing deficits in the country because of the general economic picture. For example, slowdowns in the economy and an improperly planned economy result in declines in government revenues.

Before we can really tackle the problem of government deficits, we must have a much more stable economy. We must have a planned economy where one is able to predict economic trends and put in proper government expenditures with the knowledge of how the whole economy will operate in the years ahead. As long as we have economic anarchy we will never be able to properly control all the expenditures.

I hope as well when the government sets up the committee that we will also look into the possible cost overruns on the mortgage insurance tax credit scheme. I think this is Pandora's box. Again, it is one of those projects that the present government has every right to condemn the former government for doing. I am afraid the present government is making the same mistake in carrying on in the same tradition. There are no decent controls on the scheme and there is no proper way of forecasting how much it will cost. I think we will end up with many of the problems that we have experienced in the past.

So we will support the motion, Mr. Speaker. We hope something decent and good will come out of it, although I am afraid, given the reality as a whole, I do not believe this committee will have the power to properly control government spending.

Motion, as amended, agreed to.

• (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. McCain): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Mississauga North (Mr. Jupp)—National Defence—Contract for Cruise missiles; the hon. member for Vaudreuil (Mr. Herbert)—Treasury Board—Sale of Crown corporation to private enterprise; the hon. member for Burnaby (Mr. Robinson)—Energy—Government control over oil prices.

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

PRIVATE MEMBERS' MOTIONS

[*English*]

The Acting Speaker (Mr. McCain): Is it the pleasure of the House to give unanimous consent to stand motion No. 9?

Some hon. Members: Agreed.

[Mr. de Jong.]

LAW OF THE SEA

PROPOSED COMMON HERITAGE FUND TO ASSIST DEVELOPING NATIONS

Mr. Keith Penner (Cochrane) moved:

That, in the opinion of this House, the government should continue to work to achieve agreement on a comprehensive and broadly supported law of the sea treaty through the United Nations Conference on the Law of the Sea and that such a treaty should provide for an international seabed or ocean authority to regulate the exploitation of deep ocean minerals in an equitable manner, with appropriate roles for private, national and international entities and that a significant portion of ocean mineral revenues, both offshore and in the deep ocean, should be regarded as "the common heritage of mankind" and used in a "Common Heritage Fund" to assist developing nations, to fight pollution, and to assist the work of the United Nations, especially in the area of peacekeeping, along the lines of the 1978 proposal of the government of Nepal.

He said: Mr. Speaker, last week some hon. members of this House were treated to an inspiring and most thoughtful address by Dr. J. F. Leddy, president of the World Federalists of Canada, when he spoke to the annual meeting of the Canadian World Federalist Parliamentary Association. I would very quickly report to the House that the Canadian World Federalist Parliamentary Association now has 130 paid up members, members of Parliament and senators. At our meeting last week we elected a new president, the hon. member for Waterloo (Mr. McLean). We look forward to the high quality of leadership which we know this new member of Parliament will provide for our association.

I should also say a word in the way of tribute to the past president, the hon. member for Windsor-Walkerville (Mr. MacGuigan), who served our association extremely well for a long period of time.

In introducing my motion today, I would like to begin by quoting very briefly from Dr. Leddy's speech which I believe sets the tone for the motion I would seek support for from hon. members. Dr. Leddy said:

What will future historians think of our times? What will be their view of our stewardship of civilization . . . Ask young people in North America today what label will probably be applied to the twentieth century, and they will usually emphasize the marvels of science and technology, of air travel and space exploration, of communication through radio and television. Some will speak of a greater degree of social and political democracy.

If one interrupts this glowing litany to point out that many millions in the world have enjoyed little if any of these benefits of our century, these students are genuinely surprised and uneasy to be reminded, as well, that there have been two world wars, destroying many millions of lives, that two atom bombs were dropped, wiping out 250,000 lives in a flash, that six million Jews were killed in cold calculation in the Holocaust, and that even after the war there has been, year after year, the never-ending plight of hordes of refugees, fleeing in misery as the result of some new commotion in Europe or Asia or Africa or South America. One should add to this grim list the collapse of democratic regimes in many parts of the world, and the recurring misery of famines, remedied too little and too late.

My motion, which has the support of the Canadian World Federalist Parliamentary Association, proposes that a significant portion of ocean mineral revenues, both offshore and deep ocean, be regarded as the common heritage of mankind and used in a common heritage fund. To do what? As the motion says, it is to assist developing nations, to fight pollution, particularly ocean pollution, to transfer marine technology to developing countries and, finally, to assist the work of the

United Nations Organization, especially in its responsibilities for international peacekeeping. This common heritage fund, very simply stated, is a major instrument for promoting economic and social justice, environmental sanity and peace.

Some members may ask, does not such a proposal as contained in this motion run counter to the establishment of the 200-mile economic zones in the process of being implemented by many of the coastal nations? The answer is no. The proposal which was put forward by the leader of the delegation of Nepal to the Conference on the Law of the Sea in May, 1978, would accept the establishment by treaty of a 200-mile economic zone in which coastal countries would be sovereign and would have ownership of all the resources. According to the proposal, however, mineral resources, including gas and oil, would be subject by treaty to a sliding scale tax to a maximum of 20 per cent. This tax would be contributed to a common heritage fund.

The minerals within the exclusive economic zone, the EEZ, would continue to be the exclusive property of the coastal state in exactly the same way as a home owner's home in his or her exclusive property. In the same way that a home owner is required to pay a tax on his exclusively owned property, the coastal state would be taxed on the revenues from mineral exploration and development in its exclusively owned economic zone.

We know that some coastal states are rich and some are poor. Therefore, there would have to be a scale of contributions which any coastal nations would make. This would vary inversely with the per capita gross national product. The richer coastal nations, Canada included, would contribute much more to the common heritage fund while the poorer nations would contribute less or perhaps in some cases nothing at all.

About 70 per cent of this fund would be directed to development in the Third World while the remaining 30 per cent would be administered by an international seabed authority for agreed upon purposes. Those purposes would have to be negotiated. In 1970 the United Nations general assembly endorsed the common heritage principle. Members will realize immediately that this is not a new idea or some harebrained scheme. Referring to the principle, they said the seabed and ocean floor beyond the limits of national jurisdiction are the common heritage of mankind. It is very interesting to note there was little dissent at the time, perhaps because the resolution of the general assembly did not define the limits of national jurisdiction.

Then as the United States, in particular, and Canada as well, increased the limits of their territories along with other coastal nations of the developed world to 200 miles from the traditional three-mile and 12-mile limits, it became increasingly clear that the common heritage on which everyone was agreed at one point in time was shrinking and shrinking fast. It was shrinking not because the 200-mile limit makes huge inroads on the world's seabed acreage, but rather because it came slowly to be understood that the real ocean wealth lay within 200 miles of shore. This is because as much as 93 per cent of recoverable hydrocarbon reserves of oil and gas lie within that margin of the coastal shelves of the world. On the other hand, what mineral wealth lies on the bottom of the sea beyond the coastal shelf is difficult or impossible to extract and will yield next to nothing in revenue by comparison to the estimated two billion barrels of proven oil reserves closer to shore. The effect, therefore, of excluding the developing world from any significant share of oil and gas revenues within 200 miles of shore would be to make the rich even richer, as, indeed, would 80 per cent or more of those revenues in any case, and at the same time to make the poor very much poorer by comparison.

● (1710)

If we survey the coastal regions within 200 miles of the coastal nations of the world we find that there would be 25 million nautical square miles of exclusive economic zones, or EEZs, as they are called. Should all the profits accrue to the coastal nations by a law of the sea treaty, more than 50 per cent would accrue to only ten nations and more than 75 per cent to the first 22 nations on the list. To put it in another way, more revenues would accrue to 13 developed nations than to all 120 countries of the Third World combined.

Let us look at the growth situation and the capital requirements of the Third World in the second United Nations development decade and try to reach some conclusions. In order to achieve a 6 per cent growth rate annually in the Third World it is estimated that the yearly flow of capital to the Third World would be in the order of about $50 billion. Current forecasts, however, show that based upon the average aid target of less than 1 per cent of gross national product per year which the developed world has committed to these countries, there will be an anticipated shortfall, or deficit, in the order of about $18 billion a year.

What would the Nepal proposal do with respect to such a shortfall? For those of us who think that the immediate potential of the seabed is unlimited, it may be surprising to learn that the Nepal proposal would yield only about $5 billion, or less, to the common heritage fund in the early years, though perhaps more later on. So the shortfall for the needs of the Third World even with the common heritage fund remains very significant indeed. However, at least some portion of the deficit would be covered in this way.

By comparison with these figures, we have available to us the payout figures under the present draft treaty. This draft treaty, by the way, will be coming before the Law of the Sea Conference when it next meets. If this document were to be enshrined in a treaty consequent action would generate about a quarter of a billion dollars in revenues; that is, $250 million compared to the Nepal proposal yielding $5 billion. And we are talking about a deficit in the Third World of $18 billion. This quarter of a billion dollars would come principally from the nodules of nickel and other minerals on the sea floor. Very little of it would come from the profits of oil and gas. In other words, in 1985 the proposal put forward by Nepal would net 16 times more for the common heritage fund than the proposal now favoured by Canada.

Hon. members should be reassured, in the interests of Canada, that the proposal which was put forward by Nepal and which is gaining support every day in the developing world poses no problem at all with respect to the legal status of the EEZ—the 200-mile limit. It does not bring into question sovereign jurisdiction over that zone, although I might say in passing that recent actions of the Government of Canada in giving up a significant part of that jurisdiction to the provinces may seriously tie our hands when it comes to future international co-operation for Third World development.

In short, therefore, the issue here is not in any way a legal one, but it is certainly a moral one. It is a question whether developed nations with a sea coast will limit their greed and be willing to invest a fair portion of the return from the earth's coastal resources in a common heritage fund for mankind. As someone closely involved in the debate for the establishment of a common heritage fund so aptly put it: "It is one of the greatest and most painless opportunities for international justice that has ever existed or is ever likely to exist."

What works against the success of such a proposal to share this wealth is, of course, greed and avarice. This is greed and avarice at the expense of the developing world. This leads us to the kind of situation which Dr. Leddy described to us in his speech last week. It is what the 1970 U.S. resolution had in mind. It is also the consideration which gave focus to early sessions of the Law of the Sea Conference. But Nepal's representative at the Law of the Sea Conference put it much better than I can. With this quote, I conclude:

> If the Law of the Sea Conference fails, it will be because we, the participants in it, did not hold high the idea of the common heritage fund. We did not do that because in spite of our awareness of new challenges facing the earth and its inhabitants we are still victims of narrow, self interest. Look at the results. Most of mankind's share of ocean resources has been thrown into the coffers of a few rich countries.

Mr. Joe Reid (Parliamentary Secretary to Postmaster General and Minister of the Environment): Mr. Speaker, this government most assuredly joins with the concerns of the hon. member opposite when he speaks about the abuse of our environment all across the world. In addition, we join with him in his expression of concern for the favourable and progressive development of those nations now emerging—what is called the Third World. More particularly, I would like this evening to assure the hon. member that the government would like to express its complete agreement with the hon. member's motion when he calls on the government to "continue to work to achieve agreement on a comprehensive and broadly supported law of the sea treaty through the United Nations Conference on the Law of the Sea and that such a treaty should provide for an international seabed or ocean authority to regulate the exploitation of deep ocean minerals in an equitable manner, with appropriate roles for private, national and international entities".

● (1720)

Canada is on record. Since 1967, when Ambassador Pardo of Malta introduced before the United Nations general assembly a proposal calling for the UN to undertake the "examination of the question of the reservation exclusively for peaceful purposes of the seabed and ocean floor and the subsoil thereof, underlying the high seas beyond the limits of present national jurisdiction and the use of their resources in the interests of mankind", Canada has energetically supported and pursued, in the context of those negotiations attempting to promote an over-all agreement on the use of the oceans, the principle of reserving the deep seabed beyond those limits, in the interests of mankind generally and under the term "the common heritage of mankind".

Canada was among the 35 countries on the original ad hoc committee set up by the general assembly in 1967 to conduct an examination of this issue and was also represented on the new 42-member permanent committee on the seabed formed in late 1968 to continue the work of that ad hoc group. At the 25th session of the general assembly in 1970, this committee was further expanded to comprise 86 members, exactly the same number of states which participated in the 1958 and 1960 Geneva Conferences on the Law of the Sea. At the same time the general assembly decided that a third Conference on the Law of the Sea should be held in 1973 and assigned to the expanded seabed committee the mandate of preparing for that conference. The general assembly resolution underlined that a single comprehensive convention was necessary because of the interrelationships among all ocean uses and activities. At the same time it gave the seabed committee some special tasks in preparing for the conference, in particular the completion of a comprehensive list of subjects and issues for the future convention to cover.

The decision to convene a new Conference on the Law of the Sea required lengthy and difficult negotiations in light of the wide divergence of views regarding the scope of the Conference and the priority attaching to the various issues it would have to consider. Canada was among those countries—mainly the developing states—favouring a conference broad in scope and according priority to the seabed regime as against the more restricted conference favoured by a number of other states which wanted only matters of direct interest to be included in considerations. It was and remains the Canadian view that no accommodation on the Law of the Sea issues could be successful unless it was a comprehensive accommodation on all major issues. A partial solution would be no solution at all in the long run.

In the end it fell to the Canadian delegation to chair the negotiating group seeking an accommodation among these conflicting views and to bring about agreement on the compromise resolution which was finally adopted. That resolution, introduced by the Canadian delegation on behalf of its many sponsors, called for a conference to deal with a broad range of issues, including the establishment of an equitable international regime—including international machinery—for the seabed and ocean floor beyond the limits of national jurisdiction and a precise definition of this area to be included in the term "seabed".

At the same time, the general assembly passed resolution 2749 declaring principles which would form the basis for a

new regime governing the uses of the seabed, ocean floor and the subsoil thereof beyond the limits, again, of national jurisdiction.

That resolution represented a major landfall in that it constituted the first and only consensus of the international community in this field and laid the foundation and framework for the international seabed regime. In essence, the resolution affirmed the following principles:

First, there is an area of the seabed and ocean floor which is beyond the limits of national jurisdiction and which constitutes the "common heritage of mankind".

Second, this area is not subject to national appropriation or claims of sovereignty.

Third, the exploration and exploitation of the resources of the area shall be governed by an international regime and international machinery, still to be established, and shall be carried out for the benefit of mankind as a whole, taking into particular consideration the interests and needs of the developing countries.

Fourth, the area shall be reserved for exclusively peaceful purposes.

Fifth, every state shall be responsible for ensuring that activities in the area conducted by its agencies or entities or persons under its jurisdiction shall be carried out in conformity with the international regime.

The acceptance of these far-reaching principles ranked in importance with the agreement on the applicability of a similar principle to outer space and celestial bodies. It represented a bold new approach towards a developing world order and a turning away from traditional land-oriented concepts of jurisdiction and sovereignty. Most significantly it put the general interest of the world community ahead of the special interests of any state or group of states. It is a concept holding great promise for the world of tomorrow.

Many years of work have followed these early attempts by the UN General Assembly to define principles to govern the regime of the deep ocean seabed. The third Conference on the Law of the Sea was convened in 1973 to elaborate a multilateral convention to bring into effect the principle of "the common heritage of mankind".

This country is dedicated to the establishment of such a deep ocean seabed and dedicated to that common heritage of mankind.

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, I congratulate the hon. member for Cochrane (Mr. Penner) for bringing this matter to the attention of the House. I think it is an extremely important issue which we have to continue to pursue for the developing countries. If we look at it from a selfish point of view, I think we also have to support this motion from Canada's point of view.

As the last speaker mentioned, the Law of the Sea Conference has been going on in the third session since 1973. I had the pleasure of going to the Law of the Sea Conference in New York this past summer and, if anything, the surprise I experienced there was the difficulty of the developing nations to make any inroads in gaining access to what we all accept as the common heritage of mankind. At that conference there are many pressures to gain the resources and the wealth that those resources promise to the world community. Developing nations, many of which are landlocked, have very little economic or political clout at the United Nations except in the formation of groups of other landlocked developing states.

From Canada's point of view, we have gained considerably from the progress which has been made at the Law of the Sea Conference since 1973, and we should be aware that that convention has not been signed. There are many outstanding issues still to be resolved, and until those issues are resolved we do not have any long-term guarantee that every nation in the world will recognize a 200-mile economic zone. We do not have any long-term guarantee that those same nations will continue to respect Canada's 200-mile jurisdiction over our very profitable and growing fish resources. We have taken on an obligation, through agreement and consensus at the Law of the Sea Conference, which sees Canada's management of those resources off our shores. There is an understanding that those minerals found within 200 miles are also the property of the sovereign state on whose continental shelf those resources lie. My concern—and I am sure the concern expressed by the hon. member for Cochrane—is that the developing nations are going to be squeezed out of the profits which may come from those resources.

If I may just reflect on some of the attitudes which I saw dealing with seabed mining, the attitude of Canada and other nickel and copper producing states was that they were demanding a certain ceiling and a certain timetable for the export of those ferro-manganese nodules. We were demanding a timetable and a ceiling in the recognition that if those resources were exploited rapidly by those nations which are capable of developing them—mainly the United States, West German and Japanese interests—Canadian jobs and the Canadian nickel industry would be particularly harmed. We understand why the United States, West Germany and Japan were and are anxious to mine the seabed. They are importers of nickel for industrial steel. They need those resources to become self-sufficient in their industries. Canada, Indonesia, and Guatemala were not very anxious for those resources to be developed in a hurry.

• (1730)

But what about the developing nations, the nations which do not have the technology or financial resources to exploit those reserves? Where do they stand? This is an attempt to assure the developing nations that they can gain some of those resources. Canada and other developing nations have a vested interest in saying that. We share wealth in oil, natural gas, and nodules which are expected to provide billions and billions of dollars of wealth to the world. We must look at that wealth in terms of how much it will cost to draw those off the seabed, to process them and ship them to areas where they can be utilized. We must consider how many developing nations there

are. There are probably 119 or 120 nations which do not have capabilities at this moment to utilize those resources. We expect they will share in our deep sea deepbed mines. This is why I say we do not have any choice in the matter, except to pursue an adequate and equitable sharing of those resources.

Other issues in which Canada is interested at the moment include the delimitation of the continental shelf. Not all nations in this world accept that the continental shelf should extend only to 200 miles. There are other proposals which suggest any distance off the coast of a nation where it can be shown that that shelf is actually a prolongation of that nation. There are some nations which demand the entire shelf. I hope Canada would not be in that position. There are other nations which indicate that 200 miles is the limit, regardless of the continental shelf and regardless of the terrain in the area. Nepal suggested that within 200 miles there should be a sharing of the resources in that area.

Also we are informed by some nations, including the United States, that there is a reluctance when the world authority and the Law of the Sea Conference discuss the matter of having a world authority to govern seabed mining activities, by which the authority would set up an enterprise to develop the capability of seabed mining and sharing with the developing nations. There is a reluctance on the part of the United States to share the technology which it is developing now and which it will have to develop to mine those seabeds. There is a reluctance on the part of the nations and the companies capable of doing that, a reluctance to share the technical resources needed by developing countries.

Within the Law of the Sea Conference there is a mechanism by which we would settle international disputes. We must continue our presence at the Law of the Sea Conference in order to see the proposed mechanisms or the alternatives to them. The Law of the Sea Conference must continue with Canada's presence and leadership. Canada has played a leadership role at the Law of the Sea Conference. We have done well in fisheries. We have done well in providing ourselves with the opportunity to manage fish stocks off our coasts. We have done well in accepting the responsibility to control pollution within that area. We could have developed a greater leadership role, and I hope we will in the future.

The matter of continuing to work toward an international agreement through the Law of the Sea, respecting the sharing of a seabed authority and the resources of the seabed, will not be argued by this party. Again we encourage the present government to assemble the kind of staff which was sent to Law of the Sea Conferences in the last six years to continue that type of leadership role. I hope the new government will see to it that Canada is prepared to fight for an adequate and equitable share of the resources to go to developing nations, more so than was done at the last Law of the Sea Conference in New York. If some of the developed, wealthy nations do not begin to compromise on sharing the riches of the seabed, it is my fear that those other nations will not ratify the Law of the Sea Conference and therefore will not ratify the EEZ, our control over fisheries, our control over pollution and the control which nations have over navigation and management of resources.

In closing I should like to indicate that again the hon. member has done a service to this House. I encourage the government and all parties in the House to support this resolution so that developing nations will realize that by compromising and giving Canada and other coastal nations access to those resources, in turn we are prepared to share some of the income we gain from those resources with the world community.

Mr. Walter McLean (Waterloo): Mr. Speaker, I should like to join with the hon. member for St. Catharines (Mr. Reid) and the hon. member for Nanaimo-Alberni (Mr. Miller) in paying tribute to the hon. member for Cochrane (Mr. Penner) for bringing this significant motion to the attention of the House. Also I should like to say a word of appreciation, echoing the sentiments of the hon. member for Cochrane, for the comments and the address at the annual meeting of the Canadian World Federalist Parliamentary Association of Dr. J. F. Leddy, as he set in context our world community and reminded parliamentarians of our responsibility to be part of the peacemaking process.

I should like to say a word of appreciation to the hon. member for the ingredients which are part of his motion, as expressed and brought to the attention of the House. It is apparent to all of us today, as we look at our world, the hourly reports from Iran, the reports from the Middle East, and as we receive into the Canadian community more refugees, that we increasingly need mechanisms for world order. In terms of the future, one point of hope for the great multitude of our human family is the manner in which we manage and order the life of the seas.

When we consider that in so many areas now the resources of our land are increasingly being depleted, one area of hope for the future surely is in the harvesting of the resources of the sea and the seabed. I want to suggest that in linking together this resource with our Canadian commitment to working together through the forum of the United Nations, the hon. member is pointing to the direction in which we, as a nation, have been and will wish to continue. I think that this discussion in this House at this time is timely, as I understand there is shortly to be named the make-up of the review members for foreign policy and for development assistance for the 1980s and 1990s, and in the review of that parliamentary process surely the experience and the work which has been done through the years by this conference must be weighed and considered very seriously.

● (1740)

I want to suggest that we, as Canadians, have a great deal to offer to the continuance of this conference with our long history in fisheries, being a trading nation and dependent upon world order and world markets. We are also a people of humanitarian spirit, and we can see in the motion that we wish to be a part of those who bring some hope to the needy in our world.

This motion is also important as it challenges us to look at our own national negotiations between provinces and the federal government, and in understanding some of the complexity and the time span of the Conference on the Law of the Sea we know just how painstaking and how carefully our negotiations have to be undertaken across this nation.

At the moment, as we are seeking to find ways of sharing the resources of oil and energy across our nation, we can understand how fearful certain parts of our nation are lest they not have the resources to meet their basic energy needs.

Similarly, this motion points us to the broader family concern in our world beyond our Canadian family, and to the same types of concerns which are being felt around our world. Surely something which Canadians and this Parliament can be sensitive to is both the time-frame and the sensitivity of these negotiations.

Many of us have had the opportunity to visit nations which are landlocked, and the motion gives expression to the sense of hopelessness of many of these nations, in Africa particularly, and other parts of the world. We have been, through CIDA, through other mechanisms and through the voluntary sector, seeking to relate, but what many of us have come to realize, and what many of the international organisms have come to realize, is that our efforts only touch the edge of the plight of these people. If we are to find some means of bringing hope, it will be in terms of the principles which are outlined through the conference on the sea.

I want to say a word about the common heritage principle, which surely must continue to be a mainstay in the negotiations as they proceed through the 1980s. It would seem that before this House could adopt fully the intention of this motion there will be need for further discussion, and this will surely come as the conference continues through 1980 on the make-up of the assembly, on the form of a secretariat which will be charged with the opportunity of carrying out the principles and the financial arrangements as they are developed.

More work will be done at the ninth session of the Law of the Sea Conference in the 1980s, and Canada will continue to play a significant and energetic part in that. Discussions through the 1980s will be on the development of the resources in the areas under discussion, on the composition and the voting of the council, and on surrounding financial arrangements.

This House is indebted to the hon. member for Cochrane for bringing to its attention this significant ongoing Conference on the Law of the Sea, and as the months pass and the new year comes this House will be receiving reports of developments, and surely will be in a position to ratify the negotiations which have been going on through this extensive process and period of time.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I am sorry to change the tune that has been played in this House this last few minutes. I have heard a lot of complaints about the House of Commons at times for its lack of credibility, but never have we aimed such a low blow as in the present debate.

This motion ignores the facts of life on how the world works. It does not begin to tell what this really is; this whole motion of turning the ownership of the bottom of the seas of the world over to an international authority. In reality what it is is a ramp by international mining companies to put the authority of ownership into the hands of an unsophisticated authority run by the United Nations civil servants so they can exploit the bottom of the sea like they have exploited the land surface of the earth. To pretend that we are doing all this in the name of doing good to people who are less fortunate than ourselves does not bring us too much credit in this House.

I wonder if I might go back and just remind you of a few things that have happened in this regard. Every one of us here is the son or the descendant of people who left the old world to come here to get access to land and resources. Some of our folks fought damned hard to get them. We have seen this fight of ours hurt, over and over again, as stronger powers took from us what we have fought so hard to win.

I saw the British, Spaniards, and French, in the history of our nation, come out to the western world. I saw the British win dominance here. One family of the British won more dominance than the other and fought with the United States. Our history is a history of fighting back the encroachments by Americans taking over our soil.

I come from that type of background, Mr. Speaker, and I think you do too. We understand what it means when we hear people stand up and say we should give away what our ancestors fought so hard to win, and hand it out for a purpose that is not what they pretend, but is nothing else in the final analysis but a ramp of the giant international mining companies to get control of something they want at the bottom of the sea.

When this proposal was first put forward I had the honour to make a proposal to the Law of the Sea Conference in 1958. The proposal Canada made at that time was that the land off our coasts at the bottom of the sea for a certain distance out would come under the national jurisdiction of the littoral state, the state beside the ocean. That was one of the two proposals made by Canada. There were five proposals made altogether.

● (1750)

I reported to the House on this matter in July, 1958. Canada's motion was supported by all the other nations present, and they unanimously agreed that the rule of law should prevail over the bottom of the sea. The decision was to divide up the bottom of the sea on the basis of extending our boundaries out into that sea to the point where they would meet the boundaries of the other nation coming from the other side. That convention was ratified after 22 nations had signed it, and that is the basis of international law today, that the ownership of the bottom of the sea belongs to the littoral state at the present time.

There have been a number of such conventions on the law of the sea based on the Maltese proposals of 1967, which were

later modified into the stages of the Nepal proposal of recent years. It all comes down to the fact that these proposals were to change what the nations of the world had unanimously agreed to in 1958, that to bring the rule of law and order to the bottom of the sea and its unknown wealth of the future, we give control to the littoral states, the nations beside the oceans.

It was on the basis of that international law that the Conservative party, which now forms the government of this country, plans to give to the provinces of Prince Edward Island, Nova Scotia, Newfoundland, and New Brunswick, areas of this earth equal in extent to the size of Quebec, Ontario, Manitoba, Saskatchewan, Alberta or British Columbia. If we look at the history of our country, at one time Manitoba was a tiny little province, and there was not enough economic base to support the way Manitobans wanted to build. So the government of this nation extended the boundaries of Manitoba, and also the boundaries of the provinces of Quebec, Ontario, Alberta, Saskatchewan, and British Columbia. We were once small little areas unable to support ourselves on the resource base that we had.

My party would like to give the same feeling of equality that comes from having a resource base, to the eastern provinces. We cannot do this if we hand away what we have offshore. How can we give equality of size and resource base to Prince Edward Island, Nova Scotia, Newfoundland, and New Brunswick by giving away the land that is ours by international law, in the name of setting up a common heritage fund? I am not opposed to a common heritage fund. I think that every province should set up such a fund.

What I am saying is: look at the realities of what we are considering in this motion. This proposal came in with the Maltese proposal to the United Nations in 1967, I believe. Canadian civil servants jumped on it and began to write speeches for our MPs to deliver at the United Nations. I protested in writing about the proposal, but support for it still continued. It is embarrassing for me to hear the same thing coming from hon. members on our side who apparently do not know the story of how hard our party fought to bring justice to all parts of this country.

When it became known that there was an attempt to put up an authority under the United Nations to take over the resources at the bottom of the sea, all the big mining companies formed consortiums. They knew the expense of extracting minerals such as manganese and so on from the bottom of the sea would be so great that the mines on shore would have to cut back their production and that the world's consumers would pay a much higher price for this new supply. The whole world realized that situation. These companies moved quickly to take advantage of the situation, and from that one should realize that it was a ramp supported by the international mining companies to put two-thirds of the world, which is under the ocean, into the hands of unsophisticated people—call it an authority or what you will—so that these companies could get in and develop it under their type of regulations.

Canada has suffered terribly through its mining regulations in the provinces and in the federal territories. In 1957 I proposed to this House that these regulations were unjust and that they were turning the wealth of our nation over to these companies. Those regulations were changed, and today when a company goes into our northern territories, it must agree according to the laws and regulations on the share it will take out. In the unsophisticated provinces, however, these companies merely have to pay a royalty and they can take all they want. That is the basis of the big fight between the federal government and the province of Alberta over oil.

I am simply pointing out to the House that we should be careful. God bless all hon. members; I know they have sympathies for these developing nations, but they are not helping them one bit. Canada takes second place to no nation in its efforts to help other nations of the world. But at the same time, no matter what we do, it is not enough. I am simply saying that such a move would confuse the issue. I know that there will not be a vote on this motion, but before hon. members bring up such a proposal again I suggest that they think of all its ramifications and what it will do to the policy and the hope of the Canadian government of bringing justice to the Atlantic provinces and, at the same time, ensuring that these resources off our shores are developed under rules and regulations made by Canadians, not by some international authority which has no knowledge on this subject.

Mr. John Gamble (York North): Mr. Speaker, it is a pleasure for me to follow the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) and to deal with the motion before the House. I would draw to the attention of the House a couple of significant matters in this motion which give me substantial reason for concern.

I am concerned in particular about the suggestion:

> —that a significant portion of ocean mineral revenues, both offshore and in the deep ocean, should be regarded as "the common heritage of mankind" and used in a "Common Heritage Fund"—

My question with respect to that proposal is: who would administer it?

Another point of concern to me can be found in the concluding words of the motion. After detailing the nature of the fund and what it will be used for, these words appear:

> —along the lines of the 1978 proposal of the government of Nepal.

I come to this House fresh from a non-political background. I am not familiar with the 1978 proposal of the government of Nepal and I would be reluctant to vote upon a matter of this nature without knowing exactly what it is that proposal in fact details.

From my observations in the House since being elected I feel that far too often we are confronted with complicated, difficult proposals for our consideration in determining the laws of Canada without all the facts before us, or without them duly explained. We are confronted with a proposal by an hon. member without an explanation or, indeed, any attempt to detail exactly what the proposals are.

Let me get back to my fundamental concern. It was raised by my colleague, the hon. member for Waterloo (Mr. McLean), when he said that the implementation of a program

of this nature would assist in the preservation of peace. My comment is that if the peace process involves a constant handout, whether it be through CIDA or through a program of this nature, then indeed peace is in a fragile position.

The Acting Speaker (Mr. McCain): Order, please. The hour provided for the consideration of private members' business having expired, I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

• (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

MUNICIPAL GRANTS ACT, 1979

MEASURE RESPECTING GRANTS TO CERTAIN MUNICIPALITIES, PROVINCES AND LOCAL GOVERNMENT BODIES

Hon. John C. Crosbie (Minister of Finance) moved that Bill C-3, respecting grants to municipalities, provinces and other bodies exercising functions of local government that levy real property taxes, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, it is my pleasure and privilege to move that we proceed with second reading of this municipal grants act, Bill C-3. The bill is intended to expand and update the federal program of grants to municipalities in lieu of property taxes. The program began in 1950. It is now in its thirtieth year, which makes it one of the more durable of the intergovernmental programs in our federation. The Municipal Grants Act has not been amended since 1957, which is 22 years, by a quick calculation. It therefore contains anomalies and fails to take account of various changes within the provinces and property tax institutions, over these last 22 years. The bill is intended to remove anomalies in the law, to update the statute and expand the program, mainly by removing existing restrictions on grants. Most of these changes will take effect in the 1980 tax year of municipalities, but in some instances they will be pased in over a four-year period ending in 1983.

Tonight, Mr. Speaker, I am going to attend strictly to the tedious details of this bill without any attempt to enliven the debate. I think three is going to be a large measure of agreement in the House, and we are anxious to give a complete explanation of the bill at second reading. I am hoping for unanimous support—unanimity, before we finish.

Mr. Knowles: We like the Minister of Finance (Mr. Crosbie) better when he is funny.

Mr. Crosbie: Mr. Speaker, I welcome the comments of our new entrant to the Privy Council. Anybody who spends 37 years in this institution deserves to become a PC. He deserves that, Mr. Speaker.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Knowles: Order!

Mr. Crosbie: This is a very important program under which an estimated $148 million will be paid in this financial year in connection with the properties of various government departments. In addition, about $110 million will be paid by Crown corporations for their property. As well, the Department of External Affairs makes grants for diplomatic and consular properties, foreign governments and international organizations in Canada. This means that the total payments in respect of property taxes this year will be approximately $258 million from the Government of Canada, through Crown corporations and the Department of External Affairs. These grants are paid free of any condition.

I am sure many members of this House have had some experience in local government, as members of municipal councils or on school boards. I was a member of the St. John's city council in 1965 and became deputy mayor. I would be surprised if there were not possibly 50 or 100 members of this House who had some experience of that nature. Members will generally be aware of the vital role that municipal governments play in this country and the great value of the services they provide, very many of them without remuneration.

Local government services are primarily for the benefit of real property, to help enhance its value as well as benefit people who live or work in those real properties. The federal government owns real property in approximately 2,500 municipalities, or well over half of the municipalities in Canada have real property contained in their boundaries owned by the Government of Canada. We are the largest property owner and employer in the country. We are a major beneficiary of the services that are provided by municipal governments, particularly to real property. I want to acknowledge those services now and thank the municipalities, school boards, the elected councillors, police officers, fire fighters, engineers, teachers, garbage collectors, maintenance workers and the others who provide the services that assist our property, as well as that of the other citizens of this country.

• (2010)

All of these services have to be financed. As hon. members know, the main instrument of municipal finance is the local property tax. Owners of private property have to pay this tax and naturally local councils feel that the Government of Canada should pay its way too for the services we receive. There are now various categories of federal property which receive local services but they are excluded from the grant program, that is, they are excluded until the House passes this legislation, if the House chooses to do so. The principal aim of

this bill is to remove and reduce these exclusions so that this program will cover as many federal properties as possible.

I should point that section 125 of the British North America Act states the following:

No Lands or Property belonging to Canada or any Province shall be liable to Taxation.

This provision explains why we make payments in the form of grants rather than taxes because, under the British North America Act, we are not exposed to local taxation. It also explains why the established system of appeals through the courts for settling differences between municipalities and private taxpayers is not used in our grants program.

The present system for settling any differences between the Government of Canada and a municipality will continue. Under that system differences are discussed between ourselves and the municipalities. The municipality is given every opportunity to state its case and then we have to make a decision whether it is a case that we should accept. This system has worked well so far. It avoids great legal costs; extra staffing and delays that would be involved with any appeal system involving the federal government. This bill makes it clear that where a grant is to be made its amount is intended to be equal to the amount of tax that would be paid if the property of the Government of Canada were taxable property to the municipalities. If we cannot reach agreement, however, the Government of Canada eventually has to decide the matter itself. Afer all, under the British North America Act we are not subject to any local taxation at all. We are making grants in lieu of taxes and we have to make the final decision.

I am advised—I am no expert in the area—by my department that cases where the Government of Canada and the municipality have been unable to reach agreement in the past have been quite infrequent, that is, in disputes about valuation and the like. We believe that in the future unresolved differences should occur less often because this bill contains changes that meet many of the complaints that municipalities have been making up to this date.

The equality between grants and taxes is achieved by two steps. First, our property is to be valued as if it were taxable property. Second, the rate of tax used in calculating the grants is to be the rate of tax that would be applicable to property of the federal government if it were taxable property. The principle of equality between grants and taxes is generally followed in this program.

There are two exceptions which have been a source of irritation to local municipal governments and provinces, and it is intended in this bill to remove those two exceptions. The first exception is deductions for local services which the federal property does not receive or does not use. The second refers to the use of preferred tax rates for calculating grants on certain kinds of federal property. At the present time deductions are made from grants in respect of local services that are not accepted by the Government of Canada. The deductions for those kinds of services consist of elementary and secondary schooling, police protection, fire protection, garbage collection and sewage disposal. The exceptions relate almost entirely to national defence property.

Complaints have been received about these deductions because they cannot be claimed by owners of private property. In addition, deductions create problems in cases where one local authority collects taxes on behalf of another. In these circumstances provincial legislation may specify how grants in lieu of taxes are to be allocated between the different bodies. In this event the existence of service deductions complicates that allocation and is a great source of irritation to the province and municipality concerned. It is our intention to eliminate almost all deductions from our grants. However, deductions for schooling are a special case because of the tremendous financial magnitudes involved. These deductions will continue where the Government of Canada operates its own schools or where it has worked out some alternative means of financing school services with a province or local school board. If the deductions are not made in those circumstances we would be making two sets of expenditures for the same purposes, and that would not be reasonable.

In future, deductions may arise in respect of services other than education only in very special circumstances. But in no case will we make deductions from real property tax grants for any service that a municipality is willing and able to provide. This means that deductions related to police protection, fire protection, garbage collection, and sewage disposal should be eliminated. I hope that the municipalities that benefit from the removal of a service deduction will be prepared to provide the same level of service for our property as they are for taxable property if they are not now doing so.

Second, I indicated that the Government of Canada presently uses preferred rates of tax in calculating grants on some properties. These preferred rates arise because most local governments are required by their provinces to levy real property taxes at two or more rates. These rates usually consist of a low or a preferred rate for residential and farm property, and a high or non-preferred rate for commercial and industrial property. While the Government of Canada now uses the non-preferred higher rates in calculating grants on most of its properties, it uses the preferred lower rate for certain categories. These include employee housing, experimental farms, hospitals, educational properties, and penitentiaries. This is a bit complicated and tedious, but I hope members in the House will permit me to put all of this on the record.

The use of a preferred rate has worked well in the case of employee housing. It has not always worked well in other cases because it has not always been clear that these other federal properties could be properly compared with taxable properties that qualify for the low rate. In future, we propose to take advantage of preferred rates only where property of the Government of Canada is directly comparable with the taxable property to which the low rates apply. This is another improvement for the assistance of the municipality.

As a result of these changes, Mr. Speaker, in respect of service reductions and preferred tax rates, it should be evident that in almost all cases where grants are paid under the new

municipal grants act we are now considering, these grants should constitute the full equivalent of the taxes that would be paid if the property of the Government of Canada were taxable property.

This is really legislation that has been sponsored by the government House leader. I have to say that the pressure has been intense from the government House leader for this legislation to be brought forward. He is, of course, the great champion of the Ottawa area and a man who has waged a constant campaign of harassment against me to bring it on. Any generous provisions in this bill are due entirely to him and other members on this side who represent municipal areas that are involved.

Mr. Whelan: It was Jean Chrétien who announced that first.

Mr. Crosbie: Why did he not carry it through?

Mr. Whelan: Certain things happened to him.

Mr. Crosbie: Why did he desert it along the way? This brings me to what is undoubtedly the most important part of this bill.

I am delighted to have an interjection from one of our leadership candidates on the other side. Many on this side are hoping the hon. gentleman will truly lead his party, that we will not have the Bay Street boys taking over but instead will have the farmers truly represented for the first time in the leadership of the Liberal Party of Canada.

● (2020)

Mr. Baker (Nepean-Carleton): Whelan will whale them.

Mr. Crosbie: Many of us here are almost prepared to walk across the floor to help that hon. gentleman.

Mr. Whelan: I know you are in need of leadership. That's for sure. After you saw that Gallup poll you have to go somewhere.

Mr. Crosbie: Notice I said "almost". This brings me to what is the most important part of this bill, that is, the definition of property that will be subject to grant. If hon. gentlemen referred to the bill, and I know they have all read the provisions intently, and if they looked at subsection 2(2), while that subclause is rather complex, the basic intention is simple. The basic intentions of the hon. gentleman I have just been talking to are simple, but to achieve his ambitions will be complex.

The provision of that subclause is that grants shall be paid in respect of all real property owned by the Crown that is occupied by a federal department, subject to exception for structures, urban parklands and Indian reserves. This new definition of the property that is subject to federal grants is much broader than the one that is now in effect. The properties that will be eligible for the new and enlarged grants will include defence bases in rural or semi-rural areas. The hon. gentleman who represents a rural area is apparently unconcerned about this.

Mr. Whelan: I am talking to another member from a rural area.

Mr. Crosbie: It will include defence bases in rural or semi-rural areas. I do not even hear the hon. member knocking on his desk applauding. He is certainly not looking for support as far as I can see. It must be a false rumour.

Mr. Whelan: If there is anything false, it is on the other side.

Mr. Crosbie: These are presently classified as self-contained defence establishments. Other properties that are going to be eligible are national parks, wildlife reserves, which, of course, are more suitable for some of those gentlemen—

Some hon. Members: Oh, oh!

Mr. Crosbie: —national parks, historic sites, and that accounts for the first bench over there, these historic sites will be subject to grants. Parliament Hill will become subject to grants. Museums—we are back to the front bench of the opposition again.

Mr. Pepin: Are circuses included?

Mr. Crosbie: Libraries, art galleries, concert halls, water conservation projects and community pastures—we are back to the hon. gentleman again.

Mr. Whelan: That is where you are going to go, so you want to fix them up good.

Mr. Crosbie: The hon. gentleman will be put out to pasture.

Mr. Whelan: The Gallup poll said who will be put out to pasture.

Mr. Crosbie: The only gallop we are worried about is the gallop to the polls.

Mr. Whelan: You ought to be!

Mr. Crosbie: We are including now self-contained defence establishments, national parks, historic sites, Parliament Hill, museums—strange conjunction—libraries, art galleries, concert halls, water conservation projects, and community pastures. In addition, three other rather specialized categories will be newly eligible. First, portions of Indian reserves that are occupied by federal departments to provide services to persons who are not resident in such reserves and, second, real property occupied by a department under a long-term lease known as an emphyteutic lease—do you know how to pronounce that?

Mr. Baker (Nepean-Carleton): You did very well.

Mr. Crosbie: —third, real property owned by a province but occupied and used by a federal department pending transfer of administration and control. In the case of some 58 defence bases presently classified as self-contained, grants are now determined with reference to the value of the land plus any buildings used as married quarters. We do not now make any

payments for administrative or operational buildings. This is incredibly complicated.

Mr. Pepin: Then table it.

Mr. Crosbie: Imagine, for 22 years payments have been made on self-contained defence establishments for the land plus buildings used as married quarters, but they were not used as married quarters, they were administrative operation, and no grants were paid. This bill removes that restriction.

The result of this enlarged definition, if hon. gentlemen and ladies of the House pass this bill, will be to increase payments in all parts of Canada. Along with the other changes that are set out in the legislation, this will benefit many municipalities. It will increase the grants paid on the property of government departments by an estimated $25 million as of 1983. In addition, there will be other benefits that relate to Crown corporations. I will come to that a bit later.

Some of these changes will be phased in over four years. The phase-in provision is set out in clause 15 of the bill. This clause is limited to increases in grants on self-contained defence bases, national parks, museums, art galleries and concert halls. All other changes will be fully effective with the 1980 taxation year.

The definition of property subject to grant has some remaining exceptions. There are only three of significance—structures, urban parklands, and Indian reserves. Members might ask, what do you mean by structures? I was struck by that question myself when I examined this. Structures are the most important. These include jetties, canal locks, and aircraft runways. These are some of the examples. The cost of those kinds of structures and the potential grant are very large.

At the same time, because of the nature of these items, the local cost of providing services is minimal. In all justice, can we say that municipalities provide services to jetties, canal locks, or aircraft runways? Of course they don't. If grants were paid, they would in most cases greatly exceed any costs to local government for providing services to those kinds of structures, so they are not included.

In addition, whereas all jurisdictions apply their property taxes to land and buildings, there is a great deal of difference with respect to structures. Many types of structures are taxed only in some parts of Canada and not in others. In addition, many structures are by nature owned only by governments. Therefore, we have no comparison to the private sector. The decision to exclude structures from this bill was taken in view of those kinds of considerations. Schedule II of the bill sets out a list of structures of which I have given some examples. That list is not exhaustive but it shows the kinds of properties that are included.

Second, urban parklands were excluded on the grounds that that property, urban parkland, provides a service that normally is provided by an urban municipality. In other words, if the Government of Canada has urban parkland, that is ordinarily the kind of service that the municipality should provide. Where it is provided by a municipality, the municipality does not get any direct revenue from the urban parkland because it cannot tax itself. If we are providing the same kind of service, why should we pay a grant on this kind of property where we are providing the service to the municipality? That is the reason for this second exemption.

Indian reserves are a special case. I must say I have no direct experience in this because we have no Indian reserves in my home province of Newfoundland. In some parts of Canada, municipal boundaries are drawn in such a way as to exclude reserves. In other parts of Canada, Indian reserves are within municipal boundaries. However, the payment of grants to the municipalities concerned would imply some degree of integration between the reserve and the municipality in the provision of services which seldom exists.

There are some very special cases in defining federal property. I will just refer to one category because of its importance. That is Crown property administered by a federal department but leased to or occupied by a third party. In most cases, the third party is taxable by the municipality with respect to its occupancy of the property. The amount of the tax payable is exactly the same as it would be if he were the owner of the property. In most of those cases, the occupant pays the tax for which he is liable and there is no problem. However, if for any reason the occupant does not pay his tax, the municipality then has a problem as to how it enforces the collection of their tax. Normally they can seize a property and sell it, but they cannot seize Crown land and sell it. The existing act tries to deal with that problem by excluding leased property from grant if the occupant is taxable, but permitting the minister to include the property by prescription.

● (2030)

There have been many controversies over the years as to whether this particular property or that should be prescribed. Well, this problem has been examined at length by the government as well as by its predecessor. The most basic conclusions which emerged were the following: first, in general the government ought not to pay grants with respect to property which it does not occupy. In particular, we should continue our policy of not paying grants on behalf of applicants who are themselves tax exempt. This occurs where a departmental property is occupied by a province, municipality or school board. I mean, if our property is occupied by a province, municipality or school board, and they are tax exempt, surely there is no reason we should pay the tax although the organization concerned does not. If a municipality is unable to derive revenues from a body where it owns property, thee is no strong reason why it should derive taxes from the federal government when that body occupies federal property.

Second, where the lessee or occupant of departmental property is taxable in respect of his occupancy the government ought not, in most cases, to include the property in its grants. The occupant should continue to pay the taxes for which he is liable. This works well in most cases, but there would be great difficulties if we were to attempt to pay on behalf of the

occupant, particularly where occupancy is for commercial or industrial use.

There are some instances where the occupant of departmental property is taxable and where the system does not work well if the municipality seeks to tax him. This occurs most often in the case of residential and farm property. If there are a large number of problems of this kind in a particular municipality it might face the possibility of a significant revenue loss because of the difficulty of enforcing collection of its taxes. There are other instances when the federal government expropriates or purchases property with outstanding leases, including commercial or industrial leases, and when payment of tax by the lessee would mean he is paying twice—once directly and a second time indirectly through his rent. The government should continue its present policy of including these categories of leased property in its grants and should, in almost all cases, take the necessary steps to recover its costs through rental charges. The municipality then forgoes its right to tax the occupant.

The problem of leased property calls for maximum flexibility, and the act should give the minister power through regulations to determine how property which is leased or occupied by a third party should be treated in an effort to meet special cases. Then, of course, we shall have to keep the case of leased properties under periodic review.

Well, Mr. Speaker, those conclusions are reflected in the bill before us. In particular, clause 8(1)(e) gives the governor in council authority to make regulations prescribing particular categories of leased or occupied property as being eligible for grant. We intend to have the necessary regulations prepared to enable us to pay grants on those categories of lease or occupancy which are included in grants under the existing act. This bill will require that the regulation be published in the *Canada Gazette*. I might say that that has not been the case in the legislation up to now.

I would point out that clause 8(3) requires that all regulations proposed by the governor in council under 8(1) are to be published in the *Canada Gazette* and shall not become effective until a reasonable opportunity is given to interested parties to make representations about them to the minister. That is another new departure.

I would also call the attention of hon. members to clause 10. This authorizes the minister to enter into bilateral agreements with the provinces respecting leased property. We do not intend at the present time to seek such agreements. However, this provision might be useful in the future if it were ever considered desirable to pay grants on a broader range of leased properties.

Most of my comments up to now have related to grants in lieu of real property tax. As we all know, this is the tax which municipalities levy each year upon owners of real property, based upon the value of the property occupied and the tax rate applied to that value. There are other taxes levied upon owners' real property and these, too, will be covered by the bill. Such taxes are based upon some characteristic of property other than its value. Usually such taxes are tied to the frontage or area of land concerned, or to a building on the land. Local improvements are the best known example. The bill defines these other taxes as frontage or area taxes and provides for payments in respect of them.

Grants in respect of most of these have been paid in recent years, but apart from local improvements this has been done pursuant to special wording added to the municipal grants vote of Parliament and not through the act itself. However, it has not been possible in the past to pay grants where such taxes were levied to finance non-capital services such as street oiling. The present bill removes that restriction. Now street oiling is not of much importance in areas where all the streets are paved, but for people living in areas such as certain places in Newfoundland where street oiling is important, this can be important. I am sure the hon. member for Grand Falls-White Bay-Labrador (Mr. Rompkey) would agree.

Mr. Rompkey: We don't even have streets.

Mr. Crosbie: He says some of his communities don't even have streets. As I say, the bill removes that restriction and it gives the minister an option for the first time of paying a local improvement grant in a lump sum exclusive of interest, or in annual instalments of blended interest and principal. I hope hon. members are grasping the minutiae I am trying to detail here, Mr. Speaker, because the municipal councils will be interested in all this.

Mr. Whelan: It was more interesting when the hon. member for Stormont-Dundas (Mr. Lumley) presented it to cabinet committee a few months ago.

An hon. Member: What?

Mr. Crosbie: It is shocking to be interrupted by an old veteran of the House like that.

The bill also removes a long-standing restriction in respect of water taxes. Most municipalities finance water as a service charge but there are some, mainly in the province of Quebec, which finance it in part by a property tax.

The bill does not provide for the payment of grants in lieu of business occupancy taxes on departmental property. I know this is an issue with many municipalities; they claim we should pay grants in lieu of business occupancy taxes, but we just cannot see that proposition. The payment of business tax grants has been considered—there is some validity to the argument. However, we take the position that government departments are not engaged in business. That, surely, is evident from the record of the last 16 years. In fact, the government was not engaged in business either. It was engaged in harassing business.

There are some parts of the government which are engaged in business but they are a relatively small number of Crown corporations, the Crown corporations which are trying to make a profit or a reasonable return on investment capital. So the argument used by the municipalities would apply to them, and does make some sense. The bill does address this matter and it identifies the bodies which will be expected to make payments

in respect of business occupancy tax. We feel that certain Crown corporations which are comparable to business in the private sector should pay business tax grants, but not the ordinary departments—they are not engaged in business, they are engaged in providing a service to the public. It is to be hoped they are.

Another argument against paying business occupancy tax grants on departmental property is that the money which would be required is simply not available. If we were back in those halcyon years when revenues were burgeoning, when hon. gentlemen opposite were spending like mad, when they were looking around to see where next they could throw some public money, if we were in a situation of that kind and we did not know what to do with it all or where to spend it all, we could spire some out in business occupancy tax credits. That is not the case today. We have had that for the last ten or 15 years. The cupboard is getting pretty bare, and we simply have not got the money that would be needed if we agreed to pay business occupancy grants in lieu of taxes.

● (2040)

We also feel that it would be preferable to bring into the grants system some properties now totally excluded rather than leave those out while increasing the grants on properties that are already qualifying. I want to point out, by the way, that none of the provinces now pay a grant in lieu of business occupancy taxes in respect of the departmental property of those provinces, so it ill behooves them to look at us and say that we should do the same. There is one province, la belle Province de Québec, that has recently introduced legislation which is going to result in that step being taken in the province of Quebec. I am not sure whether that legislation is now passed, but there is a considerable change taking place in Quebec with respect to real property municipal taxation, and the province of Quebec intends to do this, but it is the only province.

So, I come now to the subject of grants by Crown corporations and agencies. They are excluded from direct coverage under this particular municipal grants act, but it has been government policy since 1950 that they should pay their own grants. And, since 1967, they have been directed to pay on a basis at least as generous as that set out in the Municipal Grants Act for departmental property. So, it has been a matter of policy that they pay grants in lieu of taxes.

In general that system has worked well. However, there have been cases where it has not, and there have been no effective means of co-ordinating the practices of the bodies concerned. There has been confusion on the part of municipalities and provinces as to our general policy, and in some few instances there have been bitter complaints. So, to try to remedy this situation the bill contains three provisions. First, it provides for the governor in council to make regulations which will constitute guidelines to be followed by Crown corporations making grants in lieu of taxes.

[Mr. Crosbie.]

Second, it specifies that such guidelines are to provide that grants be determined on a basis that is at least equivalent to that which is applicable to departmental property.

Third, it lists schedules III and IV, if hon. members will check those schedules, the specific bodies which are affected by these guidelines. The bodies listed in schedules III and IV are required to pay grants in respect of real property taxes and frontage or area taxes. The bodies listed in schedule IV, in addition, are required to make payments in respect of business occupancy taxes as well. Bodies are listed in schedule IV if they are generally independent of our own treasury, the federal treasury.

I think it might help members of the House who are interested if I just outlined what the government's guidelines will be if the House passes this bill. The first principle will be this: Crown corporations are not to enter into special arrangements with local governments or provinces in respect of real property taxes, frontage or area taxes or business occupancy taxes.

Second, the grants that they make are to be paid to taxing authorities responsible for collecting taxes in the areas where their property is situated, and they are not to by-pass these authorities.

Third, the grants are to be paid in respect of any property of a kind that would be subject to grant if it were property of a federal department. However, this will not apply in respect of Crown corporation property leased to a third party.

Fourth, the rate of tax to be used in calculating a grant on Crown corporation property is to be the rate that would be applicable to such property if it were taxable property. Deductions from the resulting grants are not to be made except in very limited cases where they could be made in respect of departmental property as set out in clauses 6 and 7 of the bill.

The fifth principle is this: Grants are to be settled and paid with reasonable promptness in respect of each taxation year for each taxing authority, having regard to when the taxes are due for the owners of private property. Where final settlements cannot be made within such a time frame, interim payments are to be made which will be substantial in relation to the total grant that the body estimates will be made for the taxation year.

Sixth, grants are to be paid free of any conditions.

Seventh, where a dispute arises between two Crown corporations as to which of them is responsible for the payment of a grant in lieu of taxes for a given property, the matter will be referred promptly to the Department of Justice for a ruling, and the opinion of that body shall be accepted.

These are the principles that will be contained in these regulations if the bill is passed.

These guidelines should help to clarify the present situation with reference to grants by Crown corporations and agencies. They will be set out with precise wording in regulations, but they will not become binding until the bodies concerned or any other intereted parties, including municipalities, have had an

opportunity to comment on them. For this reason we do not intend to have these guidelines become applicable until the first day of taxation years commencing on or after January 1, 1981, not 1980.

Provision will be made for adding corporations to or deleting them from schedules III and IV. This will be done at a later stage, likely in connection with a separate bill, Bill C-27, dealing with the Crown Corporations Act. I believe that has now had first reading in the House. Bill C-27 concerns the control, direction, and accountability of all Crown corporations.

I should also refer before closing to the role of the provinces in this federal program. Municipal governments are the creations of the provinces. I notice that my script says "the creatures of the provinces". I remember when I was elected to St. John's city council that this term was used by somebody in the Newfoundland government. We were the "creature" of the provincial government. I took strong objection. So, harking back to that, over the years, back, in 1965—14 years ago; it is gone in a flash. As you get older, you realize we are only transient here.

Mr. Pepin: Some more than others.

Mr. Crosbie: The poll has had very deleterious effects on me.

However, local governments are creations of the provinces. The taxes which they can levy, as well as the form of those taxes and the body that is responsible to administer and collect them, are all determined by the provincs. With a few exceptions, notably those that apply to appeal procedures and the definition of property subject to grant, we try to follow the property tax institutions of each province.

For that reason grants have always been paid to those bodies which had been designated by the provinces as tax collecting bodies. As a consequence we pay grants to school boards. We pay them to upper tier and regional municipalities only where they are the tax collecting authorities as designated and appointed and decided by the provinces. In my view it would be inappropriate for us to depart from that practice, or for us to designate on our own the bodies to which our grants should be paid. That is a matter to be decided by the provinces which create the municipal and local government structures in this country.

I have to point out in that respect that in some cases the provinces themselves, or the territories, collect the property taxes. This is happening in New Brunswick, Prince Edward Island, British Columbia, the Yukon, and the Northwest Territories. In those cases we pay federal grants to the provinces and the territories in the same way as we do to the municipal governments since 1967. That has been authorized by a special wording added to the municipal grants vote of Parliament and not through the act itself. If we pass this bill, then such payments will be brought within the act for the first time.

Finally, in ending I want to note a number of minor new things which the act does. It permits the payment of grants for the first time to Indian band councils where they levy a property tax. It provides exclusions for lands for which a Crown grant was never issued and for which there is no designated use, and also for general purpose public highways owned by the federal government. It gives the minister power to reduce a grant by the amount of any cancellation, reduction or refund of taxes that would be applicable to federal property if it were taxable property. There is no concern why we should not get the same kind of reduction.

While the bill authorizes grants on community pastures for the first time, it has an exclusion in clause 11 for such time as a special existing program of payments in lieu of taxes on community pastures continues in effect.

The fifth point is that the bill makes it clear that no grant is to be paid in respect of taxable property acquired by the Government of Canada for any part of the taxation year during which it is acquired. The latter is because in fact the former owner of such property is taxable for the whole of the taxation year during which the acquisition takes place, and there is no reason why the tax should be paid twice.

● (2050)

This brings me to the end of my comments about the purpose and intent of Bill C-3. We can all see from my remarks—and I know they are hard to follow if one does not have the text before him—that this is a complex and important measure. It will tidy up and modernize a statute where changes are long overdue; it is now 22 years since it was changed. It will bring substantial benefits to local governments in all parts of Canada and will strengthen the principle that the Government of Canada is paying its way for the services it receives from municipal government.

Before anyone in the official opposition jumps up to point it out, I am quite happy to say that the terms of the bill are pretty well the same as the bill which was introduced in the House of Commons approximately nine or ten months ago by the then minister of finance, who has since passed on to happier things in the opposition. Therefore I would anticipate tremendous support from the official opposition for this piece of legislation. I would not be surprised if even the New Democratic Party supports this legislation. Normally they do not like to see money spent or any increased amounts of money spent when it comes to the average home owner across Canada who hopes to get a break in the new year through another piece of legislation that I would not mention because I do not want to get on a controversial tack here. But I hope even members of the New Democratic Party will support this legislation and we get it through the House tonight. As a matter of fact, we have one hour and ten minutes. What a tremendous demonstration this would be to the municipalities of Canada of how members opposite were concerned about them, if this whistled through all stages tonight with no hesitation, on to third reading, and became law tomorrow. I move second reading of the bill.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Jean-Luc Pepin (Ottawa-Carleton): Mr. Speaker, the first time I had the opportunity to speak in this most impressive chamber was in 1963. I had chosen, as the topic of my maiden speech, the price of manufacturing milk. In so doing, I was of course proving the great interest I had in local matters dear to my electors of Drummond-Arthabaska, my riding at the time, and today the riding of Drummond. I must admit that I am seeking to express somewhat the same feeling today in speaking of grants in lieu of taxes paid to municipalities in which there are federal buildings, a topic of prime interest, naturally, to the electors of Ottawa-Carleton, my new riding.

Mr. Speaker, I do not profess to be an expert in the matter like my colleague from Langelier, former mayor of Quebec City, who unfortunately is unable to be here tonight and who would very much like to participate in the debate. This may be reason enough to extend it till tomorrow because the hon. member for Langelier (Mr. Lamontagne) has important things to say about the principles involved in this debate. As for me, I certainly intend to become more versed in the matter than I was, or at least sufficiently to meet the needs of my present duties.

[*English*]

The Minister of Finance (Mr. Crosbie) has already given the basic elements of this bill. They are pretty clear, notwithstanding the fancy job he did on his speech, with additions which were more of a confusing nature than of an enlightening one. But we thank him for that nevertheless, because it made the last hour easier to go through. The words, thoughts and ideas, as he said himself, are those found in the proposal made by the hon. member for Saint-Maurice (Mr. Chrétien) in Bill C-46 in January of 1979. So, we can easily call it a bipartisan, and, I hope, a tripartisan bill.

Mr. Baker (Nepean-Carleton): Quadripartisan.

Mr. Pepin: As has been clearly indicated, obviously I have a special interest, as others have, because of what is involved in this bill for Ottawa and surrounding municipalities. I am informed on what the city of Ottawa will be getting out of this new law. Presently the grants in lieu of taxes for the city of Ottawa are in the area of $30 million. This figure will go up by $3.3 million in 1980, by $4.4 million in 1981, by $5.5 million in 1982, and $6.6 million in 1983.

The township of Gloucester is interested in it too. At the moment it receives $1.165 million, and $475,000 for the Crown corporations. I assume that that figure will be adjusted as the others will be.

I am very keen to know what the village of Rockcliffe will be getting out of the new formula by way of compensation for embassies located on its territory. As the minister said, in the case of Ottawa, the Parliament Buildings, the National Archives, the National Library, the National Arts Centre and the National Museum will be included for the first time in the formula. As he said, also the bill covers Crown corporations, at least those found in schedules I, III and IV. This includes only 56 of them. I am quite keen to know what will happen to the others. Presumably we will have detailed statistics on what will happen to the Crown corporations not listed at the end of this bill.

[*Translation*]

The following question is immediately raised: does Bill C-3 solve all problems and satisfy the aspirations of the municipalities involved? The views of the municipalities have been stated by the Canadian Federation of Municipalities in a letter to Mr. Chrétien and a brief to the Canadian government, both delivered on June 20, 1977. It would be useful to make a comparison between supply and demand, between the demands of the municipalities and what is offered by the government, to record in *Hansard* and comment very quickly a few excerpts from the second document. It is a paper which I read carefully and, as I said, I would simply wish to put on record in *Hansard* a few quotations so that those who read the interesting debates of this House can compare the demands of the municipalities with what they get under Bill C-3.

I therefore quote from the brief dated June 20, 1977 and entitled "Urgent Amendments to be made to the Municipal Grants Act". The quotation reads as follows:

> Through the federal program of grants in lieu of taxes, considerable revenues accrued to the municipalities of Canada. However, the program had several basic flaws. In our opinion, the federal government should pay taxes the same way as any other ratepayer of a municipality or provide corresponding grants.

That is the principle the former mayor of Quebec City, now the hon. member for Langelier would like to comment upon tomorrow. In that paper, the municipalities indicated five issues still outstanding in June, 1977, at the time they were expressing their opinions. The first issue was the difference between the assessed value and the agreed value. I quote from the brief:

> In a number of cases, the assessed value of a given property (determined by the municipality) does not coincide with the agreed value (determined by the federal government). We strongly recommend—

It is still the Federation of Municipalities that is speaking.

> —to correct the situation by accepting the assessed value that the municipality concerned will have determined.

Bill C-3, as the Minister of Finance indicated very clearly tonight, does not recognize that principle. Clause 2 of the bill defines the—

effective rate

—as that which "in the opinion of the minister, would be applicable to any federal property if that property were taxable property". The minister said that this difference between the assessed value and the agreed value does not create too many problems. My information is slightly different.

As a matter of fact, I have been told that in 10 per cent of the cases the agreed value is higher than the assessed value, that it is lower in 50 per cent and that it is the same in 40 per cent of the cases, which still means that there is a difference between both values in 50 per cent of the cases. The govern-

ment's refusal to accept the point of view of the federation is probably based on the lack of consistency in the assessment process from one town to another. But we should like to know, and we shall see in committee, whether the problem is serious and whether there is a way of reducing—we should always try to improve the law—the total liberty now left to federal authorities which are responsible for the negotiation of the evaluation base. Perhaps the mechanism itself through which the evaluation is determined should be improved.

We should also wonder, and the minister did so, how the provinces act in such circumstances. I read that some provinces accept the municipal evaluation. So we should try to determine why they do so. If some accept the municipal evaluation, there is perhaps some reason for this. I also read while preparing my speech that some commentators suggested there should be some common effort between the federal government and the provinces to have precisely a common federal-provincial approach in that area. This is perhaps a subject to be put on the agenda of a federal-provincial conference.

The second area of conflict which the Federation of Municipalities mentioned is the number of tax exempt properties at the present time. There is no possible ground for discussion on this subject. There has been a great deal of improvement in the number of federal buildings which are now, which henceforth will come under this system of grants in lieu of taxes. But are they cases of unacceptable tax exemptions? The Ottawa municipal authorities seem satisfied but other municipalities may not be so and they should be encouraged to write to us if that is the case.

The third issue of conflict is the business occupancy tax and again I quote the text from the Canadian Federation of Municipalities.

> The federal government has not taken into account the business occupancy tax in the calculation of the grants. The Canadian Federation of Municipalities suggests that the business occupancy tax is an integral part of the property tax system.

The commission paper then lists the reasons which in the past had justified or seemed to justify the refusal on the part of the central government to compensate for the non payment of the business tax. These two reasons are, first "the lack of uniformity in Canada concerning this tax system", and second the fact that "federal government activities do not generate taxable income".

And on that point the federation was almost violent, not accepting, and again I quote:

> —the technical arguments used by the government—

—which, they said—

> —to a large extent do not apply to the calculation of the grant and do not hold before the significance of that tax as a source of revenue for municipalities.

I have a bit of difficulty here because the text of the Federation of Municipalities uses the expression commercial tax. It may just be a matter of semantics but I have been told that for the past three years the commercial property tax has been accepted with the residual property tax as the basis of evaluation in the current legislation on grants to municipalities. In other words, and the minister said so earlier, any property tax, residual or commercial, is considered to determine the basis for federal grants.

What is not accepted—the Minister of Finance has also mentioned this, maintaining the central government's position in this regard—what is not accepted is the business tax, the business occupancy tax which is defined in clause 8(2) of Bill C-3 as a tax for business activities and not as a property tax as such. This business tax is still excluded in the bill, except, as the minister indicated, for Crown corporations listed in schedule IV, corporations which are openly and truly commercial.

So, Mr. Speaker, this is one of the most important points on which the Federation of Municipalities, speaking on behalf of municipalities which are recipients of these grants, disagree with the government. Incidentally, it is important to note that if the business tax or the business occupancy tax were retained as a basis for federal grants it would add, I do not have any precise figures since estimates vary, but it would add $30 million, $40 million, some even say $100 million to the amount the municipalities now claim from Ottawa. I wanted to stress this point, Mr. Speaker, so that it would be well understood, including by myself, that there is a very large gap on this point between the Federation of Municipalities and the central government.

The fourth contentious issue is that of deduction for services. The minister stated tonight that almost all deductions were now set aside. As he himself said, this includes schools, police, and garbage collection where the government uses its own services or does not use those of the municipality. Those deductions are covered in clauses 6 and 7 of the bill. I have consulted those concerned and was told that this did not represent a major problem here in Ottawa. Again, if our information is not correct I hope that the people concerned will write to us or will phone us. There may be instances where this creates real problems.

Finally, the fifth contentious issue that the federation brought up in June, 1977, concerns Crown corporations; it deplored the fact that there was no "consistency in the way Crown corporations pay their municipal taxes". According to what the minister said tonight, and to the bill before us, Crown corporations listed in schedules I, III and IV are now subject to this legislation. Therefore, in this instance, as in two or three others, the federation won its case. But there are other Crown corporations, not enumerated in schedules I, III and IV, and about which we would like more information.

Mr. Speaker, I would like to conclude the second part of my comments by saying that Bill C-3 solves a lot of problems but does not solve them all. The most pressing problem that

remains is that of the status of the business tax, the business occupancy tax, the formula for evaluating the effective rate which is the basis of the grant. The minister has said again tonight that the federal government will act as it has in the past.

● (2100)

[*English*]

The federal government in these matters continues not to recognize business occupancy taxes in its new granting formula with some exceptions; for commercial Crown corporations. Why is that? One reason is that municipal business occupancy taxes vary from one province to another, ranging from Prince Edward Island, which not long ago abolished them completely, to Saskatchewan, Ontario, and Nova Scotia, which I understand have made them mandatory. I understand Manitoba permits municipalities, but does not require them to levy an extra business tax. In addition, as a general rule throughout Canada, distilleries and breweries pay much higher rates of taxes. Pipelines, telephone companies and mines usually have their business tax rates prescribed by statute.

To repeat, there is very little consistency in business taxes from one municipality to another or from one industry to another, and that is the real problem. The Canadian Federation of Mayors and Municipalities have spoken, as I have said before, for the inclusion of these business taxes in the grants formula, for many years. Should they be accepted, they would add about 25 per cent to the cost on a national basis. Municipalities have argued that by making grants purely at residential and commercial real property rates, the federal government is paying less than its fair share. This is an argument of which the public at large and members of Parliament must be very much aware.

Prince Edward Island has found an interesting way around this difficulty. It abolished business taxes and created a single rate for all property, the effect of which was to increase federal grants in lieu of taxes in that province. Theoretically, all provinces could follow the example of Prince Edward Island and create one uniform tax rate which would be higher than the current residential and commercial rates combined. In practice, however, it would be very difficult for them to do so, as they would be accused of giving money to businesses, especially breweries and distilleries. So, politically, they have not been able to do this, in spite of the fact that such a move would increase grants in lieu of taxes.

I would like to emphasize that there is created here an anomaly which in principle should be corrected if at all possible. The problem has potential constitutional dimensions. I would put the questions to the Minister of Finance in this way: the first possibility is, should the federal government respect provincial autonomy and jurisdiction in municipal affairs and accept the distinction most provinces make between commercial and business occupancy tax and let them penalize themselves or their municipalities if they so wish? The second question is, should Ottawa respect provincial autonomy and jurisdiction and accept the province's right to distinguish commercial and business occupancy taxes and not penalize those provinces which do so? In my view these are the alternatives. I am quite sure that the problem will not be solved tomorrow. It should be the objective of the government however, to solve the problem by means of the second suggestion which is more accommodating to provincial autonomy and to the federal system as a whole.

The Minister of Finance has indicated that this is not only a theoretical or constitutional problem, but one of cost to the federal purse. Consequently, I suggest that the federal government consider the possibility in the future of paying a certain percentage of the business occupancy tax to those municipalities which levied that tax separately from the commercial property tax or, in other words, to those provinces which do not roll the taxes together. I am interested in questioning the minister on this topic when this bill gets into committee. I think that the principle I proposed is better than the present law. We should always strive for improvement, and my proposal would meet the needs of the future if not the possibilities of the moment.

● (2110)

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to indicate my support for this bill. It is a marvellous bill and I congratulate the Minister of Finance (Mr. Crosbie) for bringing it before the House. I am sure that members on all sides will support the bill. So far, the government has not proposed many such bills, and it has been rather difficult for us. I know that the minister has been threatening the members opposite with an election if we do not rush in and support his proposed bills and suggestions, but indeed tonight we have something before us which we all can applaud. It has definitely been a long time coming.

Many municipalities, and particularly the ones around Ottawa, have definitely experienced numerous injustices in the past. I was not here for the occasion, but I understand that at one time the city of Ottawa threatened to cut off the water supply to the Parliament Buildings because of the injustices perpetrated by the previous government. Indeed, the previous government introduced this bill in 1976. They took a great deal of time before they actually introduced the bill, and then they eventually went through the motions of getting it through the House. I think, though, that we came to expect that from the previous administration. They moved slowly on a number of matters. That is why the people of Canada decided in May to see what a bunch of new fellows could do.

On this particular measure I congratulate the government not only for introducing the bill, but for giving it priority. I am sure that we will be able to pass the bill tonight. It is not a controversial measure and I think that all hon. members will support it. I see no reason why we cannot pass this legislation tonight.

The Minister of Finance will be happy, and he will be able to sleep tonight with a smile rather than a frown on his face. If the Minister of Finance is happy for an evening, the country will benefit, I am sure. I urge the House to send the Minister

of Finance home tonight with a smile so that he will have pleasant dreams and not nightmares.

The one thing that I wonder about is why some of the measures will be phased in. I recognize that in most cases the municipalities will be able to collect grants in lieu of taxes next year, but on some occasions it will be over a four year period.

Having accepted the fact that grants should be given in lieu of taxes, why should it take four years to actualize that truth? That is one of the major defects in the bill. Perhaps the minister could reconsider the matter and perhaps next year, if he is still here, he could speed up the process, so that this four year phase-in period could be reduced.

I do not wish to say any more on the bill. The previous speaker in a non-partisan way has raised some valid points. I am sure that the Minister of Finance will accept those points and will consider all suggestions wich have been made. There are problems which defy easy solution and which require a sense of good will and determination before they can be worked through and solved. Other than that, I have nothing more to say. We will support the bill.

● (2120)

[*Translation*]

Mr. Armand Caouette (Abitibi): Mr. Speaker, like the hon. member who spoke before me, we also do not intend to keep this bill on second reading too long in this House but we want to give the government the possibility of doing something as it has once again taken a step favourable to municipalities which have been indeed complaining for years about the lack of revenue because of Parliament or government buildings.

We know that the city of Ottawa in particular had serious problems and nearly every year groups were formed to urge the government to give their fair share to the municipalities or cities which were asking the federal government to be a good citizen like all others and pay its property contribution. We also know, Mr. Speaker, that under the British North America Act and other regulations, a municipal or provincial government cannot force the federal government to pay property taxes.

Clause 13 of Bill C-3 says, and I quote:

13. No right to a grant is conferred by this act.

Such a conception, Mr. Speaker, could be justified in 1867 when the federal government and its administration amounted to a very small number of buildings, including the Parliament Building, the residences of the Governor General, the Lieutenant Governor, the Prime Minister and a few others. Today, the situation has changed and the federal government is the biggest administration in this country. Its buildings cover thousands of square feet and when one looks at the number of buildings the federal government has in our Canadian cities, those grants that the Minister of Finance (Mr. Crosbie) is proposing tonight, in Bill C-3, are indeed welcome.

I would not want, as the hon. member who spoke before me suggested, to take too much of the time of the House to move amendments to Bill C-3 if necessary. I would like to conclude by urging the minister to introduce other bills which could help our municipalities which for the past years have had to go heavily into debt.

Mr. Speaker, on behalf of my colleagues, I hope this bill will go through third reading quite rapidly so those municipalities can have the grants the minister described so well tonight.

[*English*]

Mr. Ken Binks (Ottawa West): In speaking to Bill C-3, Mr. Speaker, the municipal grants act, 1979, I want to commend the minister for making the changes contained in this bill and making it one of the first pieces of legislation to be offered in the new Parliament.

I was interested to hear the hon. member for Ottawa-Carleton (Mr. Pepin) ask how it will meet all the problems. Mr. Speaker, there is no bill that meets all the problems, but in my opinion Bill C-3 should be considered in the same sense as Bill C-20. Bill C-3 is as important in its own way as is Bill C-20, because it gives relief to municipalities while Bill C-20 gives relief to individuals in this country.

This bill is long overdue. The first municipal act was passed in this country in the Baldwin-Lafontaine ministry in 1837, and the last time municipal grants in lieu of taxes was discussed in this House was in 1957, when the question of taxation of the Crown by municipalities was fully discussed by ministers, and laid to rest.

This bill recognizes the urgent needs of more than 2,000 municipalities across Canada. The previous government diddled with this problem and the bill was reluctantly offered to the previous Parliament but did not pass second reading.

The hon. member for Regina East (Mr. de Jong) has asked why the legislation is to be phased in, and why it will not become effective within one year. It is for the same reason that Bill C-20 has to be phased in, that is, because of the present economic situation in Canada.

Municipalities across Canada, and the 2,000 municipalities that will benefit from this bill, the bedrock of democracy in Canada, suffered grievously because of the previous government's lack of initiative. By providing an additional $25,500,000 in annual federal grants in lieu of municipal taxes, this legislation will expand grant coverage to include almost all categories of real property owned by the government. It will provide, for the first time, full grants in lieu of real property taxes on defence bases in rural areas, national parks, historic sites, museums, libraries, art galleries, concert halls, reclaimed lands, and water conservation projects.

Most of the existing deductions from grants for municipal services provided by the government will be removed. Grants will be calculated using higher mill rates in some cases, such as for penitentiaries in provinces where real property taxes are levied at multiple rates. Grants will also be paid in respect of

certain types of property tax which are presently excluded from the grant system.

The municipal grants act will, for the first time, give some direction to Crown corporations regarding the grants they pay. This, Mr. Speaker, will alleviate the tax burden of potential private sector shoppers to an area such as Ottawa. Because the increased federal grants will be executed on a four-year phase-in period, this will allow municipalities to plan, in a responsible way, the yield they will receive to improve their service to residents and employees.

As the member for Ottawa West I particularly welcome the positive effects this legislation will have on the city of Ottawa. There has been much criticism expressed towards the former mayor and councillors for threatening to cut off the water supply and local services to Parliament and other government buildings, but I can see how they were frustrated. I want to pay tribute to the President of the Privy Council (Mr. Baker) for his influence in seeing that this legislation was offered early in this session.

I can appreciate the frustration of civic politicians in attempting to govern and plan for even minimum requirements in Ottawa. Ottawa will receive more than $6.5 million when this bill is completely phased in. More important, the uncertainty of not knowing in what directions the civic government should plan, will be removed.

Ottawa, the nation's capital, has found itself in distressing circumstances by reason of what the previous government did since 1968 to downgrade the importance of Ottawa as the capital of this country. The decentralization program—the most ill-conceived plan in this decade—in moving thousands of public servants from the Ottawa area, has left scars that will long remain. While it is proper to think of the national capital area as one geographic entity, it was scandalous to move thousands upon thousands of public servants across the river to Hull without even making provision to educate their children, without making adequate provisions for proper sewerage. There is no excuse in the world to send public servants to the four corners of Canada without proper planning in advance.

● (2130)

We need a strong federal presence right here in Ottawa, right here in the national capital, and this legislation will help to achieve that goal.

Canada is one of the most decentralized countries in the world. I am happy that this new government has stopped the madness of evacuation of the national capital. In my view, Mr. Speaker, this bill will help the national capital region. It is long overdue. But it is not all. I want to commend the President of the Treasury Board (Mr. Stevens) for his assistance in setting up a task force to consider future economic goals for the national capital area. One of the greatest unexploited resources in the national capital area has been the tourist industry. Construction of the Rideau Centre should go forward at once. Her Majesty, or an immediate member of her family should be in residence in Rideau Hall for at least one month every year. The recent heresy of making Ottawa and Hull together in name by hyphen should be stopped. The capital of Canada is Ottawa; it is not Ottawa hyphen Hull. There is no excuse for attempting to change the name of the capital, chosen in 1857 by Queen Victoria, from Ottawa to Ottawa hyphen Hull.

[Mr. Binks.]

In introducing this important legislation, sir, the government has taken the first step in what I hope will be a number of provisions to restore vitality in the national capital. Ottawa needs a truly international airport and not the Mickey Mouse excuse we are required to put up with here in this city. I am speaking of the future of Ottawa and the hope that it will become an entity with a diversified economy not subservient to the federal government.

This legislation, Bill C-3, will help to create a new climate in Ottawa, and the number of groups at work today in this city can help remould the future of Ottawa. In addition to reaping the benefits of additional grants proposed by this legislation, Ottawa wants to attract candidates in the private sector area who can share in the tax burden of the community.

Bill C-3 is the avenue for growth potential, the underpinning of economic health of our capital and across the country. This government, Mr. Speaker, realizes we are big government, but this government states we will act as a private citizen for private citizens.

[*Translation*]

Mr. Gaston Isabelle (Hull): Mr. Speaker, I am pleased to express my views on Bill C-3, a very significant piece of legislation for the municipality of Ottawa in particular, and I am most happy for that municipality that has been trying for a number of years to obtain an increase of grants in lieu of taxes in order to cover its yearly costs. However, this bill has been put forward at this point, because the previous government had already introduced remedial legislation on the subject of grants in lieu of taxes.

There is no reason for overcommendation. Although the bill is excellent, it should go much further. But I shall make no attempt at pulling it down or disparaging it. I feel it is overdue because the Canadian Federation of Municipalities and all neighbouring municipalities within the national capital area were requesting it. Maybe more should be done, because this is the first time that grants in lieu of taxes will be paid for military bases, museums and so forth. But let that be as it may.

It must also be realized that we have come a very long way in Canada in every area. Provinces have created new entities in addition to municipalities, such as regions, regional communities. We have one in Ottawa. There is one in the Quebec area of the national capital. I would not like to start an argument, but the hon. member for Ottawa West (Mr. Binks) suggested Ottawa was the capital of Canada. I think that no one will deny this fact except that, if you know the history of the area, you will realize that since 1893 all governments have always

attempted to include Hull, Ottawa and the area in some kind of region called the national capital area.

If I remember our history, in 1906, the then minister of finance, Mr. Fielding, held some kind of a referendum but only on Ottawa side, to ask if the people of the national capital would like a federal district like that of Washington. This proposal was rejected by only 600 or 800 votes. Had the Hull area been included according to the wishes of Sir Wilfrid Laurier, we would probably have a federal district like that of Washington. The situation might have changed tremendously, but when we say in this House that Ottawa is the capital of Canada I think that we are guilty of chauvinism. I believe that we live beyond that chauvinism, in what we call the national capital area. So, let us have the honesty to recognize the existence of the national capital area. The description of the municipalities included in that area is given in a measure passed by the government of the right hon. John G. Diefenbaker in 1958, I think. So we should pull down those psychological barriers and attempt to find the answer for our municipalities. It must be recognized that the national capital area is a very special region more than any other in Canada, Mr. Speaker. This is the seat of the central government. It expanded on the other side of the river, in Hull. It even extends beyond the municipality of Ottawa.

I think that instead of discussing small, insignificant, useless and silly arguments, the members of the national capital area might join their efforts to promote the improvement and the economic and social development of the national capital area. The city of Hull, Mr. Speaker, is unique. For years, when Mackenzie King had recognized that Hull was part of the national capital area, the federal government did not do much for the city. It is only since 1968 that the federal government has decided to make a big move which displeased some but which was a way of catching up.

I believe that the people in the national capital area must be happy to see that the Canadian capital has an adjunct in the city of Hull. The sums which have normally been given to us parsimoniously by governments since the beginning of this century have been minimal amounts used for beautifying the area, but that did not stop everyone from coming to the Gatineau region for recreation. Gatineau park, one of the most beautiful in Canada, was developed, as well as the fantastic Fairy Lake Parkway, and quite recently magnificent buildings have gone up in Hull, which give a face lift to the whole panorama of the national capital area. On the other hand, this has caused problems to such a point that a brief submitted in 1971 by Hull municipal authorities to the Special Joint Committee of the Senate and the House of Commons on the Canadian Constitution says the following:

It plainly shows that for many years, always for beautification purposes of unquestionable value, the city of Hull has been progressively deprived . . . of part of its territory . . . of hundreds of taxable buildings and properties . . . of part of its industries, in summary of an important part of its main source of revenue, with no compensation formula in the least proportionate to the magnitude of this deprivation.

We do not mean that as a criticism, because 99 per cent of Hull area residents are very happy about the presence of the federal government and my predecessors and elected officials at every governmental level have supported projects to allow the federal government to expand around the Parliament Buildings.

In summary—

—I am still quoting from the brief—

—while the functions of the city of Hull have multiplied at the same rate as those of all other major municipalities, its commitments, which for a large part can be attributed directly to its proximity to the national capital, have increased substantially at the same time as a major part of its tax base has disappeared gradually under the steamroller of beautification which has transformed taxable property into non-taxable green spaces.

Mr. Speaker, again last year, the mayor of Hull met with the then minister of finance, Mr. Chrétien, to ask him simply why property value could not be calculated according to the method used by the Outaouais Regional Community which can make a real property assessment of all municipalities of the national capital region on the Quebec side of the river.

I think that method would have meant $850,000 more for Hull, which would have been a great help because it had to incur more expenses than any other municipality to provide services for the new buildings that were erected on its territory. On numerous occasions it was asked that the assessment be based on the regional community method or, as preceding speakers mentioned, that the business tax be used to a certain extent. But for reasons that would be too long to discuss, I think that for all practical purposes the federal government should find means to help municipalities on both the Ontario and the Quebec side, particularly those located in the national capital region since it differs from all others. I repeat that we are in the national capital region. To take exception to adding the name of Hull to that of Ottawa to form the name Ottawa-Hull is to show a partisan mind and is unworthy of all great statemen and any ordinary politician who has any common sense. So I think that those who think we are lost somewhere in the Quebec territory are wrong; we are on the border of Quebec, we live in the shadow of Parliament and we hold full Canadian citizenship, besides being residents of the national capital region of which I am immensely proud, Mr. Speaker.

Since we are talking about the national capital region, I would say that governments have a tendency to turn more and more towards regionalism, that is, that they realize regions are not all alike and that each one can succeed in every possible way in developing economically, in achieving a higher standard of living than another provided it is given adequate means to do so. Therefore, I think we must respect regionalism and that we must see to it that the national capital region is respected like all others. Let us give it the means to develop fully.

I am very glad that this bill has been introduced in the House. I have nothing to say against it. On the contrary, I wish to congratulate the government for bringing it forward and I hope it will continue to introduce bills as positive as this one, Bill C-3, but I insist that we should find methods whereby we can make a positive contribution to the Ottawa-Hull region. When I say Hull, I refer as much to Ottawa; being from Hull and having lived in Ottawa for a long time I think that I am no more a resident of Hull than one of Ottawa; I am a resident of the national capital region.

So I hope that the government continues to bring those changes that have been required for a long time by the city of Ottawa, by the city of Hull and by the Ottawa-Carleton regional community, by the Communauté régionale de l'Outaouais, by the Canadian Federation of Municipalities, by all the other bodies, the chambers of commerce and so on which have attempted by submitting briefs to urge the government to assist municipalities.

Before finishing, Mr. Speaker, I would like to say that I am happy to live in the national capital region, that I am pround of the city I represent, that I am happy to associate with my Ottawa colleagues and I hope they are glad to have me as their colleague representing Hull.

● (2140)

[*English*]

Mr. John Evans (Ottawa Centre): Mr. Speaker, I welcome this opportunity to add to the comments of my colleagues on this bill which affects municipalities across Canada, particularly Ottawa. I am also happy to see this government follow the lead of the former government in recognizing the need for additional moneys to the municipalities. However, I do not believe that the present bill goes nearly far enough in overcoming certain inequities in the current grants structure, as I will indicate shortly.

In my maiden speech to this House, I urged the government to move quickly on this matter of grants in lieu of taxes. I stressed the importance of it to the municipalities in the national capital region as well as to municipalities across Canada where there is a federal presence. The city of Ottawa has by far the lion's share of federal properties. As a result it has lost the most in the past and stands to gain the most with this legislation before us.

Bill C-3 will serve to eliminate some of this burden and should help prevent additional tax hikes to the people of Ottawa by the municipal authorities, but it will not eradicate all of the inequities. Allow me to explain, Mr. Speaker. While Bill C-3 provides for the inclusion in the grants formula of most federal property previously excluded, it fails to deal with the loss of revenue to cities which results from the federal government's inability or unwillingness to pay business occupancy taxes. Therefore, while the new grants formula will overcome the inequality of the past resulting from underpayment of property taxes, it fails to address the inequities associated with non-payment of these business taxes.

Although I certainly agree that the federal government should not be as a business, I do believe that the federal government should provide compensation to municipalities which reflects their loss resulting from the fact that the government, and not a private business, occupies land within the municipality. Bill C-3 will not achieve this result, and it is a major omission. I estimate that the revenue loss to the city of Ottawa resulting from this omission is approximately $15 million per year. Now I should not lay the full blame at the door of the federal government. While it is true that the federal government is precluded from paying business taxes, this has been overcome in other parts of the country where the province simply allows the municipalities to incorporate the business tax within the commercial property tax category. Prince Edward Island has done this. Unfortunately, Ontario has not, and since Ontario shows no signs of moving, there is but one alternative. That alternative is for the federal government to provide a special grant in lieu of business taxes. I hope that the government will seriously consider this option and I intend to push for its adoption in the near future.

Mr. Speaker, I would like to touch on another issue if I may. While I welcome this bill, there is a bit of irony to be seen in its reintroduction at this time. The government has stated time and time again its intent to cut the public service by at least 60,000 jobs over the next three years. This will cause irreparable damage to my constituents, to the city of Ottawa, and to the business community. This will happen irrespective of the passage of Bill C-3. The effects of this cut-back policy will greatly weaken the city's financial base. The present high taxes in Ottawa will have to be increased in all likelihood as a result of this government's commitment with regard to the public service. Therefore, while the government promises relief with one hand, it takes it away with the other.

It would appear, Mr. Speaker, that this government is playing a very dangerous game and the city of Ottawa is caught in the middle. It's a first class juggling act. First they promise cuts to the public service and then they try to make amends by giving the city money. This will not make amends to those public servants affected by the cuts. It will not make amends to those businessmen who depend on the buying power of public servants who will soon join the ranks of the unemployed. It will not improve the morale of a city which is coming to realize that it is facing a grim future. While I repeat I welcome the increased grants to Ottawa, it should be well understood that this in no way compensates for the other drastic measures being inflicted upon this city and upon my constituents.

Mr. Speaker, there is an additional case against this government which once again demonstrates its insensitivity to the problems of Ottawa. Within two weeks, the Eastern Ontario Rural and Economic Development Subsidiary Agreement will be signed between the federal government and the province of Ontario. This program has a budget of $50 million over the next five years out of which $10 million is designated for small business assistance. However, this government, contrary to the expressed wishes of the province of Ontario, has decided that

small businesses in Ottawa-Carleton will be ineligible to participate. Apparently, Mr. Speaker, the federal government feels that small business in Ottawa-Carleton is thriving and is not in need of the extra help. Yet small businesses in other areas of eastern Ontario will be eligible for grants up to $100,000. This is strange talk for a government which has publicly acknowledged that Ottawa will require special assistance to help cushion the impact of its public service policies on the business community. By eliminating the opportunity for small businesses in Ottawa-Carleton to share in this program, it is eliminating an opportunity to promote the diversification which the government admits will be required over the next decade. Mr. Speaker, this is but one more example of the inconsistent approach to policy development which is becoming the hallmark of this government.

● (2150)

I call on this government to remove the prohibition on Ottawa-Carleton firms now found in the proposed Eastern Ontario Rural and Economic Development Subsidiary Agreement. I am not calling for special status for Ottawa, only that Ottawa firms be allowed to compete on the basis of merit for assistance funds which will be made available. Certainly, a government which purports to value efficiency and free enterprise cannot argue with the granting of assistance to the firms shown to be most worthy on the basis of merit.

In conclusion, Mr. Speaker, this government is refusing to recognize the legitimate claim of the municipalities with regard to grants in lieu of business taxes in Bill C-3. Further, they are casting a blind eye on small business in Ottawa by denying such businesses access to assistance which is available to small business elsewhere in Eastern Ontario. This is indeed a sorry state of affairs for Ottawa, and while I wish to state once again that I will support the passage of Bill C-3, I strongly and sincerely urge the government to move to overcome the inequities I have described with regard to grants in lieu of business taxes, to remove the prohibition on the participation of Ottawa firms in the Eastern Ontario Rural and Economic Subsidiary Agreement in order to help this city in its attempts at economic diversification, and finally, Mr. Speaker, to reconsider its arbitrary and ill-conceived plan to decimate this country's public service.

[*Translation*]

Hon. J.-J. Blais (Nipissing): Mr. Speaker, I thank the hon. member for Ottawa Centre (Mr. Evans) very kindly for having given me a few minutes to take part in this debate which is indeed very stimulating. I merely want to stress one of the aspects of this bill which has not been touched upon. I would not want it to be overlooked since, to my mind, it deserves to hold public attention. I am thinking here of the transformation of our military bases system. As you know, Mr. Speaker, I have the honour of representing the riding of Nipissing which has, within its boundaries, one of the most important military bases in Canada, importance which will grow as we have just heard that capital investments in the base will be doubled in order to transform it into the communications centre for the whole air control system in Canada.

Now, if I understand correctly, the Minister of Finance (Mr. Crosbie) indicated very clearly that there will be changes of great benefit to those municipalities that apply for them. All I want to do is to stress that it is imperative for the municipalities to apply for those benefits because, as clause 3 of the bill indicates clearly, those funds will be available to the municipalities that recognize their advantages and consequently apply for them.

[*English*]

So, for the people of North Bay in my riding it is essential that this bill which is, of course, imbued with Liberal principles—

Some hon. Members: Oh, oh!

Mr. Blais: —be passed through this House with all due dispatch in view of the major advantages it provides for communities which are involved with small business.

I am very pleased this legislation has been introduced because there needs to be greater integration between municipalities which serve military bases and the bases themselves. North Bay has always enjoyed the tremendous advantage of having the warmest relationship with its military base, CFB North Bay. The whole process whereby negotiations are now to be undertaken between the city and the Department of National Defence in order to identify the increases to which North Bay will be entitled is going to enhance that very warm and remunerative relationship between the two areas.

I look forward to the passage of this legislation and to assisting the Minister of National Defence (Mr. McKinnon), along with any members on that side of the House who may think they do not have sufficient experience, to reach the best possible arrangement between the military and the municipal authorities. I would hasten to advise the municipalities of North Bay of the worth-while advantages of the legislation which is coming forward.

An hon. Member: Let us have the bill, then!

Mr. Baker (Nepean-Carleton): Send them a copy of your speech!

Mr. Maurice Harquail (Restigouche): Mr. Speaker, I cannot forgo the opportunity to speak on this important bill.

Mr. Darling: Filibuster!

Mr. Harquail: I want to associate myself with the hon. member for Ottawa-Carleton (Mr. Pepin) as well as with the hon. member for Nipissing (Mr. Blais). It is important to consider assisting municipalities, especially in the area of municipal services such as water, sewage, and that type of development.

● (2200)

Mr. Deputy Speaker: Order, please.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

NATIONAL DEFENCE—CONTRACT FOR CRUISE-MISSILES

Mr. Alex Jupp (Mississauga North): Mr. Speaker, on November 15 I asked a question of the Minister of National Defence (Mr. McKinnon) regarding the cruise-missile guidance system contract. The minister's response was reassuring in that he confirmed there was no substance to the suggestion of a Liberal defence critic, the hon. member for London West (Mr. Buchanan), that the contract was in jeopardy.

I would like to comment on questions which have been raised in recent weeks by the defence critics of both opposition parties regarding the new fighter aircraft program.

The positions of the two parties are different, but both are ill founded for different reasons. The Liberal party now seems to take the position that the process set in place by its government should now be set aside to include Northrop's F18L on the "short list" which currently includes the McDonnell Douglas F18A and General Dynamics' F-16. I am at a loss to understand the Liberal position.

Mr. Danson, as the minister of national defence, reported to this House on November 23 last year why the F18L would not be included for final consideration, and I quote:

—we have assessed as very considerable the risk of committing Canada to buying a sophisticated aircraft that is not in service with any other country. At this time, I consider all the various types of risks which could be involved in the development and initial introduction into operational service of this aircraft are greater than we either need or are prepared to accept.

This conclusion is shared by the present minister and has more recently been echoed by the minister of defence for Australia. The Hon. D. J. Killen reported to the Australian parliament on November 21 of this year the following:

Northrop 18L has been excluded because there is no firm program and there could be no assurance that the aircraft would be available to meet the time scales sought from our new tactical fighter. We do not believe that this aircraft, which is comparatively expensive, has advantages sufficient to continue detailed evaluations.

The Liberal party has either flip-flopped on this issue, as on so many others, or it is undertaking a stance of political opportunism at the expense of Canada's military defence. Neither does credit to the official opposition of this Parliament.

The position of the New Democratic Party is at least consistent. Its position, as expressed through questions by the hon. member for Selkirk-Interlake (Mr. Sargeant), is that consideration of the new fighter aircraft program as an instrument of defence should be put over until Parliament has had an opportunity to undertake a review of our defence position and future requirements. The problem with this position is that it fails to appreciate two significant factors. First, over the past

[Mr. Deputy Speaker.]

decade the Soviet Union has engaged in a massive military balance. Whatever the motives of the Soviets in engaging in such a land, sea and air force build-up, the consequences are serious for the principle of balance which has tenuously preserved world peace since 1945.

Second, the previous government, through neglect or intent, allowed Canada's armed forces to degenerate so that the equipment for all three forces is antiquated to the point where Canada can contribute very little to the defence of Europe through NATO or, indeed, to the defence to North America.

These two factors, the increase in Soviet military strength and the degeneration of Canada's defence capability, were vividly revealed in the CTV interview last evening with Major-General Herbert Pitts on the W5 program. General Pitts, who formerly headed the Canadian Airborne Regiment, stated that Canada's northern defence forces are so inadequate and antiquated that as few as 1,000 Soviet troops could take over our northern installations. The NDP position simply fails to recognize these two factors. If the government were to heed its wish for a delay, the consequences could be serious for Canada.

Members of the NDP might counter my argument by saying that if Canada is so defenceless, why do we not simply concede our weakness to the United States and ask the U.S. to assume our military responsibilities both in Europe and North America? However, such a request would constitute an international declaration that Canada is no longer a sovereign nation, that we are incapable of assuming our share of responsibility for defending the free world. That is not the position which will be taken by this government.

● (2205)

On the contrary, this government is committed to a systematic re-equipment program which will restore gradually our once-proud armed forces to the point where Canada can assume its share of responsibility for the defence of our allies in Europe and for the territorial integrity of the northern part of this continent. Having regard for the dreadful state of our national finances which we inherited from the former government, this will not be an easy task. Nonetheless, it is one we assume as a new government, recognizing that to do otherwise would constitute a betrayal both to the members of our armed forces and to the sovereignty of this great country.

Let me conclude with a brief comment on the new fighter aircraft program itself. The program is of considerable importance to my constituency of Mississauga North because of the presence of defence production facilities. It is largely because of this constituency interest that I spent part of the past summer, along with a number of my colleagues, on a defence caucus committee. We were able to review the submissions of aircraft manufacturing companies and to weigh the consequences from both a military and industrial benefits point of view. As well I had the opportunity, while in Germany, to talk to several of our Canadian fighter pilots. This experience left no doubt in my mind that the choice for Canada is clear.

The F-18A is a generation ahead of its competitor, will be a much safer aircraft, more strategically viable for its dual role in North America and Europe, and offers the best industrial benefits program in terms of firm commitment, life cycle support, and long-term job creation. I trust that in the next week or so that judgment will be confirmed by the announcement of the Minister of National Defence and Minister of Veterans Affairs.

Mr. Dan McKenzie (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, in reply to the question raised by the hon. member for Mississauga North (Mr. Jupp) that somehow Canada might lose the $545 million cruise missile guidance business which had been committed by McDonnell Douglas in their draft contract for the new fighter aircraft, I should like to repeat the assurance given by the Minister of National Defence and Minister of Veterans Affairs (Mr. McKinnon) in the House on November 15, 1979, that the correspondence in question made no reference to actual cancellation of a contract.

The McDonnell Douglas Corporation in their NFA draft contract listed $545 million worth of work on the cruise missile navigation system as part of the package of their industrial benefits and offsets. The contract was then awarded to Litton Systems (Canada) Ltd. as a second source.

In late October, Mr. Dale Church, United States deputy under secretary of defence, acquisition policy, in a letter to the Department of Industry, Trade and Commerce, questioned the right of McDonnell Douglas to use this item as an offset and asked that the Canadian government remove it. I wish to advise the hon. member that the Department of Industry, Trade and Commerce, in consultation with the new fighter aircraft program office of the Department of National Defence, in fact prepared a reply to Mr. Church explaining the Canadian position. We are still awaiting a reply from the United States government, but it is expected that this reply will resolve any misunderstanding which might have led to Mr. Church's letter.

In general, because the industrial benefit commitments of McDonnell Douglas to Canada is expressed in terms of total dollar values and is not tied to specific work packages, Mr. Church's letter in any case would not have affected the substance of their offer. In particular, I am pleased to advise the hon. member for Mississauga North that the same Mr. Church has been quoted in *Aviation Week & Space Technology* of November 12, 1979. He is reported as saying that Litton Systems (Canada) Ltd., as an affiliate of its parent company, "has come up to speed", on the cruise missile guidance program, "is doing excellent work and we expect it to be a very effective competition to its sister division in the United States."

I think the hon. member for Mississauga North has stated very well the policy or non-policy of the opposition parties, in particular the fact that the Liberal party now is taking the official position that the final decision on the new fighter aircraft should be delayed. They in fact were the government which made the initial decision that this aircraft be acquired, and set its initial timetable for development.

● (2210)

As for the position of the New Democratic Party, although their position certainly has been more consistent, it is nevertheless wrong in that it does not recognize the need for development and deployment of the new fighter aircraft, and they are opposed to Canada being members of the NATO and NORAD agreements. In addition, New Democratic members are against the defence of Canada and never make mention of the communist build-up of arms.

As to the choice of a fighter aircraft, I am sure the hon. member can appreciate that it is most important that the government maintain this as an open and fair competition between the two finalists.

TREASURY BOARD—SALE OF CROWN CORPORATION TO PRIVATE ENTERPRISE

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, in September the President of the Treasury Board (Mr. Stevens) announced the first phase of privatization. He was to be assisted by a Treasury Board secretariat and an advisory committee. In answer to a question on November 19 the President of the Treasury Board said that "the terms of reference have been substantially identified and agreed to". He said:

> The advisorsy group . . . will likely be formed later this month—

The group was to be composed of a representative group of Canadians from coast to coast, both from the business community and from other sections of our economy. He said, "they will be called together to make decisions".

Today the President of the Treasury Board announced that the special advisory board, 14 in number, will offer both advice and suggestions to him and to the Treasury Board privatization unit. He said that the privatization unit's work is well advanced and it is now ready to brief the new advisory board.

The minister then went on to say that the chairman of the board is Derek Hannaford, who has been active in the Montreal and Canadian investment communities for many years. Looking for more information on this I noted that in the biographical notes the list shows Mr. Hannaford as president of Derhan Limited and director of Mastorak Limited. I asked our friendly computer for information on Derhan Limited and I struck out. I tried Mastorak Limited and received a response as follows:

> The Quebec Securities Commission has issued a cease-trading order in shares of Mastorak Ltd. for failure to comply with disclosure requirements.

This apparently was reported in *The Globe and Mail* on November 2 of this year.

However, not to be discouraged, and because the President of the Treasury Board is a former bank president, I thought I should have a look at the rest of the board. Sure enough, I was not disappointed. Just looking at banks, for example, we have directors from the Canadian Imperial Bank of Commerce,

from Continental Bank, from the Bank of Nova Scotia, from the Montreal City and District Savings Bank, from the Toronto-Dominion Bank, and from the Bank of Montreal. All I can say to the President of the Treasury Board is, shame on him; he left out the Royal Bank.

There are also other members of this advisory board, for example, the chairman of the board of Empire Life Insurance Company and also a director of the Argus Corporation. Five members of the board are presidents of various companies, one is a past president of a corporation, and one is a consultant to a corporation. This, of course, is in no way a full summary of the activity of this group in the business world. One gentleman is on the boards of some 20 companies and groups, and the average is six companies and groups per board member.

Undoubtedly we will not be short of business expertise and, as the minister said in reply to my question in the House, since they will be called together to make decisions they will undoubtedly be qualified to judge if the price is right from the point of view of a banker and from the point of view of a president of a large corporation. This, however, will not answer the critical and, in the opinion of those of us in the opposition, the far more essential questions as to (1) why, (2) when, and (3) how?

● (2215)

Privatization as such, or the sale of Crown corporations, is not something that the official opposition opposes in principle. Why should it? Canadair and de Havilland were both up for resale at an appropriate time and under predetermined conditions. Nordair was bought for resale. The inclusion of the Canadian Development Corporation in the so-called privatization list does not hold water. The CDC was formed as an instrument of government policy. The increase in public shareholding is fully consistent with the original intention when CDC was formed. Thus, to include CDC on this list is a phony attempt to boost the so-called privatization list.

That leaves Petro-Canada, which has already been well covered in debate. Eldorado Nuclear and Northern Transportation are companies of such a nature that offers to purchase are feasible propositions. One wonders a little bit about the loss record of Northern Transportation. However, each of these companies on the list is presently serving as an instrument of government policy. Thus, any sale entails a change in government policy, and it is this change that needs to be explained.

I do not think that we will get an explanation on this matter from the advisory board because, according to the news release, it has as its terms of reference the purchase by Crown corporation officers, continuing employment for employees, the prevention of foreign ownership, the facilitation of share purchase by employees, purchase by other levels of government, acquisition by a competitor and lessening of competition, and the extent of share purchase by employees.

That still leaves us with the question of what is the change in government policy. These companies were bought to be an instrument of government policy. Many of them were purchased for resale and, therefore, there is nothing new in that respect except that they were to be resold under certain predetermined conditions. I would like the President of the Treasury Board to tell us the present government policy on this matter. In other words, what are the conditions under which the government intends to dispose of the companies which have been listed so far for privatization?

Hon. Sinclair Stevens (President of Treasury Board): Mr. Speaker, the hon. member for Vaudreuil (Mr. Herbert), to whom I have been very pleased to respond in answer to his questions on various occasions, has changed his remarks dramatically from the initial questions he put to me in the House. I was fully expecting the hon. member to be very complimentary tonight and to say that he was pleased with our press release today in which we indicated the 14 members who would comprise the advisory board on privatization and its general terms of reference. It was very kind of the hon. member to read some of that press release into the record.

I found rather startling the hon. member's omissions when describing some of the members sitting on the board. Of the 14 members on the board, the hon. member failed to indicate that six of them are from his province. I would have thought that the hon. member would have said that such a move shows great wisdom on the part of the government, that we would find six people of such financial know-how with whom we would like to consult from "la belle province".

The hon. member also neglected to comment on the fact that 20 per cent of the board members are women. I was very pleased that we were able to find such suitable women to serve on the board. In short, I think that we have taken a very significant step ahead by ensuring that we have a well regarded, responsible, business-like board to consult with respect to our privatization plans.

The hon. member seems to have shifted from the tone of his question of November 19 when he was mainly curious about this advisory board and its terms of reference, to now enquiring about how our approach will differ from that of the former government's approach with respect to privatization. The key difference is that we are simply not going to talk about the matter like the former government.

The hon. member has also dwelt on the fact that we have included in the privatization list the Canada Development Corporation. For reasons I could not follow too well, he indicated on the one hand that this was always intended by the former government, but somehow or other that it is not fair for us to include this in any privatization program.

● (2220)

I would point out to the hon. member that of the over 400 Crown corporations that the Comptroller General stated are owned, associated or controlled in some way by the Government of Canada, 137 happen to be within the Canada Development Corporation. Surely if we are going to be serious—and we are—about privatizing various government-owned

enterprises, it would be a terrible oversight not to include the CDC.

I am very pleased to have at least this one member of the official opposition so supportive of our privatization moves, Mr. Speaker. If he can radiate his opinion to all other members of the opposition on that side of the House, we may have a unanimous vote at some stage in favour of privatization.

ENERGY—GOVERNMENT CONTROL OVER OIL PRICES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I should like to follow up a question which I put to the right hon. Prime Minister (Mr. Clark) on October 30 and raise an issue which has been before this House many times in the past six or seven years. I refer to the question of the investigation by the Department of Consumer and Corporate Affairs into the petroleum industry.

I want to quote tonight from a question raised in this House on October 24, 1973, more than six years ago. The question is of particular interest because the gentleman who raised it is now the Minister of Consumer and Corporate Affairs (Mr. Lawrence), and is responsible for the investigation presently under way. This was some six years ago and the member, who is now the minister, defined the issue as "urgent". He also demanded, and again I quote "—that the House be informed of the contents of the report when it is made."

Six years ago, Mr. Speaker, the Minister of Consumer and Corporate Affairs thought that this issue was urgent. He was so concerned that he raised the issue again on January 4, 1974, not quite six years ago. I want to quote the whole question this time because I think it is relevant. He asked:

> In view of the fact that in the United States an investigation into exactly the same matter and involving exactly the same companies started after the investigation began in Canada and the United States government has now started prosecution in the courts against these same companies, can the minister possibly explain to us why there has been delay in regard to this matter in reporting to him and to the government of this country?

The man who answered these questions, Mr. Speaker, was the hon. member for Windsor West (Mr. Gray), who at that time was minister of consumer and corporate affairs. This was before he was unceremoniously dumped from the cabinet for allegedly being too progressive and before he was revived from obscurity when the Liberal party needed to prove that they were not the heartless tycoons the public perceived them to be. In 1973 and 1974 he was still the minister of consumer and corporate affairs and he was still doing a fairly good job. He must be commended for having the courage to undertake the investigation in the first place. After all, we all know that the oil companies he tried to investigate have been bankrolling his party for years. In any event, Mr. Speaker, the progressive cabinet minister from Windsor West was subsequently dumped, possibly because of this very investigation, and was sent off to the ignominy of the back benches.

After six years of investigating, however, he lost his temper. He took a very courageous stand, and one for which he should be congratulated. He became frustrated by the foot-dragging on the part of the government, headed by his colleague, and in fact issued a public statement calling for quick action on the petroleum investigation. What he asked for was as follows:

> Continuing delays cannot help but raise questions in the minds of the public as to the degree of attention and priority that is being given by the government to the Combines Branch of the Consumer and Corporate Affairs department, to the important matters which the 1973 application called on the director to inquire into. These were important in 1973, they are no less so today.

That was in January, 1974, so naturally we would expect the new minister, who was so concerned six years ago that the matter would be dealt with expeditiously, would do everything in his power to ensure that the investigation was concluded post haste. What happened, however, was as follows. There has been no date yet set for completion of this particular investigation. Even the last Liberal government promised the matter would be concluded by the end of this year. On the other hand, we have the minister and his representatives who were so concerned that the inquiry be completed some six years ago, now saying, "Well, we are going to delay it and it may not be until March," and only a couple of weeks ago they finally got around to appointing counsel for the inquiry.

Of course we should not be particularly surprised that the government has cold feet on this issue. This particular government receives as much money as the Liberals do from companies that are being investigated.

However, one of our major concerns is that in the background we have the scenario for the dismantling of PetroCan which is partly as a result of this government's very close connections with Imperial Oil. So the delay in the prosecutions is coming about partly as a result of these rather cynical attempts to dismantle PetroCan. Our concern is that one of the reasons PetroCan is being dismantled is because it gives Canadians a real picture of what is going on in the petroleum industry. In fact these are the kinds of figures and facts and the window on the industry which the present government does not want to see existing.

• (2225)

There is one other area which is of some concern in this whole energy field, again talking about the cynicism of the Conservative government, and that is the whole question of aid to rapid transit. Certainly the Liberal party has nothing to brag about in this area after cynically breaking its particular promise in 1974. However, the tories had indicated that they were concerned. They promised the people of Canada that there would be action in terms of financial assistance for rapid transit. But what did they do, despite the concern expressed before the election even by such persons as our friend the slasher, from York Peel? They cried. They moaned. They insisted that rapid transit financing was essential. They said they would do something about it when they got into power.

To date there has not been a single mention in the throne speech nor a penny whatsoever for rapid transit. I think that the concern that has been expressed, not only in my own constituency in Burnaby but throughout the lower mainland,

and in other areas of Canada, with respect to this essential question of rapid transit funding, relates to a larger concern about the integrity of this government and the promises that they are keeping and the promises that they are not keeping. One of the results of that is that we have seen today the most startling Gallup poll results in some time, showing that the government is even less popular than its predecessor, and even less popular than the R. B. Bennett government.

To conclude, I would say that we are concerned about the question of energy pricing. We are concerned about the dismantling of PetroCan. We insist that there be federal government aid to rapid transit. We want the people of Canada finally to have some answers about a sensible energy policy for Canada instead of the kind of dithering flip-flops which have taken place so far.

Mr. Bob Jarvis (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I would like to assure the hon. member for Burnaby (Mr. Robinson), now that the hon. member for Durham-Northumberland (Mr. Lawrence) has assumed the portfolio of Minister of Consumer and Corporate Affairs, that there will be a resolution to the problem that he referred to in his dissertation this evening.

Resolution of the petroleum inquiry has been given a very high priority by the director of investigation and research and the Department of Consumer and Corporate Affairs. The director of the Combines Investigation Act, Mr. Robert J. Bertrand, has indicated that the public, as well as the parties directly concerned, deserve to have the results of the inquiry confirmed as quickly as possible. As the director has indicated publicly, the inquiry has been progressing, and the evidence obtained during the course of the inquiry will be considered in terms of the relevant provisions of the Combines Investigation Act.

Inquiries are conducted in private pursuant to section 27(1) of the act. To proceed otherwise is to prejudice the rights of those whose affairs are being examined. Under section 15 of the act, the director may refer the evidence arising from an inquiry to the Attorney General for Canada for consideration of whether the evidence warrants prosecution or any other proceeding under the act. In this case, if the Attorney General decides a prosecution is warranted, the matter would become public knowledge when proceedings commenced before the courts.

In addition, under section 18, the director may, at any stage of the inquiry, submit a statement of evidence to the Restrictive Trade Practices Commission, and the commission would produce a report reviewing the evidence in the matter and make recommendations as to remedies. Such a report would become public under the conditions set down under section 19. Given the provisions of the act, to say more would constitute interference in this due process of law which is now going forward promptly.

I would advise the hon. member with respect to the government's position and policy with respect to PetroCan that he will be among the first to know when that policy is announced in the House, in due course.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to be adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Tuesday, December 4, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*Translation*]

EMPLOYMENT

REQUEST ALLEGED INJUSTICE TO MADAWASKA REGION WORKERS BE CORRECTED—MOTION UNDER S.O. 43

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, pursuant to the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an urgent matter of pressing necessity.

Considering that the Progressive Conservative government and the Minister of Employment and Immigration (Mr. Atkey) decided, according to his press release dated June 8, to order the promulgation of the last clauses of Bill C-14 on unemployment insurance so that they would be implemented on July 1, 1979, clauses which have an especially adverse effect on seasonal workers in northwest New Brunswick, contrary to what had been expected, I move, seconded by the hon. member for Westmorland-Kent (Mr. LeBlanc):

That the Minister of Employment and Immigration refrain from politicking at the expense of poor workers especially in the economic region of Madawaska, that he immediately take the required steps of which he is well aware to correct that serious social unfairness and grant to those workers the same advantages as those of the neighbouring constituency of Restigouche or Kent, for example, and in future when answering in the House that he state the whole truth in its real context, in accordance with his oath of office and with a view to living up to the principle of ministerial responsibility towards Parliament and the Canadian workers.

Mr. Speaker: The House has heard the motion of the hon. member. Pursuant to the provisions of Standing Order 43, this motion can be presented for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

VETERANS AFFAIRS

PROMISED LEGISLATION TO IMPROVE BENEFITS—REQUEST FOR INTRODUCTION THIS WEEK—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this is a motion under Standing Order 43 to which I feel the government simply cannot say no. I therefore move, seconded by the hon. member for Oshawa (Mr. Broadbent):

That this House urges the Minister of Veterans Affairs to introduce this week, without fail, his promised legislation to amend the statutes relating to veterans, their families and their survivors, in the knowledge that this House is prepared to deal with such legislation without delay.

Mr. Speaker: This motion can be presented for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AIRPORTS

TENDERING PROCEDURES FOR CAR RENTAL CONTRACTS—MOTION UNDER S.O. 43

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, under the provisions of Standing Order 43, I seek the unanimous consent of the House on a motion of urgent and pressing necessity.

In view of the fact that Canadian-owned car rental companies are already discriminated against by the tendering policies of Transport Canada in favour of international franchises, and in view of the fact that the department has just awarded a contract to one of these foreign-based franchises, even though their bid was opened a full two hours after the official closing date and after all the other tenders were made public, I move, seconded by the hon. member for Vancouver Centre (Mr. Phillips):

That the Minister of Transport reject this mockery of government tendering procedures and proceed to award the car rental contract at the Winnipeg airport to a Canadian-owned franchise, Holiday Rent-A-Car Ltd., which made the best offer under the terms of the tender procedure.

Mr. Speaker: This motion can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

INDIAN AFFAIRS

FORMULA FOR SETTLING LAND CLAIMS—MOTION UNDER S.O. 43

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I rise to move a motion under Standing Order 43. Whereas the Federation of Saskatchewan Indians, the Saskatchewan government and the federal government all agreed in 1977 to a formula for settling outstanding land entitlement claims under treaty, and whereas on November 27 the Minister of Indian Affairs and Northern Development (Mr. Epp) unilaterally declared that he no longer recognized the said formula—which has shocked and dismayed the Saskatchewan Indians—I move:

That this House condemn the minister for his statement in question period on November 27 and ask him to reconsider the answer that he gave on that occasion.

Mr. Speaker: Is there unanimous consent for the presentation of such a motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

STATUS OF WOMEN

CONSIDERATION OF EMPLOYMENT ISSUES AFFECTING WOMEN—MOTION UNDER S.O. 43

Miss Pauline Jewett (New Westminster-Coquitlam): Under the provisions of Standing Order 43, Mr. Speaker, I move, seconded by the hon. member for Broadview-Greenwood (Mr. Rae):

That this House expresses its stunned disbelief that the provincial premiers have insisted on having the subject "Employment Problems of Women" dropped from the agenda of the December 17-18 first ministers' conference and, in the spirit of its own tireless dedication to women's issues, calls upon the provincial premiers to reverse their decision and join the federal government in devoting at least a small portion of time to employment issues affecting women at the forthcoming first ministers' meeting.

Mr. Speaker: The provisions of Standing Order 43 require the unanimous consent of the House before such a motion can be presented for debate. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

IRAN CRISIS—SUPPORT FOR UNITED STATES—MOTION UNDER S.O. 43

Mr. Robin Richardson (Beaches): Mr. Speaker, I rise, under the provisions of Standing Order 43, to seek the unanimous consent of the House on a matter of urgent and pressing necessity.

[Mr. Speaker.]

In view of the serious situation in Iran and the plight of the U.S. hostages and the concern which I am sure we all feel about the momentous decisions facing President Carter, I move, seconded by the hon. member for Erie (Mr. Fretz):

That this House call upon the people of Canada to pray for Divine Guidance for President Carter and the people of the United States in this hour of their need, and that as a symbol of our support of the American people in their determination not to yield to blackmail and in their demands for the safe return of the hostages, that this House authorize the ringing of the bells in the Peace Tower at twelve noon each and every day until the U.S. hostages in Iran are released.

Mr. Speaker: Order, please. The House, I know, will recognize an ingredient here involving spiritual guidance for Canadians. I would express very grave reservations about the use of this particular Standing Order to enter this area, and I am not prepared to put the motion at this time.

If the House wishes to seek an occasion to argue the case that I ought to extend the limits of Standing Order 43 for this purpose, I am prepared to entertain it. At the moment, however, I cannot say that a motion to enter into a spiritual area of this sort is in keeping with our previous practice.

* * *

SOCIAL SECURITY

LEVEL OF ASSISTANCE FOR CANADIANS—MOTION UNDER S.O. 43

Mr. Jim Fleming (York West): Mr. Speaker, I rise, under the terms of Standing Order 43, on a matter of urgent and pressing necessity. Considering the quotation in this morning's *The Globe and Mail* attributed to the Secretary of State, cum Minister of Communications, cum inner cabinet social policy czar, that he is not only the minister of two departments but also the leader of a revolution, I move seconded by the hon. member for Westmorland-Kent (Mr. LeBlanc):

That this House lend support to the revolution, whatever and whenever, if it will at least return to Canadians the principles and levels of social security that have steadily eroded since this prematurely grey government took office.

Mr. Speaker: Is there unanimous consent for the introduction of this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FINANCE

PRACTICE OF CHARTERED BANKS RESPECTING CASHING FEDERAL GOVERNMENT CHEQUES—MOTION UNDER S.O. 43

Mr. Peter Stollery (Spadina): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the difficulty caused low income people by the chartered banks' policy of not cashing federal government cheques, including prisoner of war pension cheques, if the individual does not have a bank account, I

move, seconded by the hon. member for Sherbrooke (Mr. Pelletier):

That the government order the Inspector General of Banks to request the Canadian chartered banks to honour Government of Canada cheques without the condition that the person has a bank account, so long as reasonable identification is provided.

● (1415)

Mr. Speaker: Pursuant to the provisions of Standing Order 43, this motion can be introduced for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

SHIPBUILDING

REQUEST DAVIE SHIPBUILDING YARD IN LAUZON BE AWARDED ITS SHARE OF CONTRACTS—MOTION UNDER S.O. 43

Mr. Louis Duclos (Montmorency): Mr. Speaker, I rise under Standing Order 43 to ask for the unanimous consent of the House to introduce a motion on an urgent and important matter.

Considering the many lay-offs made by Davie Shipbuilding in Lauzon over the past few months, and considering that the federal government's total indifference toward this shipyard may lead to many more lay-offs among the 800 workers still employed by Davie Shipbuilding, I move, seconded by the hon. member for Sherbrooke (Mr. Pelletier):

That the House condemn the government for its lack of responsiveness to the fate of these workers and order it to take the necessary action so that Davie Shipbuilding receive a fair share of contracts given by the federal government to the various shipyards in Canada.

Mr. Speaker: The House has heard the motion of the hon. member. Under Standing Order 43, such a motion can be introduced for debate at this time only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

THE BUDGET—TAX PROVISIONS

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, today—which, by the way, is the anniversary of six months of non-government in Canada—

Some hon. Members: Hear, hear!

Mr. MacEachen: —I have a question for the Prime Minister.

An hon. Member: And two weeks of no leader.

Mr. MacEachen: In view of the very clear message of dissatisfaction which was conveyed to him by the Gallup poll, I would like to ask the Prime Minister whether he will now reconsider the decision, or position expressed by the Minister of Finance on tax cuts; and will the Prime Minister undertake to implement in the next budget the promise which he made to the people of Canada in Toronto, that the Progressive Conservatives would cut personal income taxes by at least $2 billion a year?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I would indicate to the hon. member that he will have to await our budget to know its contents. But I should indicate to him, also—as he knows—that after inheriting the legacy of 11 years of government by hon. members opposite, the fiscal flexibility of this new government is severely limited.

Some hon. Members: Hear, hear!

GOVERNMENT POLICY ON APPROPRIATE VALUE OF CANADIAN DOLLAR

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, the Prime Minister obviously has not got the message, because the people of Canada are not buying the proposition that his inaction is due to the legacy inherited from the former government.

May I try him out on another aspect of economic policy? This is a policy opinion which he expressed on March 27 of this year, just as he was gearing up to get into the election and when he was fresh with firm ideas. When asked what he thought the appropriate value of the Canadian dollar ought to be, he said it should be somewhere between 88 cents to 92 cents, U.S.

An hon. Member: It is getting there.

Mr. MacEachen: That was on March 27, 1979. I ask the Prime Minister, has he abandoned this policy opinion? If not, what steps is he now taking to achieve the 88-cent to 92-cent dollar?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, we believe that to be an appropriate range for the value of the Canadian dollar. The steps we are taking to achieve that are to avoid accepting the advice which comes from members of the Liberal party to take actions which would earn a reputation of fiscal irresponsibility for this country.

Some hon. Members: Hear, hear!

POLICY ON LEVEL OF INTEREST RATES

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to join in marking the anniversary of non-government which the opposition House leader mentioned today.

Some hon. Members: Hear, hear!

Mr. Gray: I ask the Prime Minister whether he recalls that when he was Leader of the Opposition, he spoke in Montreal on March 2 and promised that it would be the policy of a Progressive Conservative government to gradually bring interest rates down—not from current high levels, either, but from what they were at that time. What happened to that promise? Why has he abandoned it and why did he, instead, agree to have Canadian interest rates rise to record high levels?

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, our policy is to gradually bring interest rates down. Our problem is that we inherited government in this country—

Some hon. Members: Oh, oh!

Mr. Clark: —and after 11 years of government by the other side, of which, if I recall, the hon. member was a minister, although I am not absolutely sure about that—

Some hon. Members: Oh, oh!

Mr. Clark: —we inherited a record which created such concern—

Some hon. Members: Oh, oh!

Mr. Speaker: Order. The House has frequently been heard to say that it has the right to receive answers. I think it is also the obligation of the House to listen to answers.

Some hon. Members: Hear, hear!

● (1420)

Mr. Clark: Thank you, Mr. Speaker. We inherited a situation where it was the view of the governor of the Bank of Canada, concurred in by this government, that the only responsible action open to Canada at this time was to accept, in the immediate term, an increase in interest rates that would put Canada in a position where we could move the nation toward lower interest rates. That is our position. It remains our policy.

[Mr. MacEachen.]

Mr. Gray: Mr. Speaker, the Canadian people have recognized there are a lot of things the Prime Minister is not sure of. I want to ask the Prime Minister if he has forgotten that before the election, as leader of the opposition, he suggested a number of alternate courses of action to the "blind, follow the leader" interest rate policy that he is agreeing to and accepting. Five weeks ago he said that he would take out these alternatives and look at them again. Has he discussed them with his advisers? Why has he not brought them forward? Is he, in effect, admitting that they were just more pre-election "bafflegab"?

Mr. Clark: Mr. Speaker, I am sure that the hon. member, as well as reading my old speeches, will be reading some of his, which would be rather interesting. In light of what he, the former minister of finance and others are saying now, what I said explicitly at the time quoted by the hon. member was that there was a range of matters which should be considered. I am sure he will agree that was the nature of my remarks at that time. We believed then that they should have been considered. We have now considered them. As a result of that consideration, we believe the policy proposed by the governor of the Bank of Canada, and concurred in by this government, is the appropriate policy.

APPLICATION OF CAPITAL GAINS TAX

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, I, too, have a question for the Prime Minister. Earlier this year, the Prime Minister said in Vancouver:

> —we have decided that publicly-traded shares of Canadian-controlled companies will be exempt from the capital gains tax. That is a commitment that I make this evening on behalf of my party.

When does the Prime Minister plan to fulfil that commitment to take money out of Canadian socks and put it into Canadian stocks?

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Prime Minister): Let me, first of all, commend the hon. member on his alliteration, Mr. Speaker. Let me, secondly, tell him to await the budget.

ALLEGED PRICE-GOUGING BY OIL MULTINATIONALS—ACTION TO PREVENT

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister. Out of the blue this morning, Imperial Oil Company of Canada announced a 2.4 cents a gallon increase which went into effect yesterday for non-leaded gasoline across Canada, and a substantial increase in the price of home heating fuel.

Since these increases would simply add additional profits to Imperial Oil, whose profits have already gone up some 48 per cent this year, and since they will force up the cost of living right across Canada, will the Prime Minister consider contacting the president of Imperial Oil immediately and make it

clear to him that price-gouging of this kind is unacceptable to the Government of Canada?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, either the Minister of Energy, Mines and Resources or myself will get in touch with the president of Imperial Oil, although we will not use language as inflammatory as that of the Leader of the New Democratic Party.

Mr. Broadbent: Mr. Speaker, the people of Canada are not interested simply in discussions on this matter: at long last they want some action from the Government of Canada.

Some hon. Members: Hear, hear!

Mr. Broadbent: Since the other oil companies, Shell, Texaco and others, almost as night follows day increase their prices following the so-called price leadership of Imperial Oil, with the net effect of costing Canadian consumers in 1980, in additional costs from these increases alone, some $200 million, will the Prime Minister undertake, not simply to have a meeting with the president of Imperial Oil but to take steps to order rollbacks in these price increases?

• (1425)

Mr. Clark: The Leader of the New Democratic Party, in his first question, was not proposing action; he was proposing an insult to the president of Imperial Oil, and I do not propose to engage in that kind of action as leader of the government.

We are certainly not at this moment contemplating rollbacks, nor do I think we will be. I might say to the Leader of the NDP that if he wants action which will lead to energy security and controllable costs in this country, what he should do is support the proposals put forward by this government to move Canada toward energy self-sufficiency.

Some hon. Members: Hear, hear!

Mr. Broadbent: The Prime Minister is saying, if I understand him correctly, that the oil companies in this country, unlike even those in the United States now, can go on charging consumers whatever the market will bear. When is he going to start acting as a prime minister and stand up for Canadian consumers, instead of acting as a house-boy for the oil companies?

Mr. Clark: The Leader of the NDP is always at his best as a rational man.

Some hon. Members: Hear, hear!

Mr. Clark: His party applauds that recollection of a dim past.

Some hon. Members: Oh, oh!

Mr. Clark: I have given the House and the Leader of the NDP the undertaking that we shall meet with officials of Imperial Oil to discuss the conditions that led to that increase and, if it is appropriate after that discussion, indicate to the representatives of Imperial Oil that that was not an appropriate action. We shall do that if the discussions indicate that it is appropriate. However, we shall not, as the Leader of the New Democratic Party appears to be proposing, go into the discussion determined to insult the officials of that company.

As regards the interest of Canadian consumers, which appears to be of concern to the hon. member, I say to him that the best way to serve the consumers of this country is to guarantee that they have access, on a secure basis, to supplies produced in Canada and to end, now, a policy initiated by the former government—and supported, apparently, by the New Democratic Party—of increasing dependence of Canadian consumers upon unstable sources of foreign oil.

Some hon. Members: Hear, hear!

* * *

NATIONAL UNITY

FEDERAL WEAPONS TO DEAL WITH QUEBEC REFERENDUM

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister based on a promise he made on March 27 of this year, and I quote him:

There will be a new bill, a referendum bill, which would incorporate the amendments now standing in my name on the order paper of the House of Commons. It would be in our intention to have a weapon or a tool—

An hon. Member: Read the whole thing.

Mr. Trudeau: I think you are pretty silly in asking me to read the whole speech of that day. I am quoting the Prime Minister:

It would be in our intention to have a weapon or a tool that the federal government could have to deal with the PQ referendum if necessary.

I should like to ask the Prime Minister why he has changed his policy on that. He wants to blame a situation inherited from the previous government for his flip-flops. Can he explain why this particular flip-flop took place? Has he cause to know of something in Quebec or elsewhere which brought him to change his mind?

Right Hon. Joe Clark (Prime Minister): The Leader of the Opposition will recall that the amendments standing in my name would have dramatically changed the bill he introduced, a bill which could be seen widely in the province of Quebec as a menace, as a threat.

Some hon. Members: Oh!

Mr. Clark: It is difficult to speak into this wave of shouting from the Liberal benches. It was seen in Quebec as being such a threat that, in our judgment, its result would have been to help the cause of separatism. Therefore, we indicated at that time that we were going to take away the offensive portions of the bill and, if we kept anything at all, maintain the capacity of the Government of Canada to deal simply with a referendum bill. That is something which can be done very quickly if the need arises.

● (1430)

It is our judgment that with a new national government which has succeeded in bringing some calm and some reason to the relations between Ottawa and Quebec, there will not be the need for the Government of Canada to fall back into defensive ball and to have in our armament a referendum bill.

* * *

PETRO-CANADA

POLICY RESPECTING STATUS OF CORPORATION

Hon. Marc Lalonde (Outremont): Mr. Speaker, I would like to remind the right hon. Prime Minister that the threat was seen as so great that the people of Quebec voted 62 per cent for the Liberals and elected 67 Liberal members.

Some hon. Members: Hear, hear!

Mr. Lalonde: The policy of the present government was so little supported that it had its lowest vote in history in the province of Quebec. My question is addressed to the Prime Minister, who for the past four years had pledged to destroy or undermine Petro-Canada. Last April 6, in Winnipeg, he went so far as to call the national oil company a turkey.

On this great anniversary of non-government providing non-answers, would the Prime Minister make a pledge to this House to leave Petro-Canada alone and to meet the desires of 75 per cent of the Canadian people, who like Petro-Canada just the way it is, that is, owned by all Canadians?

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, there are few members in this House who are more eloquent defenders of things just as they were than the hon. member for Outremont. He had been the architect of a constitutional policy which saw the separatist movement in Quebec move from a splinter to a majority government in that province.

An hon. Member: Answer the question.

Mr. Clark: In relation to the particular question, the hon. member is asking that we retain a situation where the state had control of a Canadian oil company, and his interest in that is because it is part of the past. Our view is that we want, instead, a situation where the citizens of Canada have control of a Canadian oil company because that is in the interests of the Canadian future.

Some hon. Members: Hear, hear!

ENERGY

POSSIBILITY OF EXPORTING SURPLUS OIL TO JAPAN

Mr. Arthur Phillips (Vancouver Centre): Mr. Speaker, my question is also for the Prime Minister. Last January, on his world tour and while he was in Japan, the Prime Minister indicated that the government might be interested in exporting surplus oil to Japan in return for Japanese investments in Canada. Can the Prime Minister say whether he has followed through on this idea and, indeed, whether he has found that there is a surplus of oil in Canada?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I assume that is a serious question and I will certainly deal with it seriously. First of all, we believe that once we bring into place in this country a policy of energy self-sufficiency, such as was ignored by the former government but which we are moving toward actively, we will in fact move into a significant energy surplus position as a nation concerning a variety of forms of energy. Indeed, one of the great opportunities for this nation in an energy-poor world is that we are unique among nations in being an energy-rich nation, if we have the courage to follow the policies this government is proposing.

Second, the hon. member is interested in trading relations with Japan. After a decade of neglect by the former government, this government is turning priority attention to the trade and commercial possibilities which exist in Canada for Japan. A conference is being organized in the home city of the hon. member, by a distinguished Canadian, Pat Carney, having to do with the exploration of trading and commercial opportunities for Canada in the Pacific Rim.

Some hon. Members: Hear, hear!

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CANADA PENSION PLAN

EXTENSION OF BENEFITS TO HOMEMAKERS

Mr. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker—

An hon. Member: Equal time.

Some hon. Members: Hear, hear!

Mr. Axworthy: I thank hon. members opposite for their endorsements.

Mr. Baker (Nepean-Carleton): You need them.

Mr. Axworthy: In furthering this commemoration of the varied promises of the past, I would like to ask the Prime Minister about a statement he made in Napanee on May 5, 1979, in which he indicated that 4.5 million homemakers would be invited to join the Canada Pension Plan and enjoy the benefits and pay-outs of that pension plan. On this anniversary date, can the Prime Minister now give us a clear indication as to when he intends to provide that opportunity

for 4.5 million homemakers to join the plan and receive those kinds of benefits?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I gather we are following some kind of informal equal time provision in the distribution of questions among the Liberal challengers. As his most successful step on the road toward leadership, I want to congratulate the hon. member on his discovery of Napanee.

An hon. Member: Very funny for 28 per cent, Joe.

Mr. Clark: We have recognized that action such as that mentioned by the hon. member is particularly essential, since the plight of those Canadians was ignored for 11 years by the government which the hon. member supported, and the party of which he is now a part. We intend to move on giving effect to that policy just as soon as economic conditions in the country allow.

* * *

INDIAN AFFAIRS

FORMULA FOR SETTLING LAND CLAIMS

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Has the minister received and read the letter sent to him on November 28 by the president of the Federation of Saskatchewan Indians, in which the president says he was shocked and dismayed to hear the minister's comments in the House of Commons on November 27 rejecting the Saskatchewan formula for treaty land entitlements, when this formula had been negotiated and agreed to approximately two years ago by the Federation of Saskatchewan Indians, the Saskatchewan government and the federal government?

Would the minister make clear whether he was misunderstood and whether he has truly rejected that formula even for Saskatchewan land entitlement, when this formula has already been used by him and by the previous government for setting aside land?

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, I will indicate to the hon. member that I have not rejected the formula, nor did I do it in the answer which I gave on November 27. I indicated at that time that I had asked whether that formula, known as the Saskatchewan formula, was acceptable to ministers of the other two prairie provinces in terms of fulfilling treaty entitlements. That was the point which was made. I have not rejected the Saskatchewan formula. In fact, with respect to the letter from the president of the FSI of November 28, I replied to him by telex reaffirming just what I have indicated to the hon. member.

Mr. Allmand: Does the minister intend, therefore, to continue land selection under the Saskatchewan formula for Indians in Saskatchewan while he is negotiating with Alberta and Manitoba, or is this another example of the hypocrisy of the government in saying one thing and doing another?

An hon. Member: You are the expert on that.

Mr. Epp: Mr. Speaker, the hon. member can use whatever words he wants. If he wants to identify with those, that is his choice; but I indicate to him that, obviously, in the actions we have taken with the FSI and along with the interest of the government of Saskatchewan to fulfil treaty entitlement, we intend to move forward on the commitments which have been made, namely, the Saskatchewan formula.

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INTERNATIONAL TRADE

PROTECTION OF CANADIAN INTERESTS IN FUTURE OF CHRYSLER CORPORATION—AUTO PACT

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, in the permanent absence of the Minister of Industry, Trade and Commerce, my question is for the Minister of State for International Trade. It concerns the Chrysler Corporation.

In view of the admission by the Minister of Industry, Trade and Commerce in committee the other day that Canada was not lobbying in any way the American Congress to protect Canadian interests in this important measure concerning the future of Chrysler Corporation, I would like to ask the Minister of State for International Trade what steps this government is taking to ensure that Canadian jobs are protected in the long run and that Canadian government aid is not simply being used by Chrysler Corporation as leverage in its negotiations with the American Congress.

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, the situation with Chrysler Canada is a situation which has to be looked at very carefully. This morning we met with Mr. Iacocca, the head of Chrysler Corporation in the United States, and discussed the situation as it relates to the negotiations they are having with the United States government, as well as the impact that that might have on the situation of Chrysler Canada.

• (1440)

The hon. member is quite correct in saying that we are very concerned with the long-term viability of Chrysler Canada Limited. We do not want to make a decision relating to any degree of support we might provide for Chrysler Canada until the decision in the United States is made, but we are assured by Mr. Iacocca that the decision will be made shortly. He is confident that the decision will be a favourable one. We did discuss with him the nature of the proposal that would be made in Canada, and I would be very happy to comment further on that if the House wishes.

Mr. Rae: Mr. Speaker, my supplementary question is directed to the Prime Minister. In view of the admission, at the same

appearance—one of his rare appearances before a House committee—of the Minister of Industry, Trade and Commerce that Canada has no plan, and that his government had no plan, with respect to either changing the auto pact or putting forward specific proposals either to the auto companies or to the U.S. government, would the Prime Minister care to comment on the fact that our auto parts deficit is now running at $3.1 billion a year, and the fact that unless something is done by the government and unless specific proposals are made by the government, this very serious imbalance in our trade will continue? Would he care to comment on that?

Mr. Wilson: I think the hon. member will recognize that the situation with the auto trade deficit this year is a problem related to the difference in the structure of the Canadian and U.S. markets. We have seen the impact of the energy crisis on the U.S. market, where they are not buying the cars which are currently being produced in Canada. This, together with the higher number of sales in the Canadian market, has caused that imbalance to widen considerably this year. We do not believe that that is a long-term problem; it is a problem that should be settled over the very near-term.

PLANS TO SERVE MIDDLE EAST MARKETS

Hon. John M. Reid (Kenora-Rainy River): Mr. Speaker, my question is addressed to the Prime Minister and it concerns the commitment he made in the House on April 13, 1978, designed to help Canadian companies serve Middle Eastern markets. At that time the Prime Minister said:

> We would recognize in our national development policy the fact that in the Middle East alone countries are planning to invest more than $200 billion over the next decade in infrastructure—in schools, in communications, in transportation and in housing . . . We would get behind more Canadian companies that have the experience and expertise to serve these markets.

In view of the fact that the government has announced one initiative in this field, that of moving the embassy to Jerusalem, what other initiatives does he intend to take in this field?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, first of all let me congratulate the hon. member and his colleagues for finally getting their research office working this far into this Parliament.

Some hon. Members: Oh, oh!

An hon. Member: We can bring you down without research.

Mr. Clark: We believe that there are some significant and economic opportunities in the Middle East. We have some expectation that light will be cast upon the possibilities that exist for Canada in that region after the receipt of the final report of Mr. Stanfield, who is now again in that region discussing the state of relations between Canada and the Middle Eastern countries.

[Mr. Rae.]

RAILWAYS

REPORTED EMBARGO ON PULP AND PAPER PRODUCTS DESTINED FOR MEXICO

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Transport. It has been reported to me that the Canadian railways have placed an embargo on shipments of products produced by the pulp and paper industry, an embargo on shipments to Mexico, placing in jeopardy a very important market there and putting certain Canadian companies in serious difficulty. Can the Minister of Transport tell the House if he is aware of this embargo and what the possible reasons could be for such a move by the Canadian railways?

Hon. Don Mazankowski (Minister of Transport): No, Mr. Speaker, I am not aware of the placing of such an embargo. However, I undertake to the hon. member that I will look into it and report back to him and to members of the House.

* * *

AGRICULTURE

NEW NATIONAL FOOD POLICY

Hon. E. F. Whelan (Essex-Windsor): Mr. Speaker, I have a question for the Prime Minister. Away back in July, 1976, he discovered a part of south western Ontario when he said:

> My party will be undertaking, in the fall, the development of a new national food policy for Canada.

Let me point out that 1977 has gone by, 1978 has gone by, and now we are in 1979. Has he found that he cannot improve upon the national food policy, and is that why he has not brought any improvement to the one that we had—because he recognized that we did have one—and can he tell the House what happened to his intention behind that startling statement that he made away back in 1976, that he was going to do these things—and that is a long time ago?

Right Hon. Joe Clark (Prime Minister): There is no better epitaph for my colleagues opposite than that that was a long time ago.

Some hon. Members: Oh, oh!

Mr. Clark: Our problem with the national food policy referred to by the former minister was that when we became the government and began to look for that national food policy that he had been talking about so much, we could not find it. We looked in his files, we looked in the files of the former minister of consumer and corporate affairs. Having no guidance from that front, we moved ahead with the preparation, as the former minister will know, of the meat import law, we moved ahead with the planning of the first trip in Canadian history in terms of looking for new trade in the Pacific, headed by the Canadian Minister of Agriculture—which will be undertaken in January—and we moved forward on a number of other fronts to give to Canadian agriculture the high

priority that it never enjoyed in the years when lonely Gene spoke alone in the cabinet of the Liberal government.

* * *

FISHERIES

PROVISION OF SEARCH AND RESCUE FLEET

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is for the Prime Minister. It concerns a statement he made in Courtenay, British Columbia, before the last election when he said this government would beef up search and rescue facilities on both coasts and provide a fleet of small patrol boats to operate within the present 200-mile fishing limit.

In view of the fact that the track record so far includes the deferral of a $14 million LORAN station on the Atlantic coast, and in view of the fact that we have not seen the smallest dory or even a rowboat commissioned for this purpose other than what was commissioned by the previous administration, can the Prime Minister tell us what date he has set for breaking the first bottle of champagne on the first search and rescue vessel?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, one of the fundamental differences between this government and our predecessors is that we will not be using champagne: we will be using Ontario wine.

Some hon. Members: Hear, hear!

An hon. Member: What's wrong with Ontario champagne?

Mr. Clark: In the interests of transnational co-operation such as was shown by a Newfoundland member asking a B.C. question, when we christen vessels on that coast we will use British Columbia wine.

The engagement that I gave in British Columbia is one that we intend to honour. We are considering now the timetable that we will follow. I can assure the hon. member that we will move quickly on that question.

* * *

NATIONAL SECURITY

LEGAL FRAMEWORK FOR EXTRAORDINARY ACTION BY SECURITY SERVICES

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, my question is for the Prime Minister on this not so happy anniversary of half a year of inactivity. On May 4 of this year, in Regina, the leader of the Conservative party said:

> We will establish a legal framework so that any such extraordinary action by the security services of Canada must be approved in advance by a responsible minister of the Government of Canada.

May I ask the Prime Minsiter what implementation has occurred of this extraordinary commitment?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, first of all let me welcome the new-found interest of the hon. member in this question.

Some hon. Members: Oh, oh!

Mr. Clark: And let me tell him, as I have on seven or eight occasions in this House, that that legislation will be brought forward in the New Year, probably toward May or June.

An hon. Member: Which year?

Mr. Clark: The New Year will be 1980. I know that senility is a function of old age, and you fellows are growing long in the tooth.

Some hon. Members: Oh, oh!

Mr. Clark: As I have indicated frequently in the House to the hon. member and to others, we have not yet decided whether we will introduce that legislation before or after we have seen the report of the McDonald commission. But we do remain determined to have a situation which ends the state of affairs that existed under the former government, where there was no rule of law apparent in the activities of the security officers of the Canadian government. We intend to have a situation where the actions of the police in this country are covered by the rule of law.

* * *

• (1450)

NATIONAL DEFENCE

CALGARY—WAGE AND RENT STRUCTURES FOR ARMED FORCES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to direct a question to the Minister of National Defence and Minister of Veterans Affairs. It deals with a situation in the city of Calgary in which there is a large number of armed forces personnel, particularly non-commissioned officers and privates, and relates to wage and rent structures.

Has the minister now had a discussion with those organized groups in Calgary, and is he reaching some compromise between the wage structure and the rent structure as was agreed to even before our government came to office?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I have not had a discussion other than with the officers in the garrison and with two of the MPs from Calgary who have been meeting on a regular basis with the unhappy kin of some of the servicemen. I believe the case involving the cost of married quarters has been well explained in the press and in the media, and to a lesser degree in this House.

We are having difficulty because Calgary is a very high-cost living or rental area. At present, rents are dictated by rules of the Canada Mortgage and Housing Corporation which tries to

make them the equivalent of those in local communities. I have asked that junior ranks have their rental increases capped at appropriate levels, and this is now in effect. I am trying to work up a system that will make equivalent rents chargeable for accommodation for equivalent ranks across the nation.

* * *

HEALTH AND WELFARE

COUNSELLING AND SUPPORT TO VICTIMS OF SEXUAL ASSAULT

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, rape crisis centres have provided a valuable service to Canadians in the past few years by giving counselling and support to victims of rape and sexual assault. My question to the Minister of National Health and Welfare is, therefore, does the minister plan on reinstating federal funds in support of rape crisis centres, cut off by the previous government, and will he indicate to his provincial counterparts that the federal government is willing, under the provisions of the Canada Assistance Plan, to support initiatives on their part to strengthen and expand rape crisis centres in their respective provinces?

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, I would like to advise the hon. member that at the present meeting in Toronto of provincial ministers of welfare and myself we discussed this matter, along with a number of others, in relation not only to the renegotiation of CAP, but in relation to demonstration funding. The matter will be brought to the agenda in January, in St. John's, when we begin renegotiation of the Canada Assistance Plan.

* * *

[*Translation*]

NARCOTICS

INQUIRY WHEN GOVERNMENT WILL INTRODUCE LEGISLATION TO DEAL WITH PROBLEM OF MARIJUANA

Hon. J.-J. Blais (Nipissing): Mr. Speaker, although my question has to do with the election promises made by the Prime Minister on the question of marijuana, I would like to direct it to the Minister of National Health and Welfare. Last September the minister announced that a bill dealing with marijuana would be introduced and debated in the House as early as November. Is the minister now ready to introduce this bill? Further, I should point out that we are already into December and that November is past and gone.

[*English*]

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, the hon. member may recall that my statement both in the House and outside was that I would present a discussion paper in November with respect to the question of marijuana. That paper was to include, really, two things: the question of the impact of the use of marijuana, particularly the cumulative effects over time on individual health and, secondly, the question of the relationship of marijuana to matters involving the Criminal Code. Those two aspects are included in the discussion paper. I had hoped to be able to have the discussion paper by the end of November, which was my commitment.

I might say there was a further commitment, and that was that before the paper was produced, I would have adequate consultation with some agencies which were involved in the problem of drug abuse, particularly in two major metropolitan areas of this country. The paper is out for consultation, and when it comes back I will be able to produce it. I know it is of great concern to the hon. member and, indeed, to all Canadians.

* * *

AGRICULTURE

SURCHARGES ON IMPORTED AGRICULTURAL PRODUCTS

Mr. Robert Daudlin (Essex-Kent): Mr. Speaker, I would ask the Minister of Agricultural to recall that on March 15 of this year he indicated it would be his intention, and the intention of a Conservative government, to immediately implement surcharges on imported agricultural products. He further indicated that a Tory government would "bargain vigorously and successfully to restore equity in our tariff rates".

Can the hon. minister indicate to this House, now, what steps he is taking to implement that policy direction? I would remind him that in fact the implementation of GATT was the implementation of a policy put into place by the previous government, so he really cannot provide that as an answer.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, in response to the hon. member's question, he should realize that subsequent to the May 22 election the result of the multilateral trade negotiations were known. With reference to his first question, it has already been done.

PROMISED REDUCTION IN CHEESE IMPORTS—GOVERNMENT POSITION

Mr. Denis Ethier (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the right hon. Prime Minister. In his answer to a previous question, he mentioned that he would rather celebrate something with Ontario wine than with champagne. I would say that the district I represent would rather celebrate with milk than anything else.

In view of the promises he made during the May 22 election campaign, that he would in fact reduce cheese imports by 10 million to 15 million pounds, would the Prime Minister tell this House very clearly that in fact he did mislead the Canadian public during the last election campaign?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I want to respond to that question because it rests squarely within my jurisdiction. The hon. member should be aware of the fact that one of the terms of the MTN was, in fact, that

the cheese import level at 45 million pounds would, indeed, remain in place. The MTN agreement indicated that the present level of 45 million pounds would have to remain in place. We recognize the importance of the MTN agreement, and we recognize as well that we have to abide by it. But there is an up side—

An hon. Member: That's not what Joe said.

Mr. Wise: That is what I have said, and I am sure the Prime Minister has said the same thing. There is an up side in that, and that is that we will have available to us in the EEC, primarily in the U.K., a market opportunity to the extent of 6.1 million pounds.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

REQUEST THAT DEPARTMENT OF AGRICULTURE ADMINISTER PFRA

Hon. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, it seems we are celebrating a special event today. Therefore I should like to ask the Minister of Regional Economic Expansion whether, when reviewing the policy of his department he intends to hand over to the agriculture department the administration of the Prairie Farm Rehabilitation Act, better known as PFRA.

[*English*]

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, I want to tell my colleague that we hope to have a subcommittee of the Committee on Regional Development look into various aspects of the PFRA with a view to strengthening it and seeing how it can be improved. Implicit in the terms of reference may be a consideration of the particular proposition the hon. member puts forward. I can honestly say at this point that this has not been decided, and it has not really been seriously considered as yet.

* * *

[*Translation*]

HEALTH AND WELFARE

INQUIRY WHEN PRIME MINISTER INTENDS TO CALL CONFERENCE OF PROVINCES AND DOCTORS ON MEDICARE

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, now that we are celebrating the sixth month in office of the new government, I should like to put a question to the Prime Minister who is responsible for medicare. Naturally, in that regard, his election promises were really very meagre, and he gave us a foretaste of his manner of governing by intermediaries, committees, studies, subcommittees, and so on, by promising, on April 30, a national health conference on medicare to which representatives of the provincial and federal governments and the medical profession would be invited. When does the Prime Minister intend to hold that conference?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I very much appreciate the question of the former minister. As the hon. member already knows, the provincial health ministers have already had a meeting with the federal Minister of National Health and Welfare to discuss medicare. That is what I was speaking about in the words the hon. member quoted. I believe a conference will be held later to deal with health insurance matters.

● (1500)

HALL COMMISSION—INQUIRY AS TO BUDGET AND COMPOSITION OF STAFF

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, to spare the right hon. Prime Minister further embarrassment, my supplementary will be addressed to the Minister of National Health and Welfare. The right hon. Prime Minister mentioned the mini-meeting, somewhat akin to an afternoon cocktail party that was held in September with the provincial health minister and which gave birth to the so-called Hall Commission on Health. Can the minister tell us the budget of the commission, and how many staff it has?

[*English*]

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, I can provide for the hon. member the actual figures of the budget which has been laid out for the review. The staffing is being done by Mr. Justice Emmett Hall, in consultation with our department. We have provided Mr. Justice Hall with some staff under secondment from our own complement and he is providing some of his own staff. I can provide the hon. member with the actual figures and numbers.

* * *

FISHERIES

FUTURE OF FRESHWATER FISH MARKETING CORPORATION

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Today, the minister and some of his provincial counterparts met on the question of the future of the Freshwater Fish Marketing Corporation. Recently, the government of Manitoba proposed that agencies other than the FFMC be permitted to participate in the export market for freshwater fish. Is the federal government in agreement with this proposition which would have serious economic and social consequences for the communities serviced by the corporation?

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, I had a very useful meeting this morning with the provincial ministers responsible for fisheries, from Manitoba, Saskatchewan, Alberta, Ontario and a representative of the territorial government of the Northwest Terri-

tories. We agreed that there is a continuing role for the FFMC to play and that there is a central marketing role for the corporation. However, there are details with respect to a consensus which have to be worked out. To this end, we have set up a committee to tie together the loose ends coming from the meeting, and agreed that we will meet again in Winnipeg before April, at which time a policy decision will be announced.

Mr. Sargeant: Mr. Speaker, on the intended structure to which the minister has referred, could he indicate whether the federal government unilaterally will initiate these changes, or will the participating provinces each change the structure in accordance with their own perceived needs or goals; or will these changes be initiated only with the consensus of all the participating provinces and territories?

Mr. McGrath: Mr. Speaker, as I indicated to the hon. member, we are well on our way toward consensus. No decision has yet been taken. The decision will not be taken unilaterally. As I said before, we have agreed that it would be useful for us to meet again, and that meeting will take place in Winnipeg some time in April. At that time, a final decision will be announced.

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PRIVILEGE

MR. BROADBENT—REMARKS OF PRIME MINISTER DURING QUESTION PERIOD

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I rise on a question of privilege which arises from answers given to me by the Prime Minister (Mr. Clark) in response to my questions earlier today.

Some hon. Members: Oh, oh!

Mr. Broadbent: If hon. members on the other side would listen for a minute, they will have a chance to reply. In my first question to the Prime Minister I made reference to a pricing practice of Imperial Oil Corporation. I used the term "price-gouging". It seems to me that that is the only term which the Prime Minister could have had in mind when he misrepresented what I raised in my question. In reply the Prime Minister stated that I was using abusive or insulting language.

When raising a question of privilege, I think that the facts and figures are certainly relevant. In my view I was not using such language. In fact, it could be described as descriptive language. It was shown four years ago in civil proceedings that Imperial Oil had set up a dummy company in Bermuda to avoid paying Canadian taxes, that it overcharged Nova Scotia consumers by not passing on price reductions—

Mr. Speaker: Order, please. The hon. member for Oshawa (Mr. Broadbent) gave notice of his intention to raise this matter by way of a question of privilege. I have a dual difficulty here. It seems to me that not only was the hon. member for Oshawa entitled to say what he said, but so was the Prime Minister (Mr. Clark) during the course of the question period. The right hon. Prime Minister may have described the language used by the hon. member for Oshawa as insulting, but that is his right during the question period or at any other time during the proceedings. There is nothing unparliamentary there.

Similarly, the hon. member for Oshawa said that the particular company to which he made reference during the course of the question period was price-gouging. The hon. member is entitled to justify those remarks with an argument, I am sure, but the fact is he does not have to justify his remarks because neither do they constitute unparliamentary language.

For me to permit the hon. member for Oshawa to defend himself now would be to invite the Prime minister to defend himself, neither of whom need a defence because they both used, it seems to me, language to which I cannot take any objection on behalf of the House. I do not think that it would be appropriate to enter into a discussion now in defence of either one of the interventions of the two hon. members here this afternoon. I will check the record, and if I am wrong in my estimation of the situation, the hon. member shall have leave to raise a question on the matter tomorrow.

Mr. Clark: Nice try, Ed.

MR. BALDWIN—OFFICIAL SECRETS ACT—IMPLEMENTATION OF STANDING ORDER 43 MOTION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I would like to raise a question of privilege, of which I gave you notice last Thursday. I am glad to do so on this day because it is the sixth anniversary in terms of months that this government has held office. My question of privilege deals with the question of openness and the Official Secrets Act. This government has moved further and faster toward openness and honesty than any other government in the last 50 years. But I want to go even further and even faster, and it is for this reason that I raise this particular issue.

On October 18 I moved in the House a motion under Standing Order 43 which the House was good enough to accept. It reads:

> That this House recommends that a parliamentary standing or select committee be forthwith given an order of reference to review the terms of the present act, including a study of such recent cases as that of Dr. Peter Treu and *The Toronto Sun* and to report proposals for suitable changes to the Official Secrets Act, and that no claim of Crown privilege be allowed to limit the extent of inquiry by the committee.

Of course, I refer to the Official Secrets Act. When I raised the point of order last Thursday, it appeared that there was some difficulty between myself and the President of the Privy Council (Mr. Baker) as to the terms of the motion which would be brought into this House to implement this particular motion under Standing Order 43.

As I understand it, and I think that my hon. friend will accept this, there is some question in the mind of the government as to whether or not this House is competent to pass a

motion purporting to authorize one of its committees to make inquiries under any subject matter without regard to the limitations of Crown privilege. Having said that, I make it quite plain that this House and all the members in this House and in the other place are bound by statute law.

It has been suggested in the form advice given to my honourable friend, I believe, that there still exists an indefinable and vague, but possibly still a very strong, practice coming from the days of the royal prerogative that, apart from statutes, members of the government under the bureaucracy may raise on their own initiative without any foundation in statute a question of Crown privilege and can say, "We will not have to give evidence on this issue; we will not have to produce these particular documents". That is the issue. It is a narrow issue but I suggest a very fundamental and important one.

● (1510)

I think it does well to have this House deal with the issue because this government—and I give the government credit for this—is moving toward a situation where the work of this House will be developed to a greater extent through the agency of committees. I think we should know what power those committees will have.

Crown privilege has been defined as the original right in the Crown in ancient days when the king could not be sued to refuse production of documents or discovery of witnesses. It was later extended to members of the Privy Council in the 17th century in order to protect them from charges by giving immunity through non-disclosure of information about their activities. That right has lingered to the present day.

My quarrel with the proposition is that there still exists a non-statutory, superior and royal power in the ranks of the bureaucracy, acting through the ministry, to inhibit a committee of this House from pursuing its inquiries, and that even a unanimous motion of this House is not enough to override this particular principle.

A very good illustration of this is the fact that the House has been debating a motion proposed by the President of the Privy Council which deals with cost overruns. During the course of the investigations by that committee it will probably be essential for members of the committee to ask questions of members of the public service about the ways and means by which these cost overruns were developed. If the proposition of the principle of Crown privilege is to be sustained and put into effect, then I can see that in many instances many members of the public service will say, "We don't intend to answer this question; it may deal with a question of policy or it may deal with a question where the public interest is involved and we don't intend to answer it."

There have been some pretty clear illustrations of this. When the right hon. Leader of the Opposition (Mr. Trudeau) was prime minister, he made it perfectly clear that he would not allow the Clerk of the Privy Council to be questioned before a committee. That is an illustration of the use of Crown privilege.

In another situation, Mr. Speaker, several years ago the Standing Committee on National Resources and Public Works was examining Mr. Donald Macdonald who was then minister of energy, mines and resources and whose name is not unknown at the present time. The question arose as to whether certain witnesses who had appeared with Mr. Macdonald could be examined and, if so, the extent of the examination. Mr. Macdonald said, as reported at page 24:32 of the committee proceedings for December 18, 1973, as follows:

This has been a longstanding procedure in the Canadian public service and in the House of Commons that it is a minister who ultimately assumes his responsibility and not individual advisers; I think my position is well founded constitutionally.

On page 24:33 of the proceedings there appears the following exchange between myself and the minister:

MR. BALDWIN: . . . I had the honour to serve as Chairman of the Standing Committee on Public Accounts for several years, and deputy ministers appeared there by themselves—not under the skirts of the minister. They answered a lot of questions, as did their advisers. When you come to a question of policy, absolutely, a deputy minister or an adviser must defer to the minister; but on questions of fact, deputy ministers and advisers are compellable witnesses to appear here . . .

MR. MACDONALD (ROSEDALE): I am sorry, that is too much. The minister is responsible; if he chooses to have his deputy minister appear without his being present, that is the minister's choice. But ultimately, it is the minister's responsibility as to who shall appear.

MR. BALDWIN: You do not want us to . . .

MR. MACDONALD (ROSEDALE): This has been a long-standing parliamentary principle . . .

MR. BALDWIN: The minister is wrong. The minister is challenging responsible government, the responsible right of the House of Commons . . .

MR. MACDONALD (ROSEDALE): I must say that responsible government means that a minister is responsible for his portfolio to the House of Commons, not individual public servants.

MR. BALDWIN: The minister would not recognize responsible government if it got into bed with him, that is all I can say.

I suppose that last comment was somewhat improper, Mr. Speaker. These assertions have been made, however. I am glad that the Prime Minister (Mr. Clark) has indicated that he would have no objection to allowing the Clerk of the Privy Council to appear before a committee. I suggest, however, that it should be as a matter of right, and not a matter of grace. That is the right of this House and this committee, if it sees fit by appropriate action in the House or by direction to its committees.

There has been a lot of discussion on this issue and challenges have been raised in the House and in committee about the subject of judicial decisions. I am not going to take too much of the time of the House because this is a highly academic subject and, more than that, it is a tremendously important one to us. I will, however, touch on the highlights.

The issue was brought up for consideration in the parliament of Australia. In 1975, what was called—

Mr. Speaker: Order, please. I hesitate to interrupt the hon. member but while I think I understand the nature of his argument, I do not understand the nature of the problem. The House passed the resolution to which he has made reference and which reads as follows:

That this House recommends that a parliamentary standing or select committee be forthwith given an order of reference to review the terms of the present act, including a study of such recent cases as that of Dr. Peter Treu and *The Toronto Sun* and to report proposals for suitable changes to the Official Secrets Act, and that no claim of Crown privilege be allowed to limit the extent of inquiry by the committee.

The only basis upon which the hon. member could have a question of privilege, which he is now arguing, is that the House has perhaps disregarded that motion. The motion is not an order. The result of that motion is a resolution recommending "that a parliamentary standing or select committee be forthwith given an order of reference". If the hon. member's complaint is that the House has not moved to give that order of reference, that is an argument that I might want to entertain. He is now saying, however, that there is a difficulty which goes beyond that, but I have not heard it yet from the government.

Perhaps the hon. member could direct his attention to the problem of whether it has been a reasonable time, whether there should be an order and what the terms of the order ought to be. I have not yet heard him say that the House is in default of that order. I would guess that the drafting of the order might be somewhat complex. Perhaps the hon. member could turn his attention to that aspect of the matter.

Mr. Baldwin: Mr. Speaker, when you said the "House," I think you meant the government has not complied with that. I think that is where the difficulty lies. As I understand it, the government feels that the terms of the order of reference to be given must omit any claim Crown privilege. That is what I take exception to and it is what I think is a question of privilege. I may be wrong in that and if I am I will gladly stop now. Maybe my friend the President of the Privy Council has something to say.

Mr. Speaker: I would want to reserve the right of the hon. member to meet this point. I am not trying to interrupt him to prejudice his argument in any way. He was about to move to establish that part of his argument. It may be appropriate to hear from the President of the Privy Council (Mr. Baker) and see whether this argument can be met.

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): Mr. Speaker, I listened very carefully at the time the hon. member made his motion. Within a day or so after that, I sent him a draft of a proposed term of reference with respect to this matter, indicating my own wishes becuse of the emphasis we were placing at that time on freedom of information.

After a reasonable period of time I heard from the hon. member that the form of the order was not satisfactory. He also raised the question of Crown privilege. In the meantime, I had received an opinion from the legal officer of the House of Commons that there was some question about the propriety of the matter of Crown privilege.

I then took the unusual step, not just of informing my friend of that, but of sending him a copy of the opinion and asking for his comments on it. I received a letter from him, I believe it was yesterday, indicating that that was not acceptable to him. I have not had a chance to reply yet but I can reply now, Mr. Speaker. I am considering the argument he put to me and I think we should comply to the extent that we can within the law.

My concern, Mr. Speaker, is not with respect to the hon. member putting a non-statutory prerogative in the bureaucracy; my problem is with respect to the matter raised by the legal officer of the House of Commons with respect to non-statutory prerogatives in the law.

• (1520)

I think our exchange has been a good one. It was quite a healthy exchange and reasonably expeditious when the exchange finally started. I can undertake to you, sir, to the House and certainly to the hon. member that there is no question of delaying it. I would have no objection whatsoever, having raised the question of privilege today, even though a motion has not been put down and these discussions are continuing, if the matter could be reserved until my law officers look at the material submitted by the hon. member. I undertake to do that quickly. I think the hon. member and the House know that. I will do it quickly and put the reference down. When the reference is down there may be a question of privilege at that point with respect to the terms of the reference.

Mr. Speaker: That appears to be satisfactory to the hon. member for Peace River (Mr. Baldwin).

Something occurs to me as well that both hon. members may want to think about, and that is that the resolution that has been adopted by the House recommends that a parliamentary committee be given an order of reference. The concluding sentence is that "no claim of Crown privilege be allowed to limit the extent of inquiry by the committee".

It may be, and I would want the hon. members to reflect on this, that the only time a question of privilege can arise then is if during the committee's deliberations that matter of Crown privilege is permitted to limit the extent of the inquiry. I know that the hon. member may want a House order to obviate that possibility, but it may be that an order of reference will in fact comply with all that has been resolved by the House on October 18 and that no offence against that resolution can be considered to have taken place except when the claim of crown privilege is used in the inquiry to limit it. I do not attempt to resolve that point at this time, simply to leave it to the hon. members to consider. Perhaps we can await with dispatch the undertaking of the President of the Privy Council to produce a motion and then see whether or not there is a question of privilege to be taken at that time or at a later time.

Mr. Baldwin: Mr. Speaker, it may be resolved even more rapidly than that; Your Honour makes quite good sense with that comment. It may well be that your order of reference might go as the President of the Privy Council had originally contemplated, but he might at this time consider giving contemporaneously an undertaking that the government will not

raise at the time of the committee hearings any non-statutory, government questions of Crown privilege, and we might well then proceed quite expeditiously with the issue.

Mr. Speaker: Perhaps the matter can be reserved until the President of the Privy Council is prepared to present a motion, and the subject may be argued again at that time.

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I have listened to the discussion with considerable interest because it is a matter of great concern. However, I am somewhat disabled in following the discussion because I have not had the opportunity to study the correspondence which has been exchanged between the hon. members opposite.

May I suggest to the President of the Privy Council (Mr. Baker) that he would be doing the House a service if he made available to us the correspondence and that of the hon. member for Peace River (Mr. Baldwin) so that we may be able to conciliate between these two warring giants on the other side of the House.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I have no objection to my own correspondence being made available and the hon. member for Peace River is indicating that he has no objection with respect to his.

May I just say in order to bring the matter to a head one way or the other that I will be considering the last suggestion which the hon. member for Peace River made in respect of putting a motion down. It is an interesting point.

Mr. Baldwin: Mr. Speaker, I will be glad to have my letter produced, along with a simple explanation.

[*Translation*]

MR. ETHIER—RECEIVABILITY OF QUESTION OF PRIVILEGE

Mr. Denis Ethier (Glengarry-Prescott-Russell): Mr. Speaker, last November 5 I rose on a question of privilege to advise the House of a problem I have been faced with following a decision by the Minister of Agriculture (Mr. Wise). You indicated on that occasion that you would seek the advice of a number of hon. members before deciding whether mine is indeed a question of privilege. Mr. Speaker, this occurred on November 5. I thought that mine was a legitimate question of privilege. If it is not legitimate, I should like to withdraw it, following your decision, Mr. Speaker.

[*English*]

Mr. Speaker: Following the question of privilege raised by the hon. member for Glengarry-Prescott-Russell (Mr. Ethier) there was some indication that the Minister of Agriculture (Mr. Wise) wanted to make an intervention at a time that might be convenient for both members. I do not know if this is that moment, but if not, perhaps the minister could give the House notice. Then when both members are present we could hear the final aspect of both interventions and then I would be able to decide.

Order Paper Questions

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I regret very much that I noticed only as I was leaving the House that the hon. member was making an intervention involving myself. I would ask permission of the House to reserve my right to make a final decision until I have an opportunity tomorrow to read the hon. member's intervention in *Hansard* and then give an indication at that time.

Mr. Ethier: Mr. Speaker, this occurred on November 5. I think the minister has had ample time to give an answer. I would like him to tell us when he will make that representation so I will be in the House, because I reserved time in the hospital three weeks ago for my annual check up. I am not sure how much longer I can delay it. I would like to know what the minister has to say on this.

Mr. Wise: Mr. Speaker, I will decide tomorrow.

Mr. Ethier: Thank you.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT EXPENDITURES

TABLING OF PAPER "THE NEW EXPENDITURE MANAGEMENT SYSTEM"

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, pursuant to Standing Order 41(2) I now table in both official languages the budget-related paper entitled "The New Expenditure Management System" which outlines the system for allocating and controlling expenditures of the Government of Canada. I hope this will be educational for hon. gentlemen opposite who did not have such a system. This is normally a budget document, but we want to give hon. members opposite the information now so that they will have it before the budget is brought down.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 86, 236, 297 and 626.

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

Order Paper Questions

[*Text*]

ENVIRONMENT—PROJECTS IN RIMOUSKI

Question No. 86—**Mr. Allard:**

1. Since 1968, did the Department of the Environment finance projects in the constituency of Rimouski and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the department planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Hon. John A. Fraser (Postmaster General and Minister of the Environment):

1. Yes (a) Study on stabilizing and waterproofing Pointe-au-Père lighthouse

(b) (i) $5,986

(ii) $5,986

(c) Pointe-au-Père.

2. Yes (a) For the year 1980-81 a budget of $225 has been set aside for the stabilization and waterproofing of Pointe-au-Père lighthouse.

(b) Pointe-au-Père.

PRIVATE INDUSTRY—INVESTMENT OF CAPITAL FUNDS IN MINING SECTOR

Question No. 236—**Mr. Lambert (Bellechasse):**

To the knowledge of the government, did private industry invest capital funds in the mining sector (a) in 1978 (b) during the first nine months of 1979 and, if so, by province, what was the amount in each case?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources):

(a) 1978—Yes

(b) 1979—Yes

Province or Region	1978[p] ($'000,000)	1979[f] ($'000,000)
Atlantic Region	81.0	107.6
Quebec	223.1	228.1
Ontario	219.5	288.8
Prairie Region	291.7	276.5
British Columbia	177.1	239.8
Yukon Territory and Northwest Territories	52.0	43.9

Notes: (1) Disaggregated data unavailable for Atlantic and Prairie regions; (2) Partial-year data for 1979 unavailable; and (3) Data shown for 1979 results from survey of company investment intentions and thus may differ significantly from actual data.

Source: Statistics Canada, Catalogue 61-206.

[p]Preliminary estimate; [f]intentions reported in mid-year survey by Statistics Canada.

MILK PRODUCERS—MARKET QUOTA

Question No. 297—**Mr. Herbert:**

1. What market quota for milk producers was allocated to each province (a) last year (b) this year?

2. For the same periods, was there any appreciable difference between production and quota?

Hon. John Wise (Minister of Agriculture): 1 and 2. See list below.

	Market Sharing Quota 1978/79 *(16 Month Period)			Production 1978/79	Quota 1979/80
	1/4/78—31/3/79	1/4/79—31/7/79	Total	1/4/78—31/7/79	1/8/79—31/7/80
	12 months mil lbs. b.f.	4 months mil lbs. b.f.	16 months mil lbs. b.f.	16 months mil lbs. b.f.	12 months mil lbs. b.f.
P.E.I.	6.825	2.990	9.815	8.049	7.019
N.S.	4.388	1.751	6.139	6.413	4.517
N.B.	4.815	2.139	6.954	4.185	4.954
QUE	173.996	74.870	248.866	244.977	179.030
ONT	113.649	46.468	160.117	153.212	116.940
MAN	14.150	5.858	20.008	19.467	14.561
SASK	9.435	4.006	13.441	11.853	9.709
ALTA	24.343	9.861	34.204	29.994	25.050
B.C.	11.234	4.271	15.505	14.864	11.559
CANADA	362.835	152.214	515.049(1)	493.014	373.339(1)

N.B. The production for 1979/80 is not available.

* Exceptionally, the quota period of 1978/79 was for 16 months; consequently, the periods of 12 months differ for the years 1978/79 and 1979/80, as you will note on the above chart.

(1) Includes the export quota of 10.5 million pounds of butterfat and a margin of 5 per cent.

ANIMAL RABIES

Question No. 626—**Mr. Mitges:**

1. How many cases of animal rabies were diagnosed in Canada in 1978?

2. How many cases were diagnosed in (a) cats (b) dogs (c) bovines (d) equines (e) skunks (f) foxes (g) other (i) domestic (ii) wild animals?

Hon. John Wise (Minister of Agriculture):

1. 1641

2. (a) 63
(b) 77
(c) 237
(d) 35
(e) 345
(f) 809
(g) (i) 16 sheep
4 swine
11 goats
(ii) 24 bats
11 wolves
5 coyottes
3 racoons
1 caribou

[*English*]

Mr. Herbert: Mr. Speaker, in the last session of the last Parliament the President of the Treasury Board (Mr. Stevens) put a whole series of questions on the order paper dealing with the revenue and earnings of many Crown corporations. Among this list of Crown corporations are three presently listed for sale. Yesterday the President of the Treasury Board announced the formation of a special advisory board. He said in his release that the privatization unit's work of his own department is well advanced and it is now ready to brief a new advisory board.

In view of the fact that I now assume the information on these Crown corporations is available to the government, and bearing in mind that, because I thought these questions were worth while being answered in public, I placed this series of 25 questions on the order paper on October 9, about eight weeks ago, questions Nos. 115 to 139, these queries have now been in the hands of the department for some seven or eight months. I would ask the parliamentary secretary whether he could give to us the information which must be in the hands of the President of the Treasury Board at the present time.

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

● (1530)

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

AMENDMENT TO PROVIDE TAX CREDIT IN RESPECT OF MORTGAGE INTEREST AND PROPERTY TAX

The House resumed from Wednesday, November 28, consideration of the motion of the Minister of Finance (Mr. Crosbie) that Bill C-20, to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax, be read the second time and referred to Committee of the Whole.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Those in favor of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion (Mr. Crosbie) which was agreed to on the following division:

● (1540)

(*Division No. 6*)

YEAS

Messrs.

Alexander	Campbell (Sarnia)	Dick
Andre (Calgary Centre)	Caouette	Dinsdale
Atkey	Clark (Yellowhead)	Domm
Baker (Gander-Twillingate)	Clarke (Vancouver Quadra)	Elliott
Baker (Nepean-Carleton)	Coates	Elzinga
Baldwin	Comtois	Epp
Beattie (Hamilton Mountain)	Cook	Fennell
Beatty (Wellington-Dufferin-Simcoe)	Cooper	Ferguson
Binks	Corbett	Fish
Blenkarn	Cossitt	Forrestall
Bosley	Crombie	Fraleigh
Bradley	Crosbie (St. John's West)	Fraser
Brisco	Crosby (Halifax West)	Fretz
Cameron	Darling	Friesen
		Froese
		Gamble
		Gass
		Gauthier (Roberval)

Mortgage Tax Credit

YEAS

Messrs.

Gilchrist
Grafftey
Graham
Greenaway
Gurbin
Gustafson
Haliburton
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Hargrave
Hawkes
Hees
Higson
Hnatyshyn
Holmes
Howie
Huntington
Janelle
Jarvis
(Willowdale)
Jarvis
(Perth)
Jelinek
Jupp
Kempling
Kilgour
King
Korchinski
Kushner
Lambert
(Edmonton West)
Lane
La Salle
Lawrence
Lewis
MacDonald
(Egmont)
MacDonald (Miss)
(Kingston and the Islands)
MacDonald
(Cardigan)
MacKay
Malone
Mayer
Mazankowski
McCain
McCrossan
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Mitges
Munro
(Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Nowlan
Nylander
Oberle
Paproski
Patterson
Reid
(St. Catharines)
Reimer
Richardson
(Humboldt-Lake Centre)
Richardson
(Beaches)
Ritchie
(Dauphin)
Ritchie
(York East)
Roy
(Beauce)
Roy
(Laval)
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Siddon
Speyer
Stevens
Stewart
Stratas (Mrs.)
Taylor
(Cowichan-Malahat-The Islands)
Taylor
(Bow River)
Thacker
Thomson
Towers
Vankoughnet
Wakim
Wenman
Whittaker
Wightman
Wilson
Wise
Woolliams
Yewchuk
Yurko—138.

NAYS

Messrs.

Allmand
Andras
(Thunder Bay-Nipigon)
Appolloni
(Mrs.)
Axworthy
Bégin (Miss)
Berger
Blackburn
Blaikie
Blais
Blaker
Bockstael
Broadbent
Bujold
Bussières
Caccia
Chenier
Chrétien
Corbin
Corriveau
Cousineau
Cyr
Daudlin
Dawson
de Corneille
de Jong
Deniger
Dion
(Portneuf)
Dionne
(Chicoutimi)
Duclos
Dupont
Duquet
Ethier
Evans
Faour
Fleming
Flis
Foster
Fox
Fulton
Gauthier
(Ottawa-Vanier)
Gendron
Gourd
Gray
Guay
Harquail
Herbert
Hervieux-Payette (Mrs.)
Hogan
Hopkins
Hovdebo
Isabelle
Ittinuar
Jewett (Miss)
Johnston
Joyal
Kaplan
Killens (Mrs.)
Knowles
Lachance
Lalonde
Lamontagne
Lapierre
Lapointe
LeBlanc
Leduc
Lefebvre
Lessard
Loiselle
Lumley
MacEachen
MacGuigan
MacLaren
MacLellan
Malépart
Massé
McCauley
McRae
Miller
Mitchell (Mrs.)
Munro
(Hamilton East)
Murphy
Nicholson (Miss)
Nystrom
Orlikow
Parent
Pelletier
Penner
Pepin
Phillips
Pinard
Portelance
Rae
Reid
(Kenora-Rainy River)
Robinson
(Burnaby)
Robinson
(Etobicoke-Lakeshore)
Rodriguez
Rompkey
Rooney
Rossi
Sargeant
Sauvé (Mrs.)
Savard
Stollery
Symes
Tardif
Tessier
Tousignant
Trudeau
Turner
Veillette
Waddell
Watson
Whelan
Yanakis—114.

[Mr. Speaker.]

● (1610)

Mr. Prud'homme: Mr. Speaker, I rise on a question of privilege. I agreed to pair with the hon. member for Edmonton South (Mr. Roche) who is away at the United Nations.

Mr. Beattie: Mr. Speaker, on a point of order, in view of the numerous remarks which have been made by hon. members in the opposition today commemorating the milestone of six months in office of this government—

Some hon. Members: Order, order!

Mr. Speaker: Order, please. I declare the motion carried.

Bill read the second time and the House went into committee thereon, Mr. Laniel in the chair.

On Clause 1—

Mr. Axworthy: Mr. Chairman, while looking at this bill in committee, there are still some comments that should be made on the way in which the government has approached the introduction of this bill on second reading. We hope to get clarification from the government on whether it intends to change its unacceptable and unpleasant behaviour in committee. During the course of debate on this bill so far, we have been treated to some very highly contradictory and confusing statements to the point where it has prevented and almost obliterated the willingness of the parties in opposition to co-operate with the government. The government has increasingly created provocation through their unwillingness to abide by the normal rules and procedures of this House and to take any initiative to provide for the inclusion of any proper recommendations or amendments.

It is well known that many members of this House have some very serious reservations about this bill. I will not take the time to go over them, but it was indicated very clearly during the course of the debate that one of the major failings with the bill was the fact that it precludes the economic activity of the government in future years through the four-year commitment of the bill.

It was also very clear from the debate we have had so far that there is sound reason and good cause for providing benefits to all kinds of residents in this country no matter what their accommodation is, not simply for those home owners with mortgages. While the government tried to insist that it was being the Christmas fairy by handing out goodies to the Canadian people, it became very clear that it was handing out goodies to its own people. A serious omission is that there is no attempt to assist home owners and renters who face the same kind of pressures with regard to housing budgets as do home owners who have mortgages.

We attempted to get clarification from the government on several occasions as to whether it intended to provide support through some kind of a subsidy or other means for those who have really serious housing needs. Frankly, what we received

were total contradictions. The Minister of Finance said that he was not concerned about renters but, on the other hand, the Prime Minister said that they were prepared to consider a shelter allowance. Who is right? Is the Prime Minister right or is the Minister of Finance right? It is very necessary that we quickly clear up the confusion on this issue.

Is the government prepared either in its budget or in the very near future to provide some form of assistance to renters in the form of a shelter allowance? It is a very important condition which was raised by my party, and it involves our eventual support for this bill. There was nothing forthcoming, however, other than this total contradiction in statements made by the Prime Minister and the Minister of Finance. That confusion was exaggerated further in the contributions by other members of the Conservative party in debating this bill. Many of them said that they were not concerned about the renters, that they had already received far too much assistance and that it was the home owners who needed help. I believe it was the hon. member for Edmonton West who said that there is in fact a problem with regard to renters and that they do need assistance. We would like the government to decide whether they intend to follow a consistent and coherent policy on this matter. Is the government prepared to provide support for a broader range of Canadians who are feeling the same kind of housing pressures as Canadians who have mortgages?

We listened in debate to the argument that it was the middle class home owner who is the fall guy in the Canadian economy. I believe that the Minister of National Revenue and the hon. member for Dauphin said the same thing. We have produced evidence to show that while the middle class home owners are undeniably facing housing pressures, they are certainly not the only ones, nor are they the ones receiving the most severe pressure.

I would repeat for the information of the Minister of Finance, because he may have been out of the House at the time or may not have had an opportunity to read the debates, that if he looks at the criterion of need and measures it according to the percentage of budget going toward housing, in every major city across Canada renters face far more severe pressures in their housing budgets than do home owners. For example, in the city of Edmonton 40 per cent of the renters pay over 30 per cent of their budget on rental accommodation as compared to only 17 per cent of home owners. That same ratio is true throughout the country.

We would like the government to clarify its position. We would like to know whether it is the Minister of Finance or the Prime Minister who is right, or are they simply intending to exist within the confines of that confusion and not trying to resolve it? Commitments have been made. I believe it was last Thursday that the Prime Minister said in the House that they were looking at shelter allowances and might be prepared to introduce that feature. The Minister of Finance said they would have nothing to do with shelter allowances. It is time for either the Prime Minister or the Minister of Finance to indicate which leg they intend to stand on.

● (1620)

Is the government prepared to accept amendments? The Minister of National Revenue on Wednesday said that it is not prepared to accept any amendments, that the government had already printed the forms and undertaken the initiative and that it did not really care what the opposition or Parliament thought. The government had printed the forms, they were going into the mail and the devil could take the hindmost. On Thursday the Prime Minister again contradicted the Minister of National Revenue and said the government was prepared to accept reasonable amendments.

Who is speaking for the government on this matter, and which position is right? What does it intend to do? It would certainly speed up the time we spend in this session if we knew whether we were simply going through a sham exercise, as the Minister of National Revenue suggests, or whether this government will behave like a government should and show proper respect and courtesy to Parliament. Is the Minister of National Revenue's get tough authoritarian position the one which will prevail, or is the Prime Minister suggesting that they are prepared to accept the recommendations? Is that the guideline within which they will operate? I think that the Minister of Finance owes it to this committee to explain what he intends to do. Is he prepared honestly and objectively to accept amendments which, after all, are designed to improve this legislation, or is he simply intending to stand in total and complete indifference to any attempt by members of Parliament to improve this piece of legislation? In terms of opposition members in this committee, that is a very important issue.

Our objection to this bill rests both on the substance of it and on the attitude of the government. They have not shown during the debate on this bill any co-operation and openness, which opposes the promise that they made while in opposition that they would make Parliament a place of respect and proper courtesy. They have obviously forgotten all those fine promises, just as we discovered in the question period that they had quickly forgotten all the promises they made prior to becoming the government.

We believe that there are some very specific ways in which this legislation could be improved. It is only proper that the recommendations made by the Minister of State (Treasury Board) with regard to putting a sunset law on this legislation be considered. Surely, if a minister within the cabinet—he is not in the cabinet, but on the outer fringe—suggests that he is bringing in legislation which would require that a sunset law be applicable to the mortgage tax bill, then why can it not be included in this legislation?

● (1630)

His statement that it would be proper for the opposition to do the same is on the record. It would be only good economic sense for the government to recognize that it should not commit itself to a $3 billion expenditure for the next four years without bringing the matter back to Parliament for review on an annual basis to determine if the money is available and if economic conditions require the stimulus that this kind of bill

aims to bring about. The Minister of State (Treasury Board) has said that he thinks it is a good idea and that he intends to introduce such legislation. We, on the other hand, think it should be an integral part of the legislation before us that we be given the opportunity to review the situation on an annual basis. In that way Parliament could exercise some degree of fiscal control over government expenditures.

I find it hard to believe that hon. members opposite would reject such a proposal. They have been great advocates of fiscal management, claiming that government spending is out of whack and that there has been a great deal of waste. On their own arguments they should accept the suggestion that the legislation be reviewed on an annual basis to see whether it is fiscally responsible to proceed to the next phase. In this way we could exercise the kind of control that hon. members opposite have proposed so vehemently time and time again.

Parts of the bill should be examined to determine their practicality, Mr. Chairman. For instance, the limit of $5,000 on renovations is really a subterfuge. It would mean that most of the renovations carried out in this country would not qualify for credit under this legislation. We will put forward an amendment to reduce that limit from $5,000 to $2,000 so that people contemplating normal renovations are given some incentive.

An hon. Member: Give an example.

Mr. Axworthy: I will give the hon. member an example. The average cost of renovations under the CMHC RRAP program and CHIP program is substantially under $5,000. They usually average between $2,000 and $3,000, so this seems to me a legitimate reason to consider lowering the ceiling on renovation expenditures. We are trying to do what other members have urged in their speeches. The hon. member for Edmonton East made a very strong case about the demand on the housing market in future, pointing out that it will increasingly mean recycling older homes. It seems to me that we should give taxpayers an incentive to do this instead of discriminating against them, as is the case in this legislation.

Older people often find that they cannot take advantage of the RRAP program, simply because they cannot afford the $5,000 loan portion of it but can only use up to the $2,000 grant portion. Older homes, which are largely occupied by the elderly or people whose incomes are not growing as fast as the younger income-producing generation, would be more likely to be renovated if the $5,000 provision were reduced to $2,000.

I do not think such an amendment would go against the intent of the bill. It is not against Tory principles either. The objective is clearly set out. What we hope to suggest is that we discuss whether the limits set in the bill are the most practical and realistic. This comes back to the question of whether the minister intends to stand on ceremony regarding his previous statements or whether he is prepared to accept such amendments.

Within the confines of this bill we should explore other ways of providing tax credits to a broader range of the population. The disappointing aspect of the minister's presentation was that he did not outline the other options. If the basic objective of this legislation is to provide some relief, then the form the government chose is not the only one available.

A very creative and ingenious proposal was made during the debate by the hon. member for Stormont-Dundas about making the $1,000 tax deduction now available for investment income also available for interest payments, or to renters for that matter. This is a reasonable proposal which would relieve some of the pressure being felt by many people.

A number of amendments like this could and should be introduced to improve the bill. Unfortunately, even with these amendments the bill is still a bad piece of legislation. If anything became clear during the debate in the last ten days, it was that the Minister of Finance has introduced a very bad fiscal instrument, one that he will be sorry about—providing he remains in that portfolio. He is committing the government to an expenditure of $3 billion, whether the money is available or not. He is doing that in spite of all the evidence to show that the economic impact in terms of stimulating the economy and providing for additional housing units will not, in fact, be achieved because of the present high interest rates. He is spending money without creating any impact. He is creating a big buck and not getting much of a bang for it. That is not good economics by any criteria.

This is a very inequitable bill, Mr. Speaker. It leaves out 5.5 million Canadians.

Mr. Thacker: A point of order, Mr. Chairman. I stand before you as a new member of this House seeking a ruling. The hon. member opposite has referred to points of policy, to comments made earlier, and to the debate on second reading, which is the matter of principle. I would refer the Chair to Standing Order 55(2), which states as follows:

Speeches in Committees of the Whole House must be strictly relevant to the item or clause under consideration.

Not just relevant, Mr. Chairman, but strictly relevant. We are dealing with clause 1 of Bill C-20, which refers to section 120(4) of the Income Tax Act. I have not heard one comment from the hon. member opposite with respect to section 120(4) and I seek your ruling on whether he is in breach of the requirement of Standing Order 55(2) to be "strictly relevant".

The Chairman: Order, please. Maybe the hon. member is correct about the procedure in Committee of the Whole in general, but I must remind him that the citation he used refers to all clauses in Committee of the Whole except clause 1. It has been the practice in Committee of the Whole to have an open debate on the subject matter of a bill under clause 1, and debate has never been limited to the consideration of that clause in particular, whatever it contains. The practice is very clear on this.

Mr. Axworthy: Thank you, Mr. Chairman. I am glad you were able to clarify for the hon. member the rights and privileges that the opposition are allowed. This government has obviously forgotten them over the last two weeks in this debate.

Mr. Forrestall: You mean the rights and privileges of members of Parliament.

Mr. Axworthy: I will be glad to amend my remarks to say the rights and privileges of members of Parliament because the government has forgotten them over the past two weeks, and that includes members of their own back benches who have been denied the opportunity to present amendments.

• (1640)

The Chairman: Order, please. I must say on that last point in particular raised by the hon. member that he is out of order. This comment does not relate to the bill.

Mr. Axworthy: Mr. Chairman, I was simply responding to the fact that as we are in committee trying to set the terms of reference by which we are going to discuss this bill the government in debate in this House raised very odious sets of conditions determining the opportunities of opposition. In this debate on clause 1 we have put very straightforward questions to the Minister of Finance to clear up what were obviously contradictions in statements between himself and the first minister and between the Minister of National Revenue and the first minister. They took diametrically opposed positions as to how they would proceed with this bill. It was only proper, before we got into looking at the specifics, that those contradictions be resolved and we simply do not go through a sham exercise. I do not think there is anything improper about establishing those guidelines. It is the government and its ministers who have been speaking out of both sides of their mouths on this bill, not other members, and we are simply trying to clarify exactly where they stand.

Mr. Crosbie: Mr. Chairman, is the hon. gentleman finished? Does he want some clarification?

Mr. Axworthy: Mr. Chairman, I am sure the Minister of Finance will have plenty of opportunity in committee to give all the clarification he needs.

The Chairman: Order, please. Maybe it is time for me to inform the hon. member that his allotted 20 minutes has expired. I am allowing him an additional two minutes. One of those two minutes has already gone, so I will allow an extra minute for the hon. member to conclude and then I will recognize another speaker.

Mr. Axworthy: Mr. Chairman, we are very sure what bill it is. I just hope that the government knows what bill it is. We would simply repeat the kinds of questions we put, both on procedure and on statements made by ministers opposite concerning what is obviously an attempt by them to limit the debate and limit the normal processes in this House. Are they prepared or not to accept reasonable amendments from members of Parliament so that this bill can be improved?

Mr. Crosbie: Mr. Chairman, I intend to approach my task in the spirit of sweet reasonableness, as hon. gentlemen will have noticed I always do.

There is no contradiction between the Prime Minister and myself. If there were, the Prime Minister would be right, naturally. That is the system. But there is no contradiction. The hon. gentleman is strained to find a contradiction where none exists. He is really straining to swallow an ant or a newt when there is not an ant or newt to strain against. There is no difference. We are ready to accept reasonable amendments that can be accepted within the framework of the conditions that we had to bring this bill before the House.

In order to bring some relief in 1980 to the Canadian home owner, and make it possible for that to be the case, we had to go to the printers at the end of September with the tax forms. That was not because we wanted to do it or because we asked to do it that way; it was because the Department of National Revenue told us that this is what we had to do. In order to have the tax credit provided for in the federal income tax returns for 1980, we had to go to the printers. That is why the provision was not held to be included in the budget. Why the provisions had to be made public last September—I think it was September 18—was because we could not take the risk of sending the forms to the printers and having a possible leak that we were going to be bringing forth this credit. That part of it, Mr. Chairman, was out of our hands.

If hon. gentlemen propose some amendments—hon. members, I am sorry. I apologize to the most attractive ladies that we have present in this chamber. More and more of them are getting elected and I welcome that; I do not want to be sexist. We welcome members of both sexes in this House.

If there are amendments that we cannot accept now because of the simple fact that these forms had to be prepared, but yet they seem to be good amendments, I am quite prepared to recommend that we have a look at them for next year and bring them in for the next phase. As the hon. gentleman mentioned, this scheme is coming in in four phases. The first phase starts in 1979. That will restrict what amendments we can find reasonable at this time because we cannot accept amendments that will make the income tax forms which have to be sent out by the end of the year invalid. But if there is a reasonable amendment, we are certainly prepared to consider it now or recommend it be considered for next year.

The hon. member said that we are not concerned about renters. Of course, that is completely untrue. This legislation does not deal with the problems of renters. Yes, renters do have problems. Yes, lower income people—

Mr. Axworthy: Mr. Chairman, on a point of order, I would like to refer—

The Chairman: Order, please. Is the hon. member rising on a point of order?

Mr. Axworthy: Yes.

An hon. Member: That is debate.

Mr. Axworthy: I refer to the point raised by the Minister of National Revenue that the government is not prepared to

accept any amendments whatsoever, and the Minister of Finance has said he will accept amendments.

An hon. Member: Listen.

Mr. Axworthy: We are listening to him. We want the point cleared up. He said they would not accept any amendments.

Some hon. Members: Oh, oh!

Mr. Crosbie: Mr. Chairman, I am going to continue to be sweetly reasonable. I have just explained to the hon. gentleman what amendments we can find reasonable and why we can only find certain amendments reasonable. If there are some other amendments put forward that we consider to be reasonable but which we cannot accept because of the dictates of the tax form and so on, we would consider them next year when the next phase comes in. That is always possible. What could be more of an explanation than that, Mr. Chairman?

It was stated that we are not concerned about renters. We are concerned about renters, but not in this legislation. We are concerned about everybody who lives in Canada, but this legislation is to assist home owners or people who want to become home owners if they are federal taxpayers. It is to assist renters who would prefer to be home owners. Doubtless there are renters who are low income people. Doubtless there are renters who could do with a greater income. Doubtless there are renters who could do with shelter allowances. But we are not in the financial position at the present time to deal with them. We did not make them any campaign promises that we would deal with their concerns immediately. We made the home owners of Canada, a very substantial number of people, aware that we are concerned about their problems and about the problems of those who want to become home owners and we have brought forth the legislation that we promised.

We are concerned about renters. We are concerned and care about all of the people in Canada. Whether or not we can bring forward a shelter allowance program in the future will depend upon our finances. We had to operate with a financial situation left to us by others—the crowd that left us the $11 billion deficit and the like. That is the crowd that left us in the position of scraping the bottom of the barrel. That is the situation we are dealing with now. We are giving a stimulus to the housing industry and to home owners through the legislation now before the House.

The hon. gentleman suggested that renters are under more pressure than home owners. What kind of a silly statement is that? There are home owners, people who live in their own homes and have high mortgages, who are in just as bad straits as, if not worse than, renters. There are no two separate categories of people, namely, that home owners are automatically having no problems and renters are. There are hundreds of thousands of home owners and taxpayers in this country having a very difficult time making ends meet. That is why we are proposing this relief for them. That is why this legislation is before the House. There are hundreds of thousands of them with very high mortgages.

We have heard the welcome ring in this House with talk of high interest rates. One would have thought if hon. members were generally concerned about the effects of high interest rates that we would have had this legislation through the House weeks ago. We could have had a two or three-day debate on second reading and a couple of days in Committee of the Whole and the bill would have been through the House. But we had nothing but obstruction because members are not generally concerned about interest rates and the effect of these interest rates on people. Instead they are concerned about scoring political points, not helping the people who are suffering the high interest rates now.

An hon. Member: You have 28 per cent popularity.

Mr. Crosbie: We will see about popularity. I noticed today that we survived a certain test in this House. If hon. gentlemen are so cocksure about themselves as they want to pretend, we would be out on the hustings tomorrow, but they are not. I am ready to test the Gallup poll at any time with the hon. gentlemen opposite. As long as we are the government and responsible for what the government does, the government is going to carry out our policy, not the policy of the group opposite who were defeated but will not accept it, who think they are automatically going to roll back into power and have to do nothing more.

● (1650)

Mr. Pepin: What about your sweet course?

Mr. Crosbie: Yes, I must get back to my sweet course. The hon. member for Winnipeg-Fort Garry made the threat that if we do not do what he wants us to do or what his side of the House wants us to do, there is an implied threat about the operations of the committee. We are simply not accepting threats. We are prepared to be reasonable. I am not quaking in my shoes because the hon. member for Winnipeg-Fort Garry threatens that he is going to make it hard in the committee. The committee should do its business in whatever way that takes us.

What else did the hon. gentleman say? He really did not say very much. Let me give some figures here to point out why some of the amendments suggested will not be reasonable. One of the complaints about this bill is that the credit is not refundable. In other words, if you are a home owner who is not a taxpayer, you do not get any benefit from the bill. The only people who benefit from this bill are home owners in Canada who pay federal taxes, and this bill will save them on their federal taxes.

To make the present legislation refundable would have a first year cost of $100 million and in the fourth year of the program $450 million. At the present time we cannot see our way clear to be in the position to afford those additional costs. Perhaps in a year or two down the road, or three or four as our economic regime takes effect and this country starts on the road back again, we will be able to afford those increased amounts.

Hon. gentlemen opposite who did not do so themselves when they were in power for the past 16 years have suggested that we should extend this provision to renters. There are all kinds of options for extending benefits to renters. I will just look at two. We could extend the $250 tax credit to renters. In other words, every renter in Canada would be allowed a $250 tax credit, every renter household the same as every home owner household. The cost of that non-refundable, just that simple proposition, would be $175 million for the first year, going up to $675 million in the fourth year. If it was made refundable it would be $275 million for the first year and $1,100 million in the fourth year. If we just extend the property tax credit to every renting household, we have those kinds of additional costs. If it is made refundable, there is a major increase in cost.

Another option would be to allow renters a 25 per cent credit for half of their rent subject to a maximum credit of $1,250. There are all kinds of options. These examples are just to give some idea of costs. If that were done on a non-refundable basis, for the first year it would cost $200 million and in the fourth year $750 million. If it was made refundable, it would be $250 million in the first year and $1 billion in the fourth year. On and on it goes. You have these vastly increased costs.

These are reasons why we cannot accept amendments, and amendments will not be reasonable that suggest we extend this scheme, which is for home owners, to renters. My learned colleague the minister responsible for Canada Mortgage and Housing Corporation is hoping to develop and is working on developing some shelter allowance scheme that might apply to renters, or renters in certain years, and so on. These options are all being looked at. We are just as anxious to help the elderly, the renter or anyone else as hon. gentlemen opposite. In fact, because we are in a minority situation, if we were to proceed in the usual way that hon. gentlemen opposite have always proceeded, if power was our only aim and nothing else, we would be bringing in this kind of thing. We would not care about the economic situation. We would not care about the deficit. We would ignore all that. We would bring in all kinds of goodies knowing that we are a minority and that in the next six months or year we might be going to the polls. We are not doing that. Our be all and end all and whole aim in life is not just to get into power and to get our nose into the trough here in Ottawa; there are other things in life.

When we get in to power in Ottawa, we are trying to help the country recover from the 16 years of prodigality and profligacy of hon. gentlemen opposite.

An hon. Member: There is nothing in the trough.

Mr. Crosbie: As one hon. member just said, there is nothing in the trough even to get a sniff at after 16 years.

An hon. Member: Tory times are hard times.

Mr. Crosbie: If Tory times are hard times it is because they follow Liberal times and the Liberals have left nothing. That is why Tory times are hard times. After a year or two, Tory times are great times. They are beneficial times, wait and see.

This legislation is designed to encourage people to become home owners. Therefore, to include any provision in it to assist renters would be directly contrary to the object of the legislation, which is to assist people who are now home owners to continue to be home owners and to assist people who want to become home owners become home owners. The bill is not designed to help renters and discourage them from becoming home owners. Therefore, amendments that are contrary to these positions are, of course, not reasonable in consideration of this particular piece of legislation.

There are 9.4 million households in total in Canada. Some 3.8 million of those households that are owner-occupied pay tax to the federal government and have mortgages or are subject to property tax, so they are going to be beneficiaries under this legislation. There are 1.1 million non-taxable home owners. They do not pay federal tax so they would not get a benefit unless it was made refundable. There are 4.5 million renters, students or households of that nature. There are 166,885 mobile homes, all of which will be assisted by this legislation.

The position, then, is that the only way we could give the home owners of Canada a benefit for the 1979 tax year is to take the action we have taken. We can only consider amendments that make it possible to meet that objective. The benefit for 1979 is $575 million. Next year, 1980, it will be $1.2 billion. That will be the stimulant. We have heard the welcome ring across the aisle to the cry of "stimulus, what about the stimulus?" This is the stimulus. You would think this bill would have passed the House long ago. This is the stimulus they keep crying about.

There was some silly question to the Prime Minister today asking about the $2 billion tax cut. This is a $2 billion tax cut. It is far more than that. It is $575 million this year, $1.2 billion next year, up to $2.9 billion in 1982. How inconsistent can the hon. gentlemen be? They have no consistency whatsoever.

Mr. Murphy: On a point of order, Mr. Speaker, the minister keeps referring to the "hon. gentlemen opposite". I would remind him that this House is a bit more modern than his bill.

Mr. Kempling: What a great contribution that was!

Mr. Crosbie: I know why the hon. gentleman is so conscious of the fact that we have hon. women and hon. gentlemen here. It is because they dominate the NDP in the caucus and in the House, and I congratulate them for that.

The reason the official opposition is never consistent is that their leader stated that it is more important to be right than it is to be consistent. If that is sauce for the goose, it is also sauce for the gander. It is more important to be right than to be consistent. In that statement the former prime minister was right. Of course, they are adopting his policy every day because the inconsistencies we have heard from them have been really remarkable.

If we want to discuss this clause, Mr. Chairman, it is strictly a technical amendment. All we are doing in this clause is this. The effect of this amendment and this clause is to ensure that the new credits do not in any way affect the calculation of the general federal tax deduction, the federal surtax on income not attributable to any province and a special Quebec abatement. That is really all that this amendment does.

If hon. gentlemen want to have the debate on second reading all over again, that is their privilege. We know that they can hamstring the House. We know they can still stop this bill going through by Christmas. We know they can stop it despite the fact the bill has been approved in principle by the House. But I hope they will take a more reasonable attitude. Any amendments that are good ones, that we can accept within the framework that I have mentioned, we are certainly prepared to consider.

Progress reported.

● (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Welland (Mr. Parent)—Employment—Proposed cessation of job-creation program; the hon. member for Churchill (Mr. Murphy)—Northern Affairs—Settlement of native land claims; the hon. member for Abitibi (Mr. Caouette)—Research and Development—Inquiry whether grants will be increased.

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

[Mr. Crosbie.]

PRIVATE MEMBERS' PUBLIC BILLS

[*Translation*]

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, could we discuss Bill C-225 and could other bills be allowed to stand by unanimous consent?

[*English*]

Mr. Deputy Speaker: Order. The hon. parliamentary secretary said C-225; I am sure he meant C-226. Might I be permitted, though, to advise the House that I am a little concerned about the way in which we are proceeding with the establishment of the order of work for private members' business.

I notice that in moving to Bill C-226 the House will be standing seven bills which are already printed and ready to proceed, and will also be standing 11 other bills which are not printed. I am informed that even members whose bills have not been printed have been requested to supply information on their bills to the legal counsel of the House. After a brief inquiry I find that some of these members still had the bills in their offices and did not know they had to submit them—they were waiting for someone to counsel them. I wonder whether the Privy Council office could not go to the trouble of appointing someone to telephone all members concerned and press them to supply information, even though the bill might not be ready to be printed. What is the use of having a draw at the beginning of a session to establish a priority list if we are going to proceed as we are at present?

Mr. Kilgour: Mr. Speaker, I am led to believe that with respect to every one of the bills published prior to this one an inquiry has been made and the member involved is not able, willing or whatever, to proceed today. You mentioned the ones that have not been printed. I will certainly take your advice and try to speed up the process, but it should be clear to all members that we have made every attempt to get each bill seriatim that is available for debate, and if there is any fault I do not think it can be attributed to any partisanship on the government side. But if you wish, Mr. Speaker, I will take what you say under advisement.

Mr. Herbert: On the same point of order, Mr. Speaker, the problem for many of us is that the bills not being printed, we do not have any record in our office of what the content is to be. Also, when we look at the order of business we can only assume at the moment, because we have no other information to go on, that, as you have said, some 20 items are being passed over. I wonder whether the parliamentary secretary when he reports back to the House on this matter could let us know which bills have not been printed. Maybe we could tidy up the order paper by getting rid of some items that members might not wish to proceed with at this time. We could then have at least some idea amongst ourselves as to what is likely to come up for debate.

Mr. Deputy Speaker: I want to assure the hon. member that I did not intend to reflect on him or on the people helping him in his job, but I wonder whether we do not need to put pressure on some members who do not go to the trouble of having their bills prepared. Perhaps we do not insist enough. I spoke to one member—he is in the House now—who had his bill ready on this desk; he said he was waiting for someone to call him. So I think we should pursue the matter. In any case, I am ready now to ask whether there is consent to stand all the bills that precede Bill C-226 and proceed with Bill C-226 in the name of the hon. member for Nickel Belt (Mr. Rodriguez). Is that agreed?

Some hon. Members: Agreed.

* * *

CANADA LABOUR CODE

AMENDMENT RESPECTING SAFETY OF EMPLOYEES IN FEDERAL UNDERTAKINGS

Mr. John Rodriguez (Nickel Belt) moved that Bill C-226, to amend the Canada Labour Code (Safety of Employees), be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, the private member's bill I am presenting today speaks to one of the most important issues presently facing Canadians and Canadian governments. We have often been led to believe that the most serious question facing labour today is that of collective bargaining and industrial disputes. With all due respect, that is not the most serious question. The most serious issue facing Canadian labour today and, in effect, facing governments at all levels, is the whole question of occupational health and safety in the work place. That is the most burning issue for Canadian labour today.

I am sure members opposite me and those beside me will admit there is a crisis in occupational health and safety. It seems to me that whenever we talk about labour in this country we hear a lot of scapegoating—the Tories are great at that, like the Liberals before them. They start trotting out figures about the number of days lost in strikes, they compare them with figures from Italy, West Germany, Britain, Uganda and every other country in the world. But we never hear much talk about the number of days lost due to accidents on the job or diseases incurred as a result of conditions in the work place, or indeed the whole question of a comparison between days lost and the economic impact on Canada when we consider that the number of days lost due to occupational health problems or accidents on the job was seven times more than days lost through industrial disputes. One can compute the loss in terms of dollars to the Canadian economy.

● (1710)

There is no doubt whatsoever that the previous Liberal government attempted to come to grips with giving the federal government some leadership on the whole question of occupational health and safety when it brought in an amendment to the Canada Labour Code, Bill C-8, which amended part IV of the Canada Labour Code. In spite of the fact that that was the first amendment to the Canada Labour Code in ten years, it is to the credit of the previous Liberal government that it gave workers the right to refuse work which is unsafe—but only if the danger is imminent, which is hardly adequate since we know that some cancers develop over as long a period as 20 years. That is hardly encouraging when, according to a recent American study, at least 20 per cent of all cancers in the United States are job-related.

The previous Liberal government gave workers the right to health and safety committees, but they were not made mandatory and, in particular, in those areas where there is no collective in the work place there are no health and safety committees. Indeed, the minister has not exercised his right to establish those health and safety committees in those particular situations. He has not exercised his authority to date.

I have here some facts which ought to be put on the record. The federal Department of Labour estimates that 1,071,484 Canadians were injured on the job in 1978. In Ontario alone nearly 1,500 workers died from job-related accidents and illnesses over the last five years. According to a study related to work accidents by Dr. Paul Rohan, a Montreal occupational health and safety specialist, a Canadian worker was disabled on the job every 16 seconds of every day over the past ten years. Another fact I think we should keep in mind is that the frequency of injuries is rising. Over the past ten years the number of employees disabled each year has increased by one-third, and 46 per cent of those who had accidents in 1978 were either temporarily or permanently disabled. Those are the human costs.

There are, of course, monetary costs. Compensation payments for work injuries in 1978 reached $967 million. Those were just compensation payments alone. Counting indirect costs such as production losses, hiring and training of new employees, higher employer insurance costs, overtime and hospital care, the total combined costs arising from work injuries, illnesses and fatalities could be as high as $4 billion a year. Last year, for example, in Ontario alone the workmen's compensation board paid $382,207,000 in compensation awards.

Aside from the fact that the improvements which were made through Bill C-8 to the Canada Labour Code were long overdue, there were some obvious ones which were not made to the Canada Labour Code. We tried to amend Bill C-8. The Liberals would not accept any amendments. Indeed, their concern about this problem is evidenced by the fact that there are only three of them sitting in the House this afternoon. Not one of the previous ministers of labour was prepared to accept changes to the Canada Labour Code which would have corrected the glaring inadequacy of part IV of the Canada Labour Code with which Bill C-226 comes to grips.

The change we wanted and which is in Bill C-226 which we are debating this afternoon is that the provisions of part IV of the Canada Labour Code be extended to those workers under federal jurisdiction who are not already covered under part IV.

Part IV makes a neat little exception in eliminating from coverage those who work on trains, boats and planes. When they are on the ground, they are covered by part IV of the code; but once they are on the job in the air, on the running boards of trains or on ships, God help them because there is no coverage whatsoever under part IV of the Canada Labour Code.

An hon. Member: How many people are we talking about?

Mr. Rodriguez: That is a good question from the Liberal benches. How many are we talking about? There are approximately 500,000 employees who are presently under federal jurisdiction and covered by the Canada Labour Code. Two hundred thousand of them are excluded from coverage under part IV of the code which deals with occupational health and safety.

An hon. Member: Louder.

Mr. Rodriguez: If the hon. member wants to make a speech, he can get up and make it, but he does not care. He is probably one of those who does not have a collective in his business. There are 200,000 people not covered under part IV of the code.

I want to give some specifics. Some railway workers are covered by this part of the Canada Labour Code but, as I said, once they step on to the running boards of trains they are not covered. They are covered under the Railway Act, and the Railway Act provides no occupational health and safety section. So, for example, those workers who were running that CPR train in Mississauga had no coverage whatsoever with respect to the rights which are in part IV of the Canada Labour Code regarding health and safety. They were not covered at all.

With regard to those people who work on our aeroplanes, once a plane is in the air, stewardesses, pilots, stewards and all the other airline attendants on the plane are not covered. The passengers on the plane are covered under the Aeronautics Act, but the Aeronautics Act refers only to the safety of the passengers. It does not relate to the safety of the workers on the plane. The next time hon. members get on a DC-9, they should take a look at the fold down seat which is located at the back of the plane and in the middle aisle. If a tail cone was to fly off, the workers occupying those places would be sucked right out the back. There is no coverage under the Aeronautics Act with respect to health and safety. The same thing goes for those who work on ships.

The unions representing workers in these areas have been after governments for over ten years, and they have always listened. There have been labour ministers galore. They have listened. No one can accuse them of not listening, but they do not act. The present minister is not listening. He is busy carrying on his own private little conversation. He is Mr. Nice Guy. He wants to be somebody. Well, he can be somebody if he will start acting to bring these workers under the aegis—

[Mr. Rodriguez.]

Mr. Alexander: Mr. Speaker, I rise on a point of order. I was paying attention to the hon. member with all I had, but all of a sudden I found that the Prime Minister (Mr. Clark) was sitting here, and there are certain priorities, so I was momentarily distracted, so to speak. Then I heard something about a nice guy, and I think the hon. member was referring to me. I do not want to take up his time. I know this is important and he has only 20 minutes, but if he would just repeat the part in which he was referring to me, I would be extremely grateful. I want him to know that I was paying strict attention. Would he just repeat that so I can get back on track?

Mr. Rodriguez: I am glad that the minister said he was talking. I was referring to the Minister of Labour (Mr. Alexander), and I am glad he was talking to the Prime Minister (Mr. Clark). At one point I thought the minister was in the outer cabinet and therefore had no influence at all. I am glad he has the ear of the Prime Minister. The hon. member for Hamilton East (Mr. Munro), a former minister of labour, said when he was minister of labour that this was a good idea, but he did not do anything about it.

Then the former member for Scarborough East took over from the hon. member for Hamilton East. He did not do anything either, even though he said it was a good idea. I am not surprised at that because there is a great bureaucratic battle within government. Now the Minister of Labour says he wants to be a somebody. He tells Mary Trueman of *The Globe and Mail* that he thinks his department should do more. This is an opportunity for him to do more. He can act, and I hope hon. members on the government side will not attempt to talk out this bill. The Prime Minister has said the government wants to give members of Parliament an opportunity to accomplish more than just sitting on back benches and thumping desks. If this bill was allowed to go through, it would go to committee.

• (1720)

Surely the Minister of Labour recognizes the seriousness of this problem. This is no time to be having little arguments with the Minister of Transport (Mr. Mazankowski) as to whether workers should come under the Aeronautics Act or the Canada Labour Code. There is only one overriding matter of importance, and that is the health and safety of those who work in this country. The new Minister of Labour can give some leadership. He can, in effect, be somebody without having to go to Speedy Muffler. He can be somebody if he would allow the bill to go to committee. All he has to do is to call off his seals over there, tell them not to talk the bill out, and let the bill go through this afternoon so that we can deal with it in committee.

Some hon. Members: Oh, oh!

Mr. Rodriguez: Some hon. members over there are performing like seals. They probably do not recognize the importance of this bill. Perhaps I should not insult the seals. Instead of the Minister of Labour talking about a public interest disputes commission, here is a wonderful opportunity for him to put

himself four square in terms of leadership with respect to labour matters in this country.

When I asked him in committee the other day what is happening to the establishment of such a coverage for these workers under the Canada Labour Code, he said he was studying the problem. The matter has been studied to death, Mr. Speaker. There is no more time for study. Now is the time for clear-cut action on the part of the government. We are talking about 200,000 workers who must be covered under the federal labour code, part IV. I think this bill will do the trick since it is designed to extend the coverage in part IV of the labour code to those who are not at present covered but are accepted under the labour code.

Since I do not want to filibuster my own bill, I will conclude with an appeal to the government members. I say to them that instead of rising here to say that they agree with the bill and that it is a wonderful idea, which is a technique of talking it out, I urge them to let the bill go to committee. Let what the Prime Minister talked about with regard to the reform of Parliament be put into practice and let Parliament decide if the bureaucrats are going to be the ones to call the shots in Canada on this very important issue or members of Parliament.

Mr. Bill Wightman (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the bill put forward by the hon. member for Nickel Belt (Mr. Rodriguez) is of particular interest to me and he is to be commended for it because, inadvertently or not, it raises, among other things, an issue which is very close to the heart of this government. The issue I refer to is regulatory reform.

One effect of this bill would be to simplify and rationalize many of the regulations pursuant to occupational safety which are now to be found in a variety of pieces of legislation covering public employees, employees in both the public and private sectors in the Yukon and Northwest Territories, as well as all the people who are now covered by part IV of the Canada Labour Code. Bill C-226, as I said, would be a device whereby that legislation could be simplified, and to that extent it is consistent with the preoccupation of this government to clear away a good deal of the underbrush and to look very hard at the proliferation of regulations which are now in place.

During the course of this summer I had cause to have delivered to my office copies of the consolidated code of Canada, all 18 volumes. A law student ten or 12 years ago would not even be concerned about the consolidated regulations; they would have been encompassed in one small volume. But today they amount to some 18 volumes, and that is only regulations which have been codified; it does not speak to the plethora of regulations that come about as the result of quasi-judicial bodies of all sorts. So we should all be grateful that the hon. member for Nickel Belt has raised the issue in this fashion.

What is relevant on this matter of over-regulation is the cost to society of keeping these regulations in place. Bill C-226 could be one of the ways of moving toward less regulation, both as the regulations exist now or as they might come into place in the future.

Another approach to regulatory reform can be seen in the work that has been going on between the provincial and federal governments in terms of attempting to reduce the overlap of administration. Our government, and in particular, our Prime Minister (Mr. Clark), has been profoundly interested in this exercise and in support of it. We acknowledge the efforts of the previous administration to develop a socioeconomic impact analysis as a means of testing the efficacy of the particular new major health, safety and fairness regulations. We have supported that and we have added to the administrative guidelines to ensure that that type of program will become operative. I suggest that it is a pioneering step in the regulatory process, the importance of which we as a government hope will be fully recognized by Canadians.

As you know, sir, the notion is that each proposal for new social legislation, if its estimated cost is in the order of $10 million or more, must now be subjected to a formal cost-benefit analysis. The result of that is to be published in the *Canada Gazette* for the purpose of receiving comments 60 days before the regulation is to take effect. Anyone who could be potentially affected by those regulations is invited to comment to the sponsoring department. As I said, we feel that that is a pioneering step and I am grateful that the hon. member for Nickel Belt has today brought this to the attention of the House.

The hon. member has given an indication as to who would be affected by this proposal, and I think that perhaps for purposes of completeness of the debate we should take a look at precisely who would be affected. In the federal jurisdiction there are nine principal federal departments or agencies administering 16 separate acts which are concerned in varying degrees with occupational safety and health. They include the Department of Labour, the Department of National Health and Welfare, the Department of Agriculture, the Department of the Environment, the Department of Indian Affairs and Northern Development and the Department of Consumer and Corporate Affairs. As I have said earlier, were we to proceed with the bill at hand, a good deal of these numbers would be reduced.

However, I am sure the hon. member did not intend to lead people to believe that people working on trains, ships and aircraft are totally unprotected, which of course is not the case. His words, I believe, were, "God help them when they step on the running boards of the trains".

Mr. Rodriguez: Where is the health and safety part?

Mr. Wightman: I am sure the hon. member would not want anyone to be misled into thinking that there are no safety regulations, as well as the protection of a complete body of case law and arbitration cases to protect these people.

● (1730)

Mr. Rodriguez: On a point of order, Mr. Speaker, I know the hon. member for Scarborough West (Mr. Wightman) does

not want to leave the wrong impression with the House as to what I said. I said, God help them when they step on the running board of the trains because they are not covered under any health and safety section of the particular acts under which they are covered. I think that point is very clear. They have no right to refuse work, they have no right to information, and they have no right to have health and safety committees on the job under those particular acts. I hope he does not leave the wrong impression with the House in that regard.

Mr. Wightman: Mr. Speaker, as I was pointing out, we have a whole body of arbitration case law, and at no time am I aware of a decision going against an employee who had a genuine apprehension of bodily harm or of injury and having refused to perform or carry out an assignment. Indeed, it goes beyond that, beyond an apprehension of injury to himself or to other workers or, indeed, if he was requested to do something that would be self-denigrating in any way. I know of no decision that has not gone with the employee.

Even in the absence of the protection that is offered by the various pieces of legislation covering these other employees who are not now embraced by part IV of the Canada Labour Code, I know of no such decision.

It might be useful for the purposes of this discussion to adumbrate the departments or agencies and the legislation which obtains in respect of employees of those departments and agencies. The Ministry of Transport employees come under the Aeronautics Act as well as the Canada Shipping Act. The Canadian Transport Commission comes under the Railway Act. The Atomic Energy Control Board comes under the Atomic Energy Control Act. Energy, Mines and Resources and Indian and Northern Affairs come under the Oil and Gas Production and Conservation Act, and the National Energy Board comes under the National Energy Board Act. The Department of Labour, of course, comes under the Canada Labour Code.

There are a few points in respect of Bill C-226 that I would suggest should be considered here before any consideration be given to moving the bill onward to the committee. We should consider, for instance, the question of territorial exclusion. Since the bill would remove territorial exclusion, it seems to me we have to look at that rather seriously, because that exclusion which is provided for in subsection 81 of the Canada Labour Code would need to be retained if the member's bill were to go forward. To take that right to regulate works and undertakings or businesses of a local or private nature away from the governments of the Yukon Territory and of the Northwest Territories, would certainly be an unwarranted and regressive action in the development of territorial government. Perhaps Bill C-226 could be refined to that extent.

In respect of public service employees, it seems to me, with the Treasury Board acting as employer, the government in an August, 1968, directive affirmed a policy of applying the principles of the Canada Labour Safety Code and the regulations and standards adopted thereunder to the public service. The portion of the proposal that would make departmental corporations subject to the Canada Labour Code has merit, but a case has not been fully developed at this time to suggest that employees in the federal public service do not have protection equivalent to that of workers covered by the Canada Labour Code, part IV.

Finally, sir, let me say a word regarding international treaties and obligations. Canada is respectful of its international treaties and obligations, if some countries are not, and we do have international laws and agreements relating to the operation of ships and aircraft. They, as well as the overriding concern for passenger safety, can take precedence over the safety of employee provisions in part IV of the Canada Labour Code. Bill C-226 would remove the order in council provision of section 80(2) which is required to prevent any conflict between our international treaty obligations and our own laws. I would not think the bill should go forward without that imperfection having been cured.

Mr. Rodriguez: Do it in committee.

Mr. Wightman: The hon. member suggests we do it in committee. I do not know why it could not come into the House in a rather more perfected fashion before going on to the committee.

Mr. Rodriguez: This is a debate on the principle.

Mr. Wightman: I think we must, on all sides of this House, and the hon. member has suggested this, agree on the importance of the issue he has attempted to address, that of lost time due to occupational health problems and accidents. We are conscious of this, not simply as to the economic implications but, most particularly, as to the human implications and the human suffering that are implied.

At the same time I think it is the hon. member who attempts to relate occupational safety and health problems with industrial disputes. The two are almost mutually exclusive; at least they are not comparable in terms of an indication as to the state of labour-management relations in Canada or the health of labour-management relations.

There are real distinctions between a work stoppage where everybody goes out on the same day or at the same time, and the type of lost time that is implied in accident or health problems. They do not normally all occur on the same day. In that sense those two reasons for lost time really do not bear comparison.

Finally, Mr. Speaker, I think we should be mindful of this reality. There are jobs performed by people which implicitly are dangerous. A policeman's job is dangerous, and a fireman's job is dangerous. The nature of that work is such that the public interest must and does come first. Of course those good people would have it no other way.

We have before us a proposal which I think draws this fact very much to our attention. Consider, sir, the responsibilities of flight crews and flight attendants vis-à-vis the passengers. Whether because of a malfunction of the aircraft, or because of some terrorist taking over the aircraft, the responsibility of those attendants and pilots, and their first concern, must be for

passenger safety, even though it is at the expense of those workers themselves.

I think of the recent disaster at Mississauga. Although the precise causes of the mishap are not known as yet, envisage a situation where a locomotive engineer sees an imminent problem and is capable of doing something about it, but in staying with the train he places himself in some jeopardy. I do not think we can have legislation which would suggest that, if it comes to a choice between his own safety and the safety of perhaps thousands of other passengers on that train, his responsibility is unclear.

• (1740)

One could easily conjure up any number of situations and occupations wherein the public interest and safety are of paramount concern. We should be grateful to the hon. member for introducing this bill in this way because, as I said, it does raise this important issue and exemplifies the problems there are in trying to solve all problems through legislation.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I rise for the first time in my parliamentary career.

Some hon. Members: Hear, hear!

Mr. Hawkes: As is the tradition of the House, I would like to pay tribute to the people of my riding who have shown their confidence in me by sending me here. I welcome many of them to what is in fact a growing city. It has many occupational health problems which are in part related to finding accommodation, simply because it is growing so quickly. I would hope that in celebration of our six-month anniversary, which was mentioned in question period today, that we will remain the government long enough to help other parts of this country to establish their economic health and security so that we do not have quite so many people moving so quickly into our part of the nation. I would like to see more jobs come available in other parts of the country so that people could remain close to their families and their traditions.

I rise on this bill because I am bothered by the way in which it is written. It exemplifies a conversation I had some weeks ago with the hon. member for Nickel Belt (Mr. Rodriguez). It has to do with the kinds of principles which the hon. member invites other members to address themselves to in dealing with the bill. I would suggest that if the hon. member finds my arguments persuasive, he might consider withdrawing the bill and redrafting it in a form that might include things about which we are motivated.

Mr. Rodriguez: You can do that in committee.

Mr. Hawkes: I am not so sure that in committee there is always good discussion or that they include the kinds of facts which will provide us with decent legislation. I think that in some instances in committee we are exposed to nothing but rhetoric. It is a waste of time for the members of the House, and a detriment to the people of Canada.

I do not agree with the bill presented by the hon. member for Nickel Belt in part because of the first word, "notwithstanding". It goes on to read, "notwithstanding any other act or regulation, this part applies—". In other words, the hon. member for Nickel Belt, in the area of occupational safety for employees, would like us to throw out all those years in terms of tradition and development and in terms of other bills and regulations. Without examination we are being invited to buy a piece of legislation which supersedes any other acts passed by this House. For instance, I wonder whether there are provisions suggested in the amendment by the hon. member which might affect us in the House of Commons. Is there a House of Commons Act and does it take precedence over statements in this bill?

I wonder whether we have a shelter and safety committee in the House of Commons which might protect us from some of the gases that arise from the opposite side from time to time? It might be in the best interest of our mental health. As I read over this bill, I was reminded of the fact that I come from a faculty position in the school of social welfare and a career which is devoted to the care of other people.

Mrs. Mitchell: You're kidding?

Mr. Hawkes: I am not kidding. I teach, in a faculty of social welfare, social workers who are concerned with the mental health of others such as senior citizens.

Mrs. Mitchell: Some social worker!

Mr. Hawkes: Yes, some social worker. I hope that I represent what will become somewhat of a more modern tradition in social work, that we start with motivation and a desire to be helpful to others, move to an information base which gives the facts on the situation, and then to public policy which may in fact correct the situation. I have been sitting here for some weeks becoming increasingly bothered by the absence of information which flows from the other side of the House, under the guise of sincere motivation. I would like to bring to the attention of the House the fact that members opposite have goals which are not dissimilar from my own.

The members opposite have brought up the issue of Petro-Can on more than one occasion. I support what I think I see as the goals of the opposite side, that we have a Canadian oil company that is a leader in increasing our security of supply and that we in fact use the profits from products which are sold to pay for that company. The translation of those goals by those opposite is in the form of a corporation called Petro-Canada. It should be put on the record that Petro-Canada has not contributed to the supply of oil in this country. In fact the annual report of 1978 suggests that PetroCan had less oil at the end of that year than it had at the beginning of the year.

The task force report tells us that this corporation, in the face of profits from other oil companies, lost $7.6 million in profits. I think that in the interest of public debate on policy issues we would be better served if we begin from a basis of fact and move together in the face of those situations which

concern all Canadians toward resolutions that will make Canada a better nation.

Mr. Rodriguez: Workers get hurt.

Mr. Hawkes: Yes, workers get hurt. The hon. member for Scarborough West (Mr. Wightman) dealt with some of the exclusions which the hon. member for Nickel Belt wishes to include in this bill. He talked specifically about ships, trains and airplanes. If we were to adopt the amendment proposed by the hon. member for Nickel Belt, employees in those three industries would be subjected to the provisions of the Canada Labour Code, part IV. I wonder if the hon. member would like to be present in an airplane in an emergency situation when an employee rejected an order given to him or her by the captain. Would the hon. member for Nickel Belt like to be on a ship where an employee in a moment of crisis could reject an order given to him or her by the captain of the ship?

Mr. Rodriguez: Are you asking me the question?

Mr. Hawkes: I would not mind giving the hon. member a chance to answer that question.

Mr. Knowles: Watch out; you will lose your place.

Mr. Hawkes: Yes, I will lose my place. I believe that that is the issue which the hon. member for Scarborough West wanted to bring to our attention. If there are situations in this world where the health and safety of the public or of other employees are dependent upon a set of circumstances, then the guidelines should be specific and detailed to that situation. I believe that the three industries which are excluded from the present Canada Labour Code are important examples. We cannot have confusion on a ship, an airplane, or a train, in a time of emergency. It is important that employees—

Mr. Rodriguez: Mr. Speaker, I have a point of order. The hon. member should not leave the impression with this House that I have suggested that those who work on airplanes should not, in the course of their duty and in the event of a plane crash, be obligated to assist passengers. What we are talking about are those problems which are structural with respect to the job, which are correctible, and not part and parcel of what is expected of them in their duties as flight attendants, pilots, or sailors on a ship. I think there is a complete distinction here, and I think the hon. member is deliberately trying to give the wrong impression to this House.

● (1750)

Mr. Hawkes: Mr. Speaker, I would hope that at some appropriate time the hon. member opposite would withdraw the word "deliberate". I am not sure that it fits into the traditions of this House.

I think the hon. member confirms the major thesis that I was attempting to develop. He has an objective; he wants to protect the health of all employees on airplanes, on ships, and on railroads. He has to ask himself, however, whether the amendment he proposes in this bill accomplishes that end. That is the relationship between motivation and fact.

I would ask the hon. member if there is not a way of addressing this problem that would be more specific to the problem and more appropriate to the problem, without confusing the universe. I suggest that the exclusions presently contained in the Canada Labour Code are there for specific reasons. The specific reasons in these three areas of human endeavour are the peculiarities of them. If hon. members on that side of the House really care about the health and safety of employees in those three industries, why do they not come forward with a private member's bill or an amendment in committee that would protect the health and safety of both members of the general public and employees at the same time? Instead, they try to bicycle through the kind of provision which does not allow for the attention to detail which should be relevant to a specific industry.

I do not want to go on at length, Mr. Speaker, but I should like to make one last point. I believe it was the deliberate intent of previous legislators to exclude people in the Northwest Territories and the Yukon. What the hon. member proposes is another example of what we have seen too often in this country—the continuation of a kind of paternalism.

I believe that people who work in the Northwest Territories and the Yukon have the right and the obligation to set forth labour codes and labour standards that cover their experience in the north which, too frequently, is not the same as that in the south. The north has 24-hour days and 24-hour nights. The legislation should be specific to their circumstances. Any attempt to bicycle this through on top of existing legislation should be defeated by the House.

Some hon. Members: Hear, hear!

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, I could not let this go by without offering a few words. The Minister of Labour (Mr. Alexander) asked me to say some nice things about the hon. member for Nickel Belt (Mr. Rodriguez) because he is a little upset today. I am going to say some nice things about him. It is a pleasant task to participate in a debate initiated by the hon. member. The pleasure manifestly increases when the debate takes on the serious aspect that this one has. Over the years there has not been much dispute concerning the hon. member's character, the nature and quality of his contribution in this House, and his place in the world of socialism. His contribution to Parliament is very well known, of course. I think it is indisputable, however, that the hon. member is the self-proclaimed mouthpiece of the working man, and rightly so. He has done tremendous work in this House and in committee for the little man.

I do not have a lot of time, Mr. Speaker, but I have a poem which personifies the hon. member. It is as follows:

It matters not what work we do
What post in life we are asked to fill,
We can be honest men and true
Though lacking genius or skill.
The worker digging in the street

Scarce noticed by the passer-by
May be too great to play the cheat
Too big of soul to tell a lie.

Mr. Rodriguez: On a point of order, Mr. Speaker, there is an extremely serious bill being debated by the House. The Minister of Labour (Mr. Alexander) has moved around the government benches, coaxing unwilling members to filibuster the bill. Now we have the hon. member for Hamilton Mountain (Mr. Beattie) going on at great length to talk the bill out. This bill would have an effect on thousands and thousands of workers in this country, so I think this is despicable behaviour.

Mr. Beattie: Mr. Speaker, I really do not want to speak on the point of order raised by the hon. member, because it would take up the three or four minutes that are left, and I know that would upset him.

Certainly, as legislators we must always be concerned with how changes in legislation or, indeed, new legislation will affect the safety of those who have to carry out the policy. Therefore, there is much merit in a proposal like Bill C-226. The concern for the safety of employees is important and should never be neglected. The hon. member is well aware of that, and points it out at every opportunity. However, I feel that this amendment to the Canada Labour Code will create some legal problems or situations and, while it tries to solve others, on balance it will do little to clear up the whole situation.

As I said, the safety of employees working in the federal government, or indeed in the private sector, should not be taken lightly. I am surprised that the hon. member for Nickel Belt did not mention that the Canadian Centre for Occupational Health and Safety is to be located in the great thriving metropolis of Hamilton. This centre can, and will, do much to look into problems of occupational safety and, in the long run, I am sure will do much to make the work place safer.

It is through activities co-ordinated at the national level that solutions will be found to problems which the hon. member for Nickel Belt obviously knows exist, and which are a potential danger to those workers not included in the provisions of the Canada Labour Code.

The workers excluded from part IV of the Canada Labour Code are protected by other federal statutes, as the hon. member knows. The question is not whether workers should be protected by federal statutes but, rather, by which statutes. I take this opportunity to speak on the matter with a real sense of commitment and concern, Mr. Speaker, the same commitment and concern with which I judge the hon. member and Bill C-226. The present situation is that these workers are protected by the Treasury Board. This protection is similar to the provisions of part IV of the Canada Labour Code and its regulations.

The Acting Speaker (Mr. McCain): Order, please. The hour provided for the consideration of private members' business having expired, I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

AMENDMENT TO PROVIDE TAX CREDIT IN RESPECT OF MORTGAGE INTEREST AND PROPERTY TAX

The House resumed consideration in committee of Bill C-20—Mr. Crosbie—Mr. Scott (Victoria-Haliburton) in the chair.

On clause 1—

Mr. Rae: Mr. Chairman, I could not let the minister's remark before five o'clock go without passing. He gave another one of his remarkable performances in which he said that while the government could afford the mortgage interest and property tax credit, it could not afford to make the credit universal to make it apply to tenants. Also it could not be made refundable and it could not be applied to people who did not have a taxable income.

The Minister of Finance is somewhat like a Santa Claus who sits in a department store and has four chocolates in his hand. The first kid who jumps up in his lap is a well dressed middle-class kid, and being well dressed and middle-class he is the first one in line and the first one to jump on Santa's lap. Santa asks him, "What do you want for Christmas?" The kid answers that he wants four pieces of chocolate. Santa replies "There you go, there are the four pieces of chocolate. I have given you what you wanted". But if it is a pensioner who comes limping up to Santa, and who is asked what he wants for Christmas, and the pensioner replies that he would like some chocolate too, Santa says, "I am sorry I cannot give you any chocolate, I have given it all away." That is exactly what this phony argument from the Minister of Finance amounts to. The Minister of Finance knows perfectly well—

An hon. Member: You should have read the *Journal* today.

Mr. Rae: —that if it were a question of affordability it would be perfectly possible to reduce the amount of mortgage tax credit and thereby make it universal, and it would be perfectly possible to make it refundable and at the same time make it affordable for the government if that were the only criterion, and the Minister of Finance knows that it is not. What we have been presented with is not a measure, it is a striptease.

Mr. Kempling: A striptease? From Santa Claus to a striptease?

Mr. Rae: The government's chief whip cannot understand how one can move from a Santa Claus to a striptease in two paragraphs.

An hon. Member: Only you can do it.

Mr. Rae: He is only demonstrating his lack of imagination, and demonstrating why he is on that side of the House and why he is not on this side of the House.

What the Minister of Finance has given us is a striptease whereby we are given one part of the government's program and told nothing of what is coming next week. How do we know what it can afford and what it cannot afford? It has not told us what it is cutting out and what else it is bringing in. We have not been told about tax expenditures. We do not know anything about the revenue side. We do not know anything about the expenditure side.

All we know about is the unbelievable hypocrisy of the Minister of Finance who comes here to say that he can afford to give something to the middle-class home owner but cannot afford to give anything to the pensioners of this country who would benefit from the refundable tax credit. That is the kind of selective morality of this government, the kind of selective affordability which applies to those people who can push the hardest and elbow their way to the front of the line. It does not apply to those people who cannot elbow their way forward, who are stuck at the back of the line and who are waiting for largesse from Santa Claus with his four chocolates who gave them to the first person who asked for them. It is an amazing performance on the part of the government.

Mr. Lefebvre: Same old game.

Mr. Rae: It is an extremely good example of this government's social philosophy that when it has something to give away, and it is only a limited amount, it makes very sure it goes to those people who need it the least and not to those people who need it the most.

An hon. Member: Fat cats.

Mr. Rae: There have been many statements made today by the hon. member for Winnipeg-Fort Garry about the number of proposals that might or might not be made by the Liberal party. The minister knows perfectly well what amendments we are putting forward on this side of the House—

An hon. Member: Twenty-five per cent on the nose.

Mr. Rae: —because we have presented him with the amendments that we are putting forward.

• (2010)

For the benefit of those Liberals who are not so tied up with discussing their next leader that they might want to listen to the debate going on here this evening, I will let them know that our proposals include a property tax credit which would be extended to include tenants. In other words, it would be made universal. There is a principle whereby we would have a refundable tax credit. There is a proposition that the tax credit which is given should be made progressive rather than static. In other words, it would get larger with the smaller incomes so that those most in need would get the most. Finally, we have certain positions with regard to the need of a sunset clause for this tax expenditure as with others.

We have had an amazing performance over the past week. It started with an extraordinary effort by the President of the Privy Council who was at his most lugubrious. We on this side call him Wizard of Ooze. He was attempting to establish at one and the same time that his government was the most reasonable and the most prepared to go along with whatever proposals came from this side of the House. At the same time he said that this did not mean they were going to accept any amendments that come from the NDP or Liberal party. No doubt there are some other fictitious amendments which he is prepared to accept. However, when confronted with the reality of substantive amendments which would make these proposals fair, he is not prepared to play ball.

Then we had the extraordinary admission on the part of the President of the Privy Council that it really did not matter what the opposition did because the forms had already been mailed out. Was it not in the genius of the government to call that measure in June if this measure was so important to them, and if they were aware of the need for printing forms? They could have called Parliament in June and let it meet during that month to discuss certain economic measures which they wanted in the budget, and which needed to have serious discussion. Parliament could have been allowed to adjourn later in June in order that the forms be printed as amended. Instead, we have a government which at one and the same time pretends to be interested in the reform of parliament.

However, there is a hidden agenda of this government. It is not the agenda of Parliament but the agenda of the government printers. This is the party that is fighting the bureaucracy. This is the party of the little man which went throughout Canada and said the Liberal party would be wiped out, that suddenly there would be a renaissance of free enterprise.

Some hon. Members: Oh, oh!

Mr. Rae: I know the members cannot stand to hear the truth. That is the party that went to the Canadian people and said there would suddenly be a renaissance of the little man and a reflowering of Parliament. What are we left with? The weed presented to us by the President of the Privy Council! What was supposed to be the flower has turned out to be nothing but a weed. We have been reduced to the status of a rubber stamp because of the agenda of the government print shop.

An hon. Member: Are you capable of much better?

Mr. Rae: If you give me long enough I will come up with something much better. It is important that the government realize that they have revealed themselves to be what they have always been, a government as bureaucratic, authoritarian, and as arrogant as the party which preceded it in power.

Some hon. Members: Hear, hear!

Mr. Rae: There is no change. We did not need an election on May 22 to get the kind of lugubrious performance we had from the President of the Privy Council last week. We did not need an election to have that kind of intellectual thuggery presented to us by the Minister of Finance before five o'clock this afternoon, a statement reminiscent of the worst kind of authoritarianism.

The minister said they would decide what is and what is not reasonable. That is the position of the government. They will make it up. They will decide the agenda, together with the government printers. They will decide what Parliament will decide and when they will decide it.

The public should know that we as a party came here prepared to discuss amendments. We came here rejecting the philosophy of the government, the selective morality of the government, the selective generosity of the government which says to the whole of the Canadian public, "I'm sorry, the cupboard is empty." However, when they went home, they said to the middle-class owners, "Stay behind, there is really something here for you." They showed them a secret cupboard and said, "This is for you. We do not have anything for anybody else, but we have something for our special friends."

Mr. Blenkarn: The home owner is a special friend.

Mr. Rae: The hon. member for Mississauga South says the home owner is a special friend. I would like him to tell that to tenants and those who have paid off their mortgages. Now we know why it is 28 per cent, and why it will be 20 per cent next month. We have the explanation. Those people are so wrapped up in their private ideologies that they are unable to recognize the viscerally unfair way in which this scheme is proceeding. It is viscerally unfair to the Canadian taxpayer.

Mr. Fulton: It is the Tories in pursuit of the zero vote.

Mr. Rae: We used to say the Tories had a capacity for self-destruction. If you look at the history of Canada throughout the past 15 years, you will see that is true. We thought there was a possibility with someone who was supposed to be as politically shrewd as the Prime Minister and as politically shrewd as the Minister of Finance that this self-destructive urge would be overcome. However, we have seen it resurrected again in the priorities they have chosen in this Parliament and the selective generosity they have chosen for this Parliament, as well as the people they have chosen to single out for tax benefits. We see a party which is once again determined to go down to defeat, a government pursuing a private ideology at the expense of the real health of the Canadian economy and a real fairness to Canadian taxpayers.

I want to say to the government that I am amazed at the hypocrisy the President of the Privy Council and the Minister of Finance have demonstrated over the past week. I am amazed at the contradictions and the shallow weakness of the Prime Minister when he said to this House that they are considering a shelter allowance. When we asked if they were considering one now, the answer was no. The Minister of Finance says this is a housing measure. It is not a housing measure, but a tax measure. This is an amendment to the Income Tax Act.

• (2020)

The first example of the government's generosity is to give a benefit to one group of taxpayers while telling the rest of the taxpayers, "There is no room in the inn for you." There is room in the inn for home owners but none for pensioners or for single parent families living in apartments and paying more than 30 per cent of their income on rent. That is the Christmas message which is coming from the Minister of Finance and I think it spells the doom of this government because, while riding what they thought was a wave of possessive individualism which would take them to power, they are flying in the face of all that is most decent and generous in all Canadian taxpayers, that is, they do not want something for themselves which does not apply to somebody else. That has long been a principle of our party and of social democracy and I was delighted to be able to vote to express it—that which we wish for ourselves we also wish for others. It is in that sentiment we present amendments which are concrete, which are specific, which are positive, which are affordable, and which are perfectly reasonable, to the Minister of Finance.

[*Translation*]

Mr.Gauthier (Roberval): Mr. Chairman, I do not want to take up too much of the time of the House and I will say only a few words to give my views, especially after having heard the decision of the minister this afternoon. I was wondering what the minister found so urgent, as if he was afraid not to be ready for Christmas. Mr. Chairman, the consideration of the bill this evening has taken me quite by surprise on two counts. First, I am surprised to see that after second reading the bill is referred to the Committee of the Whole when we were ready and even pleased, to draft some amendments and refer the bill to the standing committee for a thorough discussion to see what is really the substance of that bill, because we do not know much about it. It has only two clauses.

An hon. Member: You voted for the bill.

Mr. Gauthier (Roberval): We voted to refer it to the standing committee of the House for consideration. However, I was greatly surprised when I learned we were going to deal with it this evening in Committee of the Whole. Now, Mr. Chairman, the Liberals seem to be in a hurry yet I think they would have never introduced such a bill.

Some hon. Members: Never.

Mr. Gauthier (Roberval): They would have been afraid to lose 50 per cent of the vote in Quebec.

An hon. Member: We are too intelligent to do that.

An hon. Member: We are too fair.

Mr. Gauthier (Roberval): Besides referring the bill to the Committee of the Whole, the minister explained this afternoon why he was compelled to proceed so quickly. He told us that the bill had to be passed because the forms were being printed. He explained it this afternoon. He told us frankly in fine language that it was useless to introduce amendments because they would be delayed till next month or next year. In other words, Mr. Chairman, any amendment will be postponed—

An hon. Member: For a year.

Mr. Gauthier (Roberval): —possibly for a few months, but more probably for a year, in order to deal with the problem of construction of single family houses. That may be a good remedy for the future. However, for 1979 it will merely be a band-aid pending the final surgery, and for us this final surgery is the necessary reform for which we have been asking for years under various governments.

An hon. Member: Why did you vote for it?

Mr. Gauthier (Roberval): We have been asking this for years from various governments and especially from the Liberals in the 17 years they have been in power. We have asked for the measure that was partially introduced today, that is, to give the same benefits to single family home owners as to owners of multiple rental units. The Liberals have always benefited big housebuilders by giving them every possible exemption, but never did they do anything for the small home owner. In the 17 years I have been in this House, this is the first time anyone has dared—I repeat, they dare—because as I said a moment ago this bill is far from satisfying, it is only an open door, but it is the first time in 20 years that anyone has dared open this door. If the minister really wants to encourage the construction of single family dwellings, he must allow small owners to deduct from their income tax 66 per cent not only of their mortgage interest but also of the interest on bank loans. Some will say that they have no mortgages. I am speaking of bank and private loans for the construction, renovation and maintenance of family dwellings. Today the minister has proposed—

An hon. Member: Why did you vote for it?

Mr. Gauthier (Roberval): There is a big bearded guy on the other side who says: "Why did you vote for it." Precisely to give you the opportunity to study it tonight, at least to speak on it again. Your government never gave you the opportunity to speak on this topic because it never introduced such a measure.

An hon. Member: Right on, Lévesque!

Mr. Gauthier (Roberval): Today the minister proposes Bill C-20—

An hon. Member: Go, René, go!

Mr. Gauthier (Roberval): —relating to tax on mortgage interest and property tax. It applies only to 1979 since this was one of the present government's electoral promises. It is a start, a small start, as I said during debate on second reading. Of course, it is better than nothing. We have never had anything. It is better than nothing since we have been asking for such a reform for the past 20 years, and never has a previous government dared to do anything. All previous governments preferred to favour big business, those who helped them get elected—

An hon. Member: René Lévesque makes you say that.

Mr. Gauthier (Roberval): I can speak for myself. I have been speaking for myself for 17 years in the House and I can continue to do so. I am not a newcomer. Those who had—

• (2030)

Mr. Olivier: Mr. Chairman, I must regretfully interrupt the hon. member to suggest that he should normally, justly and reasonably address the Chair and avoid trying to impute motives to hon. members on this side. I am aware that the hon. member can hardly make himself heard, but he would perhaps be well advised to turn to the government side to ask hon. members there not to make so much noise.

Mr. Gauthier (Roberval): Mr. Chairman, never have I heard such a ridiculous intervention. When the hon. member says that I am trying to influence the others, it is the others, his chums who are shouting at me. It is because they are being hurt. During an operation, a cut with a knife always hurts. I sympathize with them, but this is a necessary operation. Have patience, the operation will not last very long, but you must submit to it once and for all. We had to take it when you were in power, so now taste some of your own medicine.

An hon. Member: We will do better next time.

Mr. Gauthier (Roberval): You cannot say anything about that tonight any more than we can; it is up to the people. You need not worry, the people will take care of it. Just wait. As for me, I am not worried about my people. In my riding, I have campaigned so often that I do not even make speeches any more. They just send me here; I tell them to go and vote, and they do. The Liberals spend anywhere from $40,000 to $50,000 in my riding and the next day they get trounced again.

The Liberals! Did they ever do anything for family heads, to allow them deductions for their property? Never, Mr. Chairman. May I repeat a bit of what I said the other day speaking of single unit dwellings. Some fathers have had to build their homes with borrowed money, money borrowed from large financial institutions, and had to pay four times their value to own their own homes after 30 years. That was what happened under the Liberals. That was the help, the protection the Liberals gave us. Tonight, I feel they should be ashamed of themselves; they should not speak at all and leave us alone. At least, we have our chance now.

This afternoon, when I saw myself in Committee of the Whole, I was quite anxious to hear the minister explain himself. I heard his statement. I had expected him at least to hear our deliberations. At least I would like to have the right

to move amendments. But now we will probably vote on those two clauses tonight and the rest will be postponed. So after hearing the minister I realized that we would get nothing more in 1979. This bill is a promise for the future; that is why I ask the minister, when he has given justice to the small borrowing owners, to think immediately, in future studies and before drafting another bill, to think of those who do not have mortgages, who build their homes with borrowed money, and grant them tax deductions for the interest they pay, or on the money they borrow to keep up their homes and to pay their taxes; to grant them full deduction of their school taxes, and that not only to home owners but also to tenants. That is the way, Mr. Chairman, the minister will really help tenants, and the old, by granting them a tax credit on their property taxes.

I want to say to the minister that in 1980 we would be happy if he would move—

An hon. Member: That does not mean anything.

Mr. Gauthier (Roberval): You are always saying nothing, that does not mean anything. And you are right for once there.

We would be happy if he would move in the direction that we of the Social Credit Party of Canada have been pursuing for so many years.

Before the adjournment at six o'clock he gave us a lot of hope for the months and years to come, God willing, and provided the Liberals do not bring him down as early as next week. But he should remember that people do not feed only on promises, people want action. They have not seen any action for 17 years in housing and this year and next they are going to be following closely and they are going to be demanding. That is why we are encouraging the minister to go ahead.

An hon. Member: You are looking for a job.

Mr. Gauthier (Roberval): Somebody says again that I am looking for a job. I have had jobs for a long time and rest assured that I am not here because I need them to live. Simmer down. I do not need that. I am here for my pleasure, to make the Liberals suffer because they have been wanting the riding of Roberval for 17 years, and I have taken it away from them for 17 years.

Mr. Chairman, once again I urge the minister to come back before the House with another bill to really help the small owner who needs that help but never got it before this year.

[*English*]

Mr. McKenzie: Mr. Chairman, I have a few comments I would like to make on Bill C-20, and then a couple of brief questions for the minister.

There have been repeated references made all through the debate by the Liberal party and the New Democratic Party to try to give the distinct impression that there are absolutely no plans at all to assist renters federally or provincially, and absolutely no other pieces of legislation to assist home owners in any way at all. Of course, this is just absolute nonsense.

There has also been reference to the fact that tax forms are printed. I think there has hardly been a year go by in the seven years I have been here that there have not been tax forms printed in advance of the passing of a piece of legislation, so I do not know what all the hullabaloo about that is for. There is nothing new about that at all.

I have just done some research on the number of housing assistance programs there are in Canada. I have done it for a couple of provinces and federally, and the number of programs there are to assist renters now is amazing. We have the federal government program, non-profit co-operatives, and in that particular piece of assistance there is a section dealing with renters which says:

> Additionally, for income assisted units, assistance will be provided to reduce occupancy charges to levels as determined by the rent to income scale.

It goes into detail on how it assists renters.

Here is another one: provincial and municipal housing. In this particular assistance program there is a section on renting. It says:

> —encourage the application of provincial assistance in order to penetrate further down the income range and provide rental assistance to those individuals and families who need it most—

This particular program goes on. It has another section on rents and the assistance that groups are getting with regard to rent assistance now.

Then there is another one, the Residential Rehabilitation Assistance Program. It is to assist landlords in selected municipalities who agree to rent controls and non-profit corporations and co-operatives.

Then there is another one: insured loans for rental housing. It goes into a lot of detail on how it gives assistance to renters.

I find it very strange that this knowledgeable opposition has not read any of this into the record. Instead, we have their usual tricks of misleading the Canadian people that there are not any other programs at all to assist renters or home owners, federally or provincially.

Then we have the public assistance housing program which is in effect. It has a section on renters, rent supplements.

> The provinces enter into agreements with non-profit housing corporations, housing co-operatives and private owners of rental properties to subsidize the rents of low-income tenants—

It goes on to explain. Then there is another one, private non-profit housing corporations, rental policy:

> Tenants will pay a reasonable portion of their income in rent up to the market rent.

Then it goes into detail on how another group is being assisted with rent assistance.

Then there is another one, graduated payment mortgages for new rental properties. It goes into detail to explain how that is helping renters. The legislation is all there. Why have the Liberals not told people about it, instead of trying to mislead them that there are no programs at all to assist anybody at all? Do hon. members think this is the first piece of housing legislation to assist home owners which has ever been brought into this country?

There are others. There is a summary of National Housing Act programs. It goes on and on into great detail about assistance to home owners, renters, and everybody else. Actually the renters have assistance now in one way, along with many others. It is because mortgage interest and property taxes are a deductible business expense for landlords, and renters are already receiving similar benefits. Also, Bill C-20 has some spinoff benefits for renters. As more Canadians, encouraged by our tax credits, move into their own homes, more rental accommodation will become available, thus taking pressure off those who choose to continue to rent.

● (2040)

It is impossible to meet the needs of all Canadians with one government program. I should like anybody in this House to get up and tell me of one piece of legislation that has been brought in that is going to assist the whole country, or every home owner or every renter. No such piece of legislation has ever been introduced in any country since day one.

I do not have the statistics for all the ten provinces and two territories, but I have quite a bit for Manitoba and Ontario on the way they are assisting the renters. In Manitoba, recognizing that rising rents, coupled with fixed incomes, put terror into the hearts of Manitoba senior citizens, the provincial Conservative government has wisely designed a new rent subsidy program which will help 9,000 elderly for the relatively low price of $3.5 million.

There is another program. In Manitoba we have rent controls, and here are all the details on how they are protecting renters. There are about 12 different steps in the legislation that protects renters in Manitoba, and here is a list of just a few of the programs that are in place in Ontario designed for renters. There is the private assistance rental program, the general public housing assistance program, the public housing municipal sponsors, the public housing provincial sponsors, the federal-provincial senior citizens rural housing program, the federal and municipal non-profit housing program, and the rent supplement program. On and on it goes with programs to help people, and Bill C-20 is just another step to give more assistance. I do not know why there is so much objection to assisting another group.

Recently the Ontario government announced a $2 million project. Community agencies will propose projects which will be funded 50-50 by themselves and the provincial government. The agencies can raise money by fees, fund raising, or municipal support. Projects will be aimed at providing services which will allow senior citizens to remain in their own homes. There is also a program in Manitoba to assist senior citizens to stay in their own homes.

The total spending in Ontario for 1979 is $60 million, and in Toronto it is estimated that $1,055,000 will be spent on four major projects. The federal government shares in about $2,110,000 which is a joint program to assist home owners, renters and all the rest. Toronto has a neighbourhood development program costing $650,000, and the federal funding reaches $1,300,000. So we are certainly spending millions and millions from the federal budget, along with Bill C-20. Also, Toronto has a downtown revitalization program totalling $12,300,000, and so does Winnipeg, and so does Montreal have a program to revitalize their older areas.

Here is further Manitoba support in housing, Mr. Chairman. The government provides more than 75 per cent of all senior citizens with relief from 100 per cent of school taxes on their homes, and 75 per cent of all pensioners or tenants receive property tax credits sufficient to offset a portion of their taxes contributable to school taxes under the new pensioner school taxes assistance program. There have been major improvements in the critical home repair program. Also, the Manitoba government has introduced the shelter allowance for elderly residents which provides subsidies directly for people in need. This year the Manitoba government will spend $120 million on financial assistance to senior citizens. I suppose that if the Liberals had not banged up the country, there would be more money to hand out. But we have to pay off the Liberals' debts first before we can introduce any more programs or expand on them.

I have two brief questions for the minister, Mr. Chairman. I should like to ask him if the community services program has gone into effect. This is an additional program which, I understand, started in 1979 with a funding level of $150 million. As of January 1, 1980, it is supposed to increase to $250 million. I should like to ask the minister if contracts for that program have been signed and whether it is going into effect in 1980.

Mr. Crosbie: Mr. Chairman, may I say in answer to that question that an agreement was signed governing the operations of the neighbourhood improvement program and the municipal infrastructure program and the municipal incentive grant program which are now all consolidated in the community services program in 1979 and 1980. It has a funding level of $150.3 million for this year, and on January 1, 1980, it will increase to $250 million.

As the hon. member has pointed out, there are many other programs of assistance in housing, public housing, rural and native housing, home improvement loans, insured loans for rental housing, non-profit housing, non-profit co-operatives—the list goes on and on. This measure does not stand by itself. There are dozens of other measures to help tenants and home owners in Canada.

Mr. McKenzie: Mr. Chairman, I want to thank the minister for that answer. Here is another example of a program that is going into effect, another $150 million which will be spent in 1980.

There is another area that concerns me, Mr. Chairman. The hon. member for Winnipeg-Fort Garry in his parliamentary report for December has one page on the interest rates and mortgage credit plan. In his "householder" he states that 65 per cent of the elderly own their own homes but only 6 per cent hold a mortgage on these homes and the remaining 59 per cent are therefore ineligible for a tax credit. As I understand Bill C-20, if a senior citizen is paying income tax and he owns

a home and his home is paid off, will he not still be eligible for part of the tax credit? That is the way I understand it. If that is the case, then this information that is going out to the residents of Winnipeg-Fort Garry is misleading. Would the minister be kind enough to clear that point up for me and the House?

Mr. Crosbie: Mr. Chairman, if the hon. member for Winnipeg-Fort Garry actually said that—and I doubt that he did, I doubt he would have that kind of inaccuracy in his "householder", I am sure the "honourable taxworthy" would not have that kind of inaccuracy in his householder—but if he did happen to say that, then he is certainly very mistaken because if 65 per cent of the elderly own their own homes, and if we assume that only 6 per cent have a mortgage on those homes, the remaining 59 per cent are eligible for a tax credit of $250 each in the fourth year with reference to their property taxes, and of $67.50 in the first year. So every one of those 65 per cent who own their own homes is eligible for that relief in connection with property taxes if they pay federal taxes.

I do not think we can assume that all the elderly are penniless, that they do not have a bean, that they have nothing at all. Many of them pay federal taxes, so it is shocking news to hear the housing critic for the official opposition would be sending out to his constituents misleading information like that to scare the elderly, to suggest to the elderly they are not being treated like everyone else. I am sure he would not want to disturb the senior citizens in his riding, so I hope he will amend his bulletin and put in it accurate information stating that they will get relief from the property tax, and I hope he will not knowingly mislead the people. I am glad the hon. member is watching these things to make sure that hon. gentlemen opposite are accurate in what they send out to the public.

• (2050)

[*Translation*]

Mr. Lamontagne: Mr. Chairman, I would like to add a few words to the remarks I made Wednesday afternoon when I said the bill was extravagant, irresponsible and unfair, and I still say so.

[*English*]

And I repeat it.

[*Translation*]

And again this afternoon, during the vote on second reading, I noticed on the faces of government members a mocking smile because they probably believed because this side of the House voted against the bill, they could perhaps score some election points with that promise they have made. That is why tonight I would like to say why in the end we voted against Bill C-20.

[*English*]

I will speak slowly so everybody will understand what I say in French, and so it will give a chance to the translator and the Minister of Finance.

[*Translation*]

This is why I myself and most of the opposition members voted against this bill, against two basic principles included in this bill and with which we cannot agree. This bill promotes a certain segregation of a privileged class of Canadians. Basically, this bill aims at helping a minority of home owners who do not necessarily need this assistance, and I repeat that they do not necessarily need it. Some may need it, of course, but they are a minority. The bill does not concern those who have no mortgage, tenants, those who pay no income tax, and it certainly does not encourage home buying in view of the present situation. Mr. Chairman, I doubt that a grant of $62.50 for property taxes paid this year will really help those who need assistance from the government. Moreover, Mr. Chairman, when we voted against this bill this afternoon, I believe that we were not alone in our way of thinking. If we examine the editorials of the various media, as I said last Wednesday, including the *Financial Times of Canada*, the Ottawa *Citizen*, *Le Devoir* as well as the comments of highly regarded agencies whose credibility cannot be questioned, such as the C. D. Howe Institute, the Fraser Institute, the Canadian Institute for Economic Policy, the University of Toronto Economist and several others, we can see that all of them have opposed the basic principle of this bill just as we did this afternoon.

Mr. Chairman, I cannot understand how a government can hang on so obstinately to a bill which involves an amount of $575 million this year and of nearly $3 billion in four years when these funds could be used much more appropriately to help the citizens who really need them.

Mr. Chairman, the second reason why we voted against this bill is precisely the reason that the Minister of Finance himself mentioned this afternoon when he said:

[*English*]

We are not in a financial situation to help renters or to bring in the shelter allowances.

[*Translation*]

I ask the Minister of Finance whether economic conditions warrant this kind of measure helping a very privileged group of home owners, and I wonder at times if he is not somewhat cynical in his submissions.

An hon. Member: Both cynical and comical.

Mr. Lamontagne: He stated recently:

These are times for austerity, sacrifice, self-discipline.

I wonder if in the circumstances the Minister of Finance ought not to "self-discipline" his budget, and instead of spending such huge amounts on this kind of project, to correct some current shortcomings in this country's economy. And I could name a few. Inflation is running at 9.3 per cent, and surely other means will be called for to abate it. Concerning the cost of energy, especially since this winter a great many citizens will have to pay an exorbitant price they can ill afford for

heating fuel, I wonder if the Minister of Finance and the government should not have taken steps to cushion such an exorbitant cost increase. The Minister of National Health and Welfare talks of reviewing social programs, family allowances, old age security, help to the handicapped. He has been refusing since this session started to put forward the kind of bill that has been urged by the hon. member for Winnipeg North Centre on the special allowance to increase the pensions paid to our veterans' widows.

In the province of Quebec the unemployment rate is 9.5 per cent, which is more than in other provinces. The national average is 7.1 per cent to 7.4 per cent. The Minister of Finance talks of a deficit reduction, cost reductions in many departments, a 60,000 reduction in the size of the public service, and even elimination or curtailment of certain departmental services.

I wonder if, in order to act wisely and consistently, the government and the Minister of Finance should not have looked for fairer alternatives to help a much greater number of Canadians who are suffering under present economic conditions.

There is also a matter of principle I must raise for myself and some of my colleagues. I dealt with this last Wednesday, on pages 1812-1813 of *Hansard*, and I have no intention of repeating my remarks. However, this concerned regional disparities, and I would like to quote from that speech. Even if there is repetition I think this could help the minister:

[*English*]

Because the credit does not apply to those who have paid off their mortgages on the homes they own, as well as to renters, the benefits of the program are even more unevenly distributed. In Newfoundland, for example, 82 per cent of home owners do not have mortgages. In British Columbia the figure is 43 per cent. In Ontario it is 43 per cent, and in Quebec it is 41 per cent. We can therefore see that Newfoundlanders will be benefiting little while still sharing the cost.

The results are that the Atlantic region loses out because of the high percentage of people who own homes without mortgages, 70 per cent, and Quebec loses out because of the high percentage of renters, which is 49 per cent. Yet these are two of the areas which are in most need of housing assistance.

The mortgage interest tax credit program is so unevenly distibuted that of the four provinces we have examined, Ontario, which has 36 per cent of Canada's population and 37 per cent of the nation's home owners, will receive 45 per cent of the benefits of the program. British Columbia with 11 per cent of Canada's population and 12 per cent of the nation's home owners will receive 16 per cent of the benefits. Newfoundland with 2.4 per cent of Canada's population and 2.4 per cent of the country's home owners will receive only 1.2 per cent of the benefits. Quebec with fully 27 per cent of Canada's population and 22 per cent of Canada's home owners will receive only 19 per cent of the benefits.

● (2100)

We believe in the redistribution of wealth, but redistribution to alleviate disparity, not to add to it. The unfair redistribution of this tax credit will create more regional disparity.

[*Translation*]

The purpose and the object of the Canadian constitution are the elimination of regional disparities but, instead of eliminating them, this program increases them.

[Mr. Lamontagne.]

An hon. Member: Patronage!

Mr. Lamontagne: Mr. Chairman, there is another question I wish to raise concerning this bill, that of alterations. As I said earlier, in normal circumstances, in an economy where we might afford a certain luxury, a bill like this one might be acceptable, but as the Minister of Finance said himself, our present financial situation does not allow us to help everybody. But I wish to say that the allocation of a tax credit in respect of a mortgage secured to finance alterations is perfectly unrealistic. You must make repairs costing not less than $5,000 to be eligible. The large majority of home owners undertake repairs that cost much less. I would ask the Minister of Finance, why not reduce that minimum to $1,000 or $2,000? Why not improve home rehabilitation programs and allocate them more funds? That money would be used for much more useful purposes.

This bill, Mr. Chairman, will not encourage a general rehabilitation of homes and will not allow most people to improve their present home instead of being forced to buy another one. If the minister agreed to reduce the minimum from $5,000 to $1,000, maybe he could at least take credit for a bill which would stimulate urban renovation in some areas and that would obviously help people who really need it rather than those who have to make repairs costing at least $5,000.

[*English*]

Throughout the seventies, Mr. Chairman, the Liberal government promoted the supply aspect of housing. In many areas there is now even an oversupply of housing. As well as affordability, quality is one of the important concerns for the 1980s. Renovation and rehabilitation are needed in many homes, not only to improve the quality of housing but to increase the energy efficiency of our accommodation across the land. This means an emphasis on social housing programs and an improvement of substandard units.

I would have much preferred a bill which included and covered the quality of the neighbourhood communities, provided more resources to improve our existing programs, residential rehabilitation assistance, neighbourhood improvement, older home insulation assistance and assistance for the development of co-operative, non-profit and public housing. We must improve housing codes and standards across Canada. We must help Canadians who have acute housing problems—the elderly, the single parent families, the underprivileged, and our native people.

To realize these objectives this tax credit proposal is not an appropriate tool. Anyone who believes that it will do anything concrete to help people to buy homes, when the government creates an economic atmosphere in which purchasing a house is a bad investment, is dreaming. I have given the reasons why I voted against this bill, and I think that they are pretty damned good ones.

[*Translation*]

Mr. Chairman, I should also like to recall that the Minister of Finance might have accused us at one point or another of filibustering the bill. After the reasons we gave last Wednesday, after the speeches we made, I should like to remind the Minister of Finance that we asked for a vote on Wednesday and that was denied. To anybody who would accuse us of filibustering the bill, I would reply by asking why the bill was not introduced in the House one or two months after the election. Why wait five months before recalling Parliament? Why was the bill not introduced if it was such an important electoral promise? Why was it not put before the House at the beginning of the session? Mr. Chairman, we voted against the bill for basic and serious reasons and not strictly to delay the bill. I shall have other opportunities of commenting upon particular aspects of the bill and in the meantime I should like to hear the Minister of Finance say what he thinks of some of the proposals I made.

Mr. Clarke: Mr. Chairman, I listened attentively to my colleague from Langelier and I think he is wrong. I went to Quebec City last weekend with 30 other members of Parliament and we listened to the people of Quebec.

An hon. Member: Oh yes!

Mr. Clarke: I know very well—and if the hon. member for Langelier lends an ear to his constituents—

An hon. Member: That is how he got re-elected.

Mr. Clarke: —I know also that the people of Quebec realize how advantageous the program is for all Canadians.

[*English*]

I was a member of the all-party task force of this House which went to Washington to study the effects of a similar program which has been in effect in the United States of America since 1913. I think I can say that this program will be of benefit to all Canadians in spite of what we hear from the opposition. It will be of help to the young, the elderly, and the owners without mortgages, to which my friend from Broadview-Greenwood always refers. It will be of benefit to the renters, the poor and the unemployed.

An hon. Member: Come on!

Mr. Clarke: The opposition says, "Come on!" Let us have a look at all the people who will benefit from this program. It has long been established that the young of this country want to own homes. This is going to help them buy their homes. It will reduce the income level required for young Canadians who want to buy a home, and it will ease the burden once they have reached that goal.

● (2110)

I am sure hon. members opposite have elderly people as well as young people in their ridings and I would ask them to remember that. This is going to help the elderly remain in their homes. Unfortunately, sometimes the elderly are forced to leave their homes because of high property taxes, but this will help ease that burden.

The benefit to middle-class Canadians will be relief from the ever-rising costs, whether or not they have mortgages. Renters will benefit because the program will make it easier for them to buy homes, and this in turn will ease pressure on the rental market. In the area of Vancouver which I represent, the vacancy rate for rental property is less than one per cent. This has come about largely as a result of the policies of the former government which discouraged investment in rental housing. While I do not think this program will lower rents, it will help stabilize them for people who wish to continue as tenants.

The program will also have benefits for the poor, Mr. Speaker. Any clever tax adviser in this country could counsel people with any means at all, so that all of the interest paid on a mortgage is tax deductible. This program will allow the so-called poor in the country the same benefit of deducting mortgage interest that has been enjoyed for so many years by those who are well off. Members of the NDP want to know how that can come about. I do not know whether, in their ridings, there are not any young people who are having trouble with mortgages, or any poor people having trouble hanging on to their homes. The program will help the people the NDP claims to champion, by putting them on the same basis as that enjoyed for many years by people with means.

The program will also help the unemployed as it will create a lot of jobs in the housing sector. The minister covered that area quite extensively when he spoke.

The opposition has objected that there is no assistance to renters in the program. Mr. Chairman, all Canadians are renters or home owners, so the obvious, implied, suggestion of the opposition is that taxpayers should be given an over-all tax cut. It is equally obvious that the government is in no position to make an over-all tax cut to all Canadians. Earlier the hon. member for Broadview-Greenwood said that this was not a housing measure, but a taxation measure. Mr. Chairman, the government has never claimed that it is anything but an economic measure. If it were a social measure we would bring in a general tax cut or help the poor in some other way. This, Mr. Chairman, is a stimulative measure. It will allow those who can afford to stimulate the economy to do so, with a little help from the government. It was never intended as a social measure. It is an economic measure designed to stimulate the housing industry. It will solve the problem of something like 17 per cent unemployment in the housing industry. It is also a very effective way to assist the housing industry.

I would ask hon. members to compare the experience in this country with that of the United States. I had occasion to visit the United States, in company with the hon. member for Broadview-Greenwood and the hon. member for Westmount, to examine the myriad of programs for aid to housing that

exist there. We found that housing administrators were the greatest fans of their own programs. Officials in Washington readily admitted that the so-called middle class was unable to afford the very type of housing that they were being taxed to provide, a kind of first-class housing for the so-called poor. In other words, Mr. Chairman, the cost of those housing programs was so high, taxation was so high, and the result was such that those paying the bulk of the taxes to provide this type of housing in the United States could not afford that very housing themselves.

It is true, as I am sure hon. members opposite will remind the House, that the officials we met in Washington advised, "Don't do it." They gave all kinds of reasons why Canada should not adopt such a program, but essentially it was that once you get into it, you cannot get out of it. Every official who criticized this kind of program, however, admitted that he himself had benefited very nicely from such a program, and all of them said that it helped not only themselves with their particular housing problems but that it helped the housing industry in that country. Of course, in advising Canada not to get into this kind of taxation scheme, the officials who run the programs in the United States were defending their own self-interest. It became very evident that they really liked running their programs, extensive as they were, and that the more expensive and elaborate the programs were, the more of them they had, the better the bureaucrats liked it.

I ask the committee to compare that kind of scheme with the one being offered by the Minister of Finance. This program could be very easily administered through the income tax department. There would be few, if any, additional costs, and the revenues would be directed into the industry, with all of the attendant benefits.

It is interesting to note that in the United States all interest, not only mortgage interest but interest on consumer purchases and even state taxes, has been deductible since 1913. We were told that some 50 per cent of home owners do not have a mortgage and that home owners are given a $3,200 global tax exemption. Of the 50 per cent of all Americans who own homes and have mortgages, only 25 per cent, in other words, half of those who have mortgages, claimed more than the $3,200 global tax exemption. The resultant loss to the treasury is much less than is even contemplated by this government. With only 25 per cent of taxpayers making the claim in the United States, I think we can expect the same kind of progression in this country and so the loss will be much less than has been anticipated. The program will not be a great tax drain but, instead, will be a boon to all Canadians.

I hope hon. members opposite will take the trouble to talk to their constituents about this. They would then realize that members of whatever age and whatever style of living, of whatever party, of whatever wealth, are interested in this kind of measure because it is a simply administered, beneficial to the econony, kind of measure.

[Mr. Clarke.]

• (2120)

In particular, to my friends in the official opposition I suggest that they compare notes with the new member from Vancouver Centre who, I might observe, is the only member of their party west of Winnipeg. Ask that member from Vancouver Centre about the questionnaire he sent out to his electors. It will be worth observing that Vancouver Centre contains what is known as the west end of Vancouver. It has a density of about 50,000 people per square mile. I believe that area has the highest population density in Canada and the second highest population density in North America. The member for Vancouver Centre asked his electors if they favoured mortgage interest deductibility, the program being offered by our Progressive Conservative government. His electors voted 60 per cent in favour of that program. I appeal to members opposite to recall that their electors are no different from those electors in Vancouver Centre who may be tenants but who want to become home owners, and who see this program as a great boon to their future.

Mr. Gray: Mr. Chairman, this evening I want to speak in relation to clause 1 of Bill C-20. A look at the clause helps confirm how far Bill C-20 is from the original Conservative promise of mortgage interest and property tax deductibility. The one promise the Conservatives had been saying they were going to keep was allowing the deductibility of mortgage interest and property taxes from income for tax purposes. In spite of strong arguments against the soundness of any such scheme that were made over the past year or so, there were those among the public who continued to believe it responded to a need which they wanted government to deal with through the tax system. It has been my belief that there could be an approach to the cost of housing, to the cost of shelter for Canadians, which would be different from that of the Conservatives in being fairer and less costly to them as taxpayers than the Conservative proposal.

Last September the Minister of Finance in effect admitted that the Liberals were right when they criticized the original Conservative mortgage interest deductibility scheme on the grounds of complexity and on the grounds that it was unfair to lower and middle-income Canadians. The minister then said he was abandoning his original scheme for one permitting a credit of a certain proportion of mortgage interest and property taxes against the personal income tax payable by home owners. To use the minister's own words spoken at his press conference last September, he said:

> A tax credit is used because it is both simpler and fairer than a deduction . . . it gives greater benefits to lower income and middle-income Canadians.

This is exactly what the Liberals said in criticizing the original proposal.

Before and during the election the Conservatives argued that they knew what they were doing when they proposed their scheme of allowing deductions of a certain amount of mortgage interest and property tax from incomes for tax purposes. But last September 18, and later in presenting bill C-18 to the House, the Minister of Finance in effect confirms that he and

his party did not really know what they were doing when they made their original promise. This change, this flip-flop, should undermine most of what little credibility the Conservatives may still have had left with those Canadian voters who were impressed with the scheme in its initial form as presented during the election.

While the Conservative scheme as set out in Bill C-20 is an improvement on the original one, it still has a number of serious flaws, a number of serious gaps, as has been pointed out by many on this side of the House. Bill C-20 does nothing for the large number of Canadians who rent. It does nothing, except for a limited credit for property tax, for the large numbers of home owners who have no mortgages on their homes. It does nothing for home owners whose incomes are too low for them to be required to pay income tax. These people get nothing from Bill C-20.

There is another great flaw in the Conservative approach, that is, the failure of the Minister of Finance to say where the money for the proposal in Bill C-20 will come from. Today the minister went on at great length in trying to explain that options, variations, on the proposal in Bill C-20 that would help groups not covered by it, could not be brought in by his government at this time. He argued all of these options would be too expensive, and therefore he and the Conservative government could not implement them. He said his government was not out for popularity though they were a minority. They had to be responsible, he said, and concerned about the size of the deficit, $11 billion, but a deficit he has admitted was less than the Liberals had forecast when they presented their budget in November, 1978.

The minister was so busy wiping away his crocodile tears about all this that he never bothered to tell us why he was not worried about the almost $3 billion cost of Bill C-20 in its fourth year of operation, and the more than $500 million cost this year, and about how all this would expand the deficit he apparently is also claiming to be so worried about. He claimed speed in passing the bill is necessary so people eligible for it can fill in the tax forms his colleague, the Minister of National Revenue, so conveniently sent out even before the bill was passed.

It seems to me that the real reason for the minister's desire for speedy passage of this bill by the House is so that he would not have to explain where the money to pay for it is coming from. This is something he would have to do if this bill were part of a budget, or if final decisions on it were not taken until after his budget was presented.

One initiative pledged by the Conservatives as a way of improving the federal government's fiscal management was to present a budget which brought together and described not only all government expenditures through payments to individuals and companies and in transfers to provinces, but also its tax expenditures. These are the revenues it forgoes when it provides a vast range of allowances, deductions, credits, exemptions and so on to both individuals and business. I want to say this would be a desirable initiative. It has been the manner of presenting budgets in the United States, Britain and West Germany for some years. It reflects a valid idea that a government should present a complete and accurate picture of all forms of its expenditure and how these are being paid for, and by whom.

The President of the Treasury Board spoke of the government's intentions in this regard when he took part in the throne speech debate. In my view this concept already has been undermined, if not totally destroyed, to say the least by the way the government has gone about trying to implement this mortgage interest and property tax credit proposal. Bill C-20 involves a major new program requiring substantial amendment to the income tax law, starting with this clause 1 which we are debating right now, and affecting substantially the balance of government revenue and expenditures. But the Minister of Finance has not presented it as part of a budget. It has been brought in as a separate bill in advance of and separate from his budget. As I have said, the Conservatives are justifying this method on the grounds that speed is necessary if the bill is to become law so that the credit can be claimed by those eligible as part of the completion of their 1979 tax forms. It also means that by presenting it before the budget, the Minister of Finance is obviously hoping to get it passed without having to say how the plan will be paid for.

● (2130)

In fact, in his speech opening debate on second reading of the bill, he was reluctant to admit that the program involved a substantial tax expenditure for which the government would have to find the money. He admitted that the plan would cost $579 million in its first year of operation, and over $2 billion, close to $3 billion, in its fourth year. But all he said about how it would be paid for was that the money would be found in people's pockets; those who would get this new credit.

But this is $2 billion, almost $3 billion, the government would otherwise have collected in tax revenues, revenues it was spending on government programs, including payments to individuals and companies, and in transfers to provinces. The government will have to find that money, either through borrowing to increase its deficit, cutting down substantially on its existing programs, raising taxes, or some combination of all three. But this Conservative government is now pledging not only that it will not increase the deficit but, instead, that it will actually reduce it.

The government has not said what programs now providing useful service to the public it would cut out or reduce. However, the only way it could pay for a program the size and cost of the tax credit plan would be through some pretty massive cuts in existing programs, including programs that those who would be receiving the tax credit plan would likely consider necessary and desirable. Such cuts could well cancel out, eliminate, benefits from the tax credit plan for these people, assuming any benefits are left after the impact of the Conservative high interest rates. The burden of the elimination of programs would also fall on the many Canadians who will not benefit from this plan—the renters, those who do not have

mortgages on their homes, and those whose incomes are too low to pay enough tax to qualify for the tax credit.

One hint as to how the Conservatives intend to pay for the plan may be found in the fact that the Minister of National Health and Welfare has pledged that the existing family allowance program and income tax deductions for children would remain in their present form only during 1979 and 1980. But one should ask why the money for the tax expenditure involved in the mortgage tax program should come only from cuts in social welfare programs for families, or in federal programs providing direct services like health and safety inspections to the public, rather than from cuts in other tax expenditure programs, for example, some of those available to the large multinational oil companies.

If the cost of this mortgage tax plan is to come from higher taxes, which ones will be increased, and by how much? The minister has not been willing to say. There is a hint in the Prime Minister's statement to the first ministers' conference on oil pricing two weeks ago. In it he spoke of his government's desire to impose an energy self-sufficiency tax on higher revenues going to oil companies as a result of the rapid increase to world prices he was promoting.

He also spoke of wanting a sizeable increase in the excise tax on gasoline. But while he talked of using the proceeds for the purpose of moving to energy self-sufficiency, a closer reading of his speech shows he was not saying all the yield from these new taxes would be used in this way. For example, he spoke of the yield of the energy self-sufficiency tax being used for energy related projects. This means it could be used to pay for the oil import compensation fund making up the difference between the high price of imported oil and the Canadian price. In turn this means that $700 million now being spent by the government for this could be used for other purposes, including the first year's cost of the tax credit plan. Also, as I have pointed out, the Prime Minister has said that this tax would yield in excess of $5 billion in additional revenue.

A lot more money would be there as well for that kind of objective from the higher excise tax on gasoline for which he is pushing. The Prime Minister was careful to say all of this would not go into his proposed energy project investment fund. So these high taxes, proposed as part of his new energy package, could in large part be a disguised way of getting all Canadians to pay for the mortgage tax credit plan, including those not benefiting from it at all, and helping offset any benefit even for those eligible for it.

Originally the Conservatives, before they were elected, suggested a substantial portion of the plan would be paid for by higher tax revenue coming from government activity in the building industry, as a result of a stimulus provided by the mortgage interest proposal. This is now most unlikely because of the increases in interest rates since June of this year. At best the mortgage interest plan will help maintain activity at some point near current levels, counteracting the damaging effect of the record high interest rates on the home building and construction industry. The reductions in mortgage rates announced recently by some financial institutions, but to what

are still record high levels, demonstrate the damage the Conservative high interest rate policy has been doing to the construction industry. Some mortgage rates have dropped slightly because people are simply not applying for mortgages to be used for home building and construction.

The Conservatives promised home owners with mortgages, and prospective home owners, they would be better off because of the Conservative mortgage interest proposal than they were before it was promised. This will now not be true because of the Conservative high interest rates policy. It is actually cancelling out benefits for those who had hoped to gain from it. At best, they will be the same as they were before the plan and before the mortgage increases last June. Some will be worse off even with the tax credits.

Any benefits from this plan will also be offset by the higher costs of home heating from the Conservative proposal for increases in energy prices.

The minister said if members were genuinely concerned with high interest rates that the bill would be passed quickly. If this is his argument, he should want to limit the bill's application initially to one year. If he does not agree to this he is saying, in effect, these Conservative high interest rates will be going on forever, or at least while the Conservatives remain in office.

The minister also had the nerve to say the $2 billion cost of this plan means the Conservatives are carrying out their promise of a $2 billion tax cut. Let us get back to what they actually said. There were promises both of a mortgage interest plan and a separate $2 billion cut in personal income tax, a promise the Prime Minister has already confirmed has been abandoned.

The manner in which the government is presenting its mortgage interest plan to Parliament means members are being asked to vote on it by the Conservatives without either they, or the Canadian people, knowing where the cost will come from, who will bear the burden, and whether as a result the plan is justified in light of that burden.

This House needs some answers and the Canadian people need some answers before any final decision can be taken by the House on this bill. I, and members of the official opposition, recognize that there is a problem to be dealt with. The cost of shelter has been rising faster than disposable income, and faster than the cost of living. What is needed is a fair and effective program to deal with this general and basic problem, one which affects renters and people who own homes without mortgages, as well as those who do not have enough income to be liable for income tax against which a credit can be claimed.

The Liberal amendments set forth by the hon. member for Winnipeg-Fort Garry in his speech on second reading contain the elements of such a program, one that would be fairer and more effective and have a lesser cost for taxpayers than the cost of this Bill C-20. If the Conservatives were truly concerned about the housing needs of Canadians they would accept and act on the Liberal amendments. If they do not, it will further confirm to Canadians that the Conservatives should not have a mandate to govern, a conclusion Canadians

have already reached according to the Gallup poll after putting up with this non-government for only six months.

• (2140)

Mr. Orlikow: Members of the New Democratic Party are going to vote against this bill because we feel it will give assistance to those who need it the least while ignoring completely the problems of those really in need.

This is a government which railed against the deficits of the former government and said it would reduce those deficits. Yet it proposes to give tax concessions amounting to over $500 million in the first year, and over $2 billion in the fourth year, to people who are essentially in the middle and upper income brackets. They give us no information as to how they propose to replace the money which would be lost in this way. Indeed, they give us every indication that the money will be replaced by the reduction of programs of assistance to people who are in the poorest income groups.

As I listened to the hon. member for Vancouver Quadra and to the hon. member for Winnipeg-Assiniboine tonight, I could understand very well how the government could lose the support it had so quickly, and how it could slip in six months to a position where it only has 28 per cent of the votes. Their speeches showed they had no understanding of the needs of ordinary people.

The hon. member for Vancouver Quadra talked about the trip he and 30 other members of Parliament took to the United States to study the workings of similar programs in that country. I am not surprised that if they spent their time visiting in the middle and upper income suburbs of American cities they found support for this program. Why not? Those are the people who benefit from the program. But I wonder whether those members of Parliament, or the hon. member himself, took the time to visit the Haight-Ashbury area in San Francisco or took the time to go down to Chicago or New York, or Cincinnati or Cleveland, or any of the other American cities in which you find mile upon mile in the core areas where people are afraid to go out on the streets not only in the evening but to a large extent in the daytime, where there are hundreds, thousands, of apartment buildings which are completely empty because they have been allowed to deteriorate.

I think the hon. member for Vancouver Quadra should ask himself whether that situation in the United States is not due to the fact that they have been so busy there giving benefits to those who have that they have forgotten completely those who have not.

I want to say to the hon. member for Vancouver Quadra—I have not spent as much time in Vancouver as he has—and to the hon. member for Winnipeg-Assiniboine, that they do not have to travel very far around those two cities, or around Regina, Saskatoon or affluent Calgary, to see that the same kind of situation which is now a total disaster in the United States is beginning to show itself in our cities in Canada.

An hon. Member: Not in their ridings.

Mr. Orlikow: Not in their ridings; of course not, Mr. Chairman. And, I can say, not very much in my riding. But the fact is that in the inner cores of most Canadian cities the housing is rotten. It is no longer fit for people to live in. I could not believe my ears when I listened to the member for Winnipeg-Assiniboine telling us about all the legislation which is on the books to help the poor and to help the native people, and to help those who want to live in co-operative housing.

I happen to have in my hand a report on housing conditions in Winnipeg, prepared in March of this year by the Social Planning Council of Winnipeg. This is a council which includes in it all the public and private agencies which deal with the problems of people in the city of Winnipeg, including the provincial government agencies which work under the supervision and direction of the Conservative government of Manitoba. I want to put on record a few facts and figures about Winnipeg which appear in this report.

Dealing with housing adequacy, they say 14 per cent are in fair condition and 11 per cent in poor or very poor condition. Dealing with housing suitability, they say that 10 per cent experienced moderate crowding and 5 per cent severe crowding. Dealing with housing affordability, they say 70 per cent of all households experienced contribution rates above the poverty line contribution rate. In other words, they are having to pay part of their rent with money which they should be spending to buy the food and other basic necessities they need. They say that 13 per cent cannot afford adequate or suitable housing.

Then they go on to deal with the age of household heads and they say that of the household heads under 25 years of age, 20 per cent live in poor houses and 24 per cent pay above the maximum contribution rate which they can afford to pay. That is the situation in the city of Winnipeg which I, and the hon. member for Winnipeg-Assiniboine, represent. I wish he would take a look at the part of the city of Winnipeg which he represented before redistribution. I have in mind the part of the city which he won with more than 50 per cent of the vote in 1975 and where the Conservative member who was elected only had a plurality of 450 in 1979. The reason for that drop is the kind of blindness which the hon. member for Winnipeg-Assiniboine shows.

Look at the situation in my city which can be duplicated in most cities in Canada. We find an increasing number of native people living in the core area. The statistics are not very accurate, but we know there are between 30,000 and 50,000 people of native origin living in the city. These are the poorest people in the city and they have the greatest problems of any group with regard to getting employment, with regard to alcoholism, and with regard to housing. There is nothing in this program which will help the people who cannot afford to buy their own homes and have to rent.

The hon. member for Winnipeg-Assiniboine tried to suggest there are programs under whose provisions these people could help themselves. Well, we have in the city of Winnipeg a very good agency which was set up to do one job, that is, to provide adequate rental housing at rents the native people could

afford. I spoke a few days ago to the director of that organization. He told me they had not been able to buy a single home last year, and not because the prices are too high. They buy houses in the core areas of Winnipeg and rehabilitate them, houses which if they are not rehabilitated will be completely uninhabitable within the next few years. He told me that interest rates being what they are, and with the insistence of CMHC under present regulations that the people renting the houses be able to pay a minimum of $194 a month, plus the cost of utilities and heating the home, they simply have not been able to buy the homes, or to find people who could afford to rent those homes if they could buy them.

● (2150)

That is because the people they try to help are very often on welfare. If they are not on welfare, they are, for the most part, unskilled people who have short or long periods of unemployment during which time they may well be on welfare or getting unemployment insurance. Those people cannot afford to pay about $250 a month in rent. We are not providing for the needs of those people, and I suggest that those are the people who need assistance most.

The hon. member for Winnipeg-Assiniboine talked about co-operative housing. It is true that we have legislation which permits co-operative housing. Indeed, the legislation encourages co-operative housing. Unfortunately, under the Liberal government last year, and under the Conservative government this year, the people who are involved in organizing co-operative housing development do not know that they can do in the next year. In 1977 they built about 1,900 units under co-operative housing provisions. In 1979 that number dropped to 1,700 units because the former government was so busy trying to get a program something like the one we are dealing with tonight, which would help those who are best able to help themselves, that it was not very interested in co-operative housing.

I am told that this year co-operative housing associations have not been able to make any plans for the coming year because they have not been told yet by this government how much money will be available for co-operative housing in the next year.

I am concerned about the community services program. I have seen the tremendously important improvements which have been made as a result of past Neighbourhood Improvement Program developments. There is one proceeding in my constituency. I understand that there are three more on the drawing board for Winnipeg. I am concerned that in its zeal to cut costs this government will not allocate the funds necessary for the very important and very socially useful work which has been done, should be done, and would be done if funds are provided for neighbourhood improvements as proposed in earlier years.

I want to deal for a few moments with the claims of this government, as exemplified most recently by the hon. member for Vancouver Quadra, that this proposal will somehow lead to a housing boom. It is not only the members of the opposition who have ridiculed that suggestion. I have in front of me an article which appeared in the Winnipeg *Free Press* on June 4, 1979. The writer of the article interviewed the president of the Winnipeg Real Estate Board. I do not think Mr. Bill Burns, the president of the Winnipeg Real Estate Board, is a particularly radical person or that he is particularly antagonistic to this government, but Mr. Burns is quoted in this article as saying that house sales—and we are talking about last June—and I quote:

—are off by as much as 25 per cent from a year ago. The most recent figures show approximately 5,100 houses for sale in the multiple listings, up 4.2 per cent over this time last year.

It is not suprising that housing is off when one looks at the cost of housing and if one looks at what has happened to interest rates since this government was elected.

I must admit that I have a personal stake in what is happening because I am into the fifth year of a mortgage, and next October I am going to have to refinance my mortgage. When this government took office in May of this year the mortgage interest rate was 11 per cent. A week ago it was 14¾ per cent.

An hon. Member: Thirteen and three-quarters.

Mr. Blenkarn: Thirteen and a quarter now.

Mr. Orlikow: Now it is down 1 per cent. Let us look at the figures.

Mr. Cameron: Mr. Chairman, I rise on a point of order. I have been listening to all this debate about housing and mortgage deductibility. The hon. member is condemning it, so would he tell us if he is going to claim his deduction for mortgage interest?

Mr. Orlikow: Mr. Chairman, I am a law-abiding citizen—

Some hon. Members: Oh, oh!

Mr. Orlikow: If hon. members opposite will listen for two minutes, I do not think they will chortle so much. I am a law-abiding citizen, and I will file an income tax return precisely as the income tax law asks me to do.

Some hon. Members: Oh, oh!

Mr. Orlikow: If hon. members will just keep quiet for a minute and let me point out what is going to happen, the difference between what my $35,000 mortgage cost me in principal and interest when this government took over and what it costs now, the principal and interest for the year has increased, because of the increase in the mortgage interest rate, by $696.

Some hon. Members: Shame!

Mr. Orlikow: That is precisely what I would have to pay in the next year if I had to refinance my mortgage right now. Hon. members ask what I will do if this bill goes through. Let me put on the record what benefits I would get, or what anyone else who has a $35,000 mortgage would get.

Mr. McDermid: Mr. Chairman, I rise on a point of order.

Mr. Orlikow: Mr. Chairman, I do not mind answering—

The Chairman: Order, please. I have to hear the point of order.

Mr. McDermid: Mr. Chairman, I think the figures which are being used by the hon. member are completely inaccurate. Five years ago at this particular time the interest rate for a mortgage when I refinanced my home was 12½ per cent. The hon. member is standing here telling us it was 10 per cent and 11 per cent, and the figures he is giving are on mortgage rates which are not in existence today.

The Chairman: The hon. member will agree with me that he can challenge these figures in his own speech in due time, but he has to recognize that his point is only a question of debate.

Mr. Orlikow: Mr. Chairman, the hon. member can check the figures very easily. When this government took office in May of this year, the mortgage interest rate was 11 per cent. The mortgage interest rate about ten days ago was 14¾ per cent. On a $30,000 mortgage the difference in payments for the year as between a rate of 14¾ per cent and a rate of 11 per cent when the government took over is $956. If you reduce the 14¾ per cent by 1 per cent—if it is now 13¾ per cent—the increase over the 11 per cent rate in May is $696. What does a person get in the next year as a result of the government's mortgage interest deduction? A maximum of $312! And the reduction because of property tax is $62.50, so the total which any person can claim is $375. I suggest—

The Chairman: Order, please.

Mr. Hogan: Rotten deal, Crosbie.

• (2200)

The Chairman: Order, please. It being ten o'clock, it is my duty to rise, report progress, and request leave to consider the bill at the next sitting of the House. Is that agreed?

Some hon. Members: Agreed.

Progress reported.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I have had some discussions with the chief opposition whip and the House leader of the NDP, and I wonder if we could revert to motions for just a few moments.

Mr. Deputy Speaker: Hon. members have heard the request of the President of the Privy Council (Mr. Baker). Is there agreement to reverting to motions?

Some hon. Members: Agreed.

Adjournment Debate

ROUTINE PROCEEDINGS

[*English*]

SUPPLY

DESIGNATION OF ALLOTTED DAY

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, as a result of the agreement that was made among House leaders, the usual fifth day in this supply period is to be added to those for considering the main estimates of 1979-1980. Therefore, I would like to move, with the unanimous consent of the House, that Thursday, December 6, 1979, be the final allotted day in the supply period ending December 10, 1979.

Mr. Knowles: Yes, Mr. Speaker, this is in accord with the discussions we have had.

Mr. Deputy Speaker: Am I to conclude that this is to be made an order of the House?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EMPLOYMENT—PROPOSED CESSATION OF JOB CREATION PROGRAM—ALTERNATE PROGRAM TO ASSIST YOUTH

Mr. Gilbert Parent (Welland): Mr. Speaker, during the last campaign candidates in the Niagara Peninsula said time and time again that the unemployment rate in that area was 14.5 per cent. Yet, virtually, the day after the election, the figures which were bandied about varied. I called the Department of Employment and Immigration to ask them what truly was the unemployment rate in the Welland riding, and I was told it was 6.9 per cent. I queried the statistics, so then they said that was not quite right, that the figure they had for unemployment in the Niagara Peninsula was 5.9 per cent.

You wonder, Mr. Speaker, why I bring this up. It is very simple. It is because under the previous government we had the Canada Works program under which we had a distribution of the wealth of Canada among those people who did not have jobs. It was truly a redistribution of the wealth. Now the new government has come in and has virtually abolished the Canada Works programs in almost all the provinces of Canada. Surely Ontario, and the Niagara Peninsula in particular, which was supposed to have had such a high rate of unemployment, should have been able to benefit from that

program. But it was cut off entirely, and I think that was unjust.

I asked the Prime Minister (Mr. Clark), as reported at page 1240 of *Hansard* of November 13, 1979, how long it would take for a program to work its way through the economy. He had mentioned in a previous speech that it would take about six months. I asked the Prime Minister whether it was six months and, if so, when were we going to get some action, when were we going to see this government stop flip-flopping and get on with the business of governing this country.

● (2205)

What have we now, Mr. Speaker? We had a speech by the Minister of Employment and Immigration (Mr. Atkey) given to the Canadian Club on November 26, 1979, in which the minister brought out these new great programs through which they say are going to create jobs for the youth of Canada, specifically for the youth of Ontario in the Niagara Peninsula. Under the job experience training program of some years ago my daughter was able to get a job and earn enough money to go back to school. This is the kind of help we must have for our young people. This was a Liberal program we brought in; we benefited from it as did all the people across Canada.

What do we have now? We have a new minister coming in saying he is going to have new programs. Outside of doing political somersaults, I suggest to you, Mr. Speaker, that this government does not have any new ideas and it is bankrupt. We have seen the suggestion in the Speech from the Throne, for example, that we have a youth employment secretariat. We have had a youth employment branch in the CEIC for the last ten years. This program has created tens of thousands of jobs.

The minister suggests that we have a wage subsidy program with the magnificent amount of $1.25 per hour, and that is supposed to benefit 105,000 youths across Canada. What will happen is that they will abolish the employment tax credit program, a program which gives geographically various tax credits from $1.50 to $2 across the country. For example, under this program that we have set up, people in urban areas such as Toronto, Montreal, Vancouver, the big areas, could get up to $1.50 in subsidy if they wanted to train these young people for the kinds of jobs that are available in Canada. In other areas outside the urban areas the subsidy was $1.75, and in the Atlantic provinces where my colleague, the hon. member for Restigouche (Mr. Harquail) lives, and where this meant thousands of jobs in his and surrounding ridings, there was great benefit because the Liberal government of the time was willing to pay up to $2 per hour in subsidy. Now what do we have? We have a new subsidy. This government is going to bring in $1.25 in subsidy, which shows us that ministers are not really interested in creating new jobs for youth. They are not really interested in putting the young people of Canada to work.

What we are getting are rehashes of the ideas brought forth by the Liberal government which created jobs to the tune of 7,200 per month for the last 18 months. What do we have now from this great new government? We have nothing except an adoption of our ideas that they said would not work, but they are now claiming them as the great remedies for all the problems we have across Canada. I suggest that the ideas they have been putting forward are not worth the powder to blow them to kingdom come. I suggest that the Prime Minister and his cabinet ministers get together and get this country rolling again with the jobs for the young people that they need if we are to grow economically as a country.

Mr. Paul McCrossan (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I listened with interest to the diatribe over there by the hon. member for Welland (Mr. Parent). I found it sort of interesting because it seems he does more talking than listening. If he had been listening in the House he would have recognized and realized that in the budget next week we will be bringing forth a number of major measures, and will be bringing forth measures next spring as well.

Perhaps I could just outline the government's job employment strategy for youth. As the member indicated, we are trying to consolidate the various functions toward a new youth secretariat to provide a focus particularly upon improving employment prospects for youth. The various functions of forming a new youth secretariat have provided a focus particularly upon providing prospects for youth. I mentioned that in all likelihood there will be something in the budget next week. I think that what we will see is a form of tax credit, as the hon. member has suggested. I suggest that he wait and see what will happen.

● (2210)

The government is placing an increased emphasis on programs for developing job skills for youth because we see tremendous shortages of skills in this country and yet high unemployment at the same time. The previous government allowed the situation to develop where good jobs are available in our economy but we have not been able to get the people to these jobs. Solving this problem is particularly important to our young adults, and the government has recently introduced legislation to increase the flexibility of our programs so that we may respond to the needs of our youth and to the skill requirements of industry.

A third option which we are looking at is the establishment of a national service corps which will enable young people to participate in community and environmental projects of lasting value to society. I have mentioned that there will be more proposals of this kind later on in the session. As hon. members are aware, we are currently involved in a study on the reform of unemployment insurance policies. One of the commitments of my party is, and has been, taking money we can save by reforming a plan which is full of abuses and using it to create the jobs that our youth need today.

I am sure it is obvious to all hon. members that in order to create jobs for our youth we will require the closest consultation with the provinces and, to that end, officials of the ministry and myself will be meeting next week with officials of the various provincial departments to discuss job strategy, and

revision of the unemployment insurance fund, and the redirection of those moneys.

NORTHERN AFFAIRS—SETTLEMENT OF NATIVE LAND CLAIMS—GOVERNMENT POLICY

Mr. Rod Murphy (Churchill): Mr. Speaker, I would like to thank the Minister of Indian Affairs and Northern Development (Mr. Epp) for attending this evening. I would much rather have the minister deal with this issue than his parliamentary secretary. The issue I wish to raise deals with land claims across Canada but specifically those within the province of Saskatchewan.

Last week I asked the minister a question with regard to the government's policy on land claims dealing particularly with the province of Saskatchewan. In the last two years the Government of Canada has not completed one land claim settlement or land entitlement settlement. There is one exception, and that is the COPE agreement, but the government has refused to ratify it.

The minister has admitted that his government, even after six months in office and after having showed us the thick binders which were supposedly to indicate that they were ready to govern, still does not have a land claims policy. As a result, native groups throughout this country are waiting to see what the government intends to do. The problem which the minister has is that he must go to his cabinet committee, make presentations to them, and from there he must go to the full cabinet to get agreement. We understand the minister has a problem. He is not in the inner cabinet and he does not have a direct say in the direction of this country or control over what is happening in his own department.

The question which we, as parliamentarians, must ask is, how can the government act or negotiate with native people if it does not have a policy?

Even more curiously, how can the government allow mining developers to go ahead with their developments if it does not have a policy? It cannot negotiate and settle negotiations with native people because it does not have a policy, but at the same time it allows mining developments to go ahead. I would suggest there is a contradiction there, Mr. Speaker.

● (2215)

I would like to mention the specific problems of the native people in Saskatchewan and I refer, of course, to the Saskatchewan formula. In 1975 the then minister of Indian affairs and northern development stressed to the premier of Saskatchewan that certain land claims and land entitlements were outstanding. As a result of the meeting that took place then, an agreement was signed in 1976 which resulted in the Saskatchewan formula. The agreement set the figure of 128 acres per person for the population registered in December, 1976.

Three years later, on October 19, the minister wrote to the government of Saskatchewan saying that the federal government was reviewing the availability of Crown land for native people. In effect, he was also saying that he was reviewing the obligations of the federal government. Last week in the House I put a question about this to the minister and he replied that he wanted a settlement which was agreeable to the other provinces. Unfortunately, the province of Manitoba with its Conservative government, and the province of Alberta with its Conservative government, will not accept the Saskatchewan formula. The impression that the minister left with the House and with the Federation of Saskatchewan Indians was that he would not live up to the agreement referred to as the Saskatchewan formula. He had apparently said at a meeting with his provincial counterparts, the previous night, that the formula was too costly or too rich.

Mr. Epp: I never said that.

Mr. Murphy: That is what was said, according to the news report, Mr. Speaker, and that is the impression he left with this House last week.

The Federation of Saskatchewan Indians wrote to the minister about this answer, not at some private meeting, but which were given to questions in this House. I know that the minister has received that letter and responded to it. The problem is, however, that the Federation of Saskatchewan Indians and other native people in the country are not sure of the direction the government is taking. They are not sure whether the government will live up to the Saskatchewan formula which was signed three years ago, and they are not sure what type of recommendation the minister is making to the government.

I would ask the minister to answer these charges and make it perfectly clear where the government stands, not only in the Saskatchewan case but in the case of all native Canadians.

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, I want to tell the hon. member for Churchill (Mr. Murphy) that the government's land claims policy is very clear. I will not repeat that because of lack of time now, but I went into it today in committee when the hon. member was present.

The hon. member is correct that no new land claims have been settled in the last two years. For that reason my parliamentary secretary is attending at the negotiations now proceeding with the Council of Yukon Indians, so that we may reach an early agreement. It has been agreed to seek an agreement in principle by the end of April, 1980. I would suggest to the hon. member that this shows we are moving with great speed, in view of the complexity of the issues faced in the comprehensive land claims.

The hon. member has said that I have refused to ratify the COPE agreement. I would indicate to him, Mr. Speaker, that at this stage there is no agreement to be ratified. There is an agreement in principle which was approved by the former administration. What is needed now is a final agreement, and this will have to be negotiated between the Committee for Original Peoples Entitlement and the Government of Canada. In order to get that process under way, I will meet with them at 3.30 tomorrow. I hope that we can eradicate some of the

differences that presently exist before we get down to negotiating the final agreement.

With regard to the Saskatchewan formula, I would suggest to the hon. member that he not reply on news reports that I said this was too rich. What I asked the ministers at that meeting was whether the Saskatchewan formula was acceptable to them. I would suggest to the hon. member that he rely on what is said in this House rather than on news reports.

● (2220)

In order to clarify quite clearly, Mr. Speaker, beyond the answers that I gave today to the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) regarding the Saskatchewan formula, I want to tell the member that I have responded in telex form to the president of the FSI. I just want to read one section of that into the record and possibly this will clarify the situation. In part it reads:

The discussion which I had with provincial ministers on Monday, November 26, was a general and broad ranging one, related to various matters concerning Indian people in the provinces which were represented. As part of our discussion, I wanted to hear the views of each provincial minister. In this context, I asked the provincial ministers affected (those of Alberta, Manitoba and Saskatchewan) about their approach to the fulfilment of outstanding treaty land entitlement claims. Since each of these governments has placed different interpretations on their obligation to provide land for treaty entitlement purposes under the natural resources transfer agreements, I noted that the outcome of such different approaches would be widely differing settlements among the three provinces. Since it is my responsibility to ensure that the interests of the Indian people across Canada are taken into account fairly and equitably, I was bringing to the attention of those present the concern that I have that the Saskatchewan formula, if it is not applied in Manitoba and Alberta, would create disparities which would affect the Indian people in the latter two provinces.

I want to tell the member, and as I have indicated in the House earlier today as well, that the Saskatchewan formula is in place. I know that the agreements are in place and I want to see early movement on the land entitlements.

The Saskatchewan government, obviously in view of the 1930 transfer agreement, has to provide the majority of the land.

[*Translation*]

RESEARCH AND DEVELOPMENT—INQUIRY WHETHER GRANTS WILL BE INCREASED

Mr. Armand Caouette (Abitibi): Mr. Speaker, as I said on November 19 last to the Minister of State for Science and Technology (Mr. Grafftey), statistics show that from 1976 to 1978 the federal government earmarked $392.8 million for university scientific research in Ontario as against $190 million for the same period in Quebec.

In addition, Mr. Speaker, I would like to remind the minister that Quebec has been at a great disadvantage when it comes to the distribution of the federal research centres. I feel therefore, Mr. Speaker, that the government should review its whole scientific research policy to restore more equity among the provinces and increase substantially the budgets with a view to making scientific research play an effective role. Mr. Speaker, Quebec received $94 million from 1976 to 1977. For the same year Ontario was given $203.7 million, but fortunately that situation was reviewed in 1978 and Quebec got $96.4 million which represents a small increase in comparison with the $189.1 million granted to Ontario.

[Mr. Epp.]

● (2225)

Unfortunately, Mr. Speaker, never has the government in the past made scientific research one of its priorities. Significant budget cuts have been imposed in this area in the past, and what is more serious is the lack of long-term planning in awarding grants. The lack of long-term funding is creating an impossible situation for researchers and causing the brain drain which benefits other countries at the expense of Canada.

Mr. Speaker, I should like to quote Dr. Herzberg, the 1971 winner of the Nobel prize for chemistry and a member of the National Research Council of Canada, who blamed the federal government for depriving the National Research Council of all authority over last year's grants:

The time and money which the government is wasting on commissions appointed to look into the problems in scientific research could be better employed encouraging research.

Mr. Speaker, there is a lot of resentment in the world of medical research. Moved by a feeling of frustration because of the government's indifference, researchers could change professions or leave Canada unless federal authorities remedy the situation, remarked Dr. Hudson, a representative of the University of Ottawa Medical Research Committee.

The same doctor stated, and I quote:

—while the costs of research are increasing by 15 per cent every year, the budget of the MRC is in real value 10 per cent lower than last year.

● (2230)

Then, Mr. Speaker, we realize that only one per cent of the federal budget is spent on research, although that sector is a vital necessity to ensure the economic viability of our society. I know, Mr. Speaker, that the minister said that the government intended to increase the funds allocated to research. But when will they be increased? Will that indexing be based on the gross national product in order to provide a serious basis for research? What does the government intend to do specifically to cope with Quebec's inferiority in that area?

The announcement of the establishment of an engineering institute in Boucherville is a beginning. However, I would like to point out to the minister that a much greater effort than the establishment of an $18 million research centre will be needed to correct the situation. Can the minister also tell us whether he intends to establish a long-term scientific policy, extending over a three to nine year period, supported by funding commitments for three years and reviewed annually? Furthermore, is he prepared to admit as full members in the federal organizations which have their own budgets representatives selected by the Canadian scientific community?

In conclusion, Mr. Speaker, I say that the time has come for this new government to tell us what kind of policy it intends to follow to provide Canada with researchers capable of helping the Canadian people as a whole in view of the fact that according to recent newspaper reports, researchers are saying that the priorities of the NSERC lie in agriculture, food, oil and many other areas.

Mr. Richard Janelle (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I take pleasure, on behalf of the Minister of State for Science and Technology (Mr. Grafftey), in replying to the hon. member for Abitibi (Mr. Caouette). First of all, I want to thank the hon. member for his question of November 19 regarding aid to research in Canada. The present government considers research and development as a priority concern and it is determined to make regular and continued progress in this area in order to increase the country's gross expenditures from 0.9 per cent to 2.5 per cent of the gross national product.

Our greatest weakness in the field of research and development lies in the industrial sector and the government is working on ways to stimulate increased research at that level. It must respond to market forces. The government's objective therefore is to create a proper climate for research and development and adopt means for improving or supporting and not replacing market operations.

The universities also have an important role to play in our national research and development efforts. The recent press release of the minister concerning the 32 per cent increase in the budget for 1980-81 of the Natural Sciences and Engineering Research Council proves undeniably that the government recognizes the importance of research in the university environment. That increase will enable the council, in co-operation with the universities and the provinces, to improve the research potential in the universities, to add training programs for new researchers and to foster joint research programs in fields of national interest such as energy, toxicology of the environment, oceans and communications and, as the hon. member mentioned in his question, food and agriculture, with a view to stimulating closer interaction between the universities and industries in free research, and also to renew obsolete material. In a word, it represents an impulse that will enable the council to perform the task for which it was created.

To sum up, in the past Quebec has not always received all it was entitled to expect. To a large extent that difference can be explained by reasons of structural factors, namely, the composition of its industry, the number and importance of science and engineering programs in its universities and the extent of the participation of Quebec university researchers in federal grant programs. Our government will do its best to overcome those difficulties. I trust this answers the question of the hon. member.

Mr. Deputy Speaker: A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.32 p.m.

HOUSE OF COMMONS

Wednesday, December 5, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

NEW MEMBER

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Roger Simmons, Esquire, member for the electoral district of Burin-St. George's.

NEW MEMBER INTRODUCED

Mr. Roger Simmons, new member for the electoral district of Burin-St. George's, introduced by the right hon. Pierre Trudeau and Mr. William Rompkey.

* * *

HUMAN RIGHTS

U.S.S.R. EXIT VISA FOR ALEXANDER MARYASIN AND FAMILY—MOTION UNDER S.O. 43

Mr. Bob Kaplan (York Centre): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity.

In view of the fact that Alexander Maryasin, a Soviet Jewish refusenik, has been trying to emigrate from the Soviet Union since 1972, that his relatives in Canada have been trying to obtain an exit visa for eight years for him and his family, and that his detention violates the Soviet constitution and international law, specifically human rights decisions and the Helsinki Agreements, I move, seconded by the hon. member for York West (Mr. Fleming):

That this House urge the Secretary of State for External Affairs to petition the government of the Soviet Union to speedily approve an exit visa and secure the movement of Mr. Maryasin and his wife and daughter to Canada, consistent with both Canada's commitment to human rights and fundamental freedoms and family reunification.

Mr. Speaker: This motion can be presented for debate at this time, pursuant to Standing Order 43, only upon the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

● (1410)

TREASURY BOARD

CALL FOR SUSPENSION OF PRESIDENT OF TREASURY BOARD—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I am sure the House will also agree with this motion.

Some hon. Members: Oh, oh!

Mr. Nystrom: I move, seconded by the hon. Privy Councillor from Winnipeg North Centre (Mr. Knowles):

That the estimates of the Treasury Board for the fiscal year 1979-80 having been defeated by the Standing Committee on Miscellaneous Estimates, leaving the Treasury Board with no funds with which to operate, this House resolves that the President of the Treasury Board be suspended.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EMPLOYMENT

REQUEST FOR EMPLOYMENT PROGRAM FOR RURAL AREAS OF ONTARIO—MOTION UNDER S.O. 43

Mr. Maurice Foster (Algoma): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. In view of the recently announced increase in unemployment statistics for October, the representations by Indian bands and municipalities and a resolution unanimously passed by the six district welfare boards of northern Ontario asking the federal government to reconsider the termination of the Canada Works program, which has been providing needed employment in northern and rural areas of Ontario, I move, seconded by the hon. member for Cochrane (Mr. Penner):

That this House urges the Minister of Employment and Immigration to establish, on an urgent basis, a program to provide direct employment in northern and rural areas of Ontario.

Mr. Speaker: Such a motion can be introduced for debate only with unanimous consent. Is there unanimous consent?

S.O. 43

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

METRICATION

BILINGUAL LABELLING OF PREPACKAGED CHEESE PRODUCTS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Mr. Speaker, I rise on a matter of urgent necessity to my constituency of Leeds-Grenville concerning threats made by certain government officials against at least two of the three remaining cheddar cheese producers in that part of Ontario within the last week. I would move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That whereas the Plum Hollow and Forfar cheese factories, two producers of cheddar cheese in Leeds-Grenville, have been ordered to immediately undergo the high cost of conversion to the metric system and to commence immediately bilingual labelling of prepackaged products or face removal of their products from store shelves, the government immediately order a stoppage in such actions in view of the reportedly announced decision that such things have already been set back to January 1, 1981, by the government; and, further and finally, that nothing be done until completion of the examination of the metric system by the Department of Industry, Trade and Commerce.

Mr. Speaker: Is there unanimous consent for the presentation of such a motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PETRO-CANADA

REQUEST GOVERNMENT ABANDON PLANS FOR ALTERING NATURE OF CORPORATION—MOTION UNDER S.O. 43

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, under the provisions of Standing Order 43 I would like to move the following motion. In view of representations made by the independent petroleum marketers of Ontario, that without Petro-Canada their future is threatened by the predatory practices of the multinational oil companies operating in Canada, and given the independents' desire to maintain Petro-Canada as it now is, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That this House of Commons instruct the government to abandon any plans to alter the present nature of Petro-Canada as a viable Crown corporation.

Mr. Speaker: Such a motion can be introduced for debate, pursuant to Standing Order 43, only upon unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

[*Translation*]

NATIONAL UNITY

QUEBEC REFERENDUM—REQUEST GOVERNMENT STUDY ALTERNATIVE TO BILL C-9—MOTION UNDER S.O. 43

Mrs. Thérèse Killens (Saint-Michel): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of urgent and pressing necessity.

Considering the negative reply given yesterday to the Leader of the Opposition, the right hon. Pierre Trudeau, on the referendum, considering that we are living in a kind of euphoria following the victories of the federalist forces in the last seven byelections in Quebec, considering that we Quebec members are in a position to say to the House that we should not conclude, as a result of those victories, that federalism is no longer jeopardized, considering that Mr. René Lévesque will have interpreted—

Mr. Speaker: The hon. member should put the motion.

Mrs. Killens: I move, seconded by the hon. member for Richelieu (Mr. Leduc):

That the Prime Minister include immediately that item on the agenda of his cabinet and suggest to the House another alternative to Bill C-9 on the referendum.

Mr. Speaker: The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, this motion can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL SUPPLY IF IMPORTS FROM IRAN ARE CUT OFF—SUPPLY TO EASTERN CANADA

Hon. Marc Lalonde (Outremont): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources on a day when he certainly should be in the House, with the developments we have seen in the last 24 hours, I will address my question to the Prime Minister. On Friday last, the Prime Minister at his press conference was asked how much consideration had been given to taking steps in case our energy supply from Iran might be cut off. The Prime Minister answered:

I suppose I have to say frankly, none.

Yesterday, we heard the very distressing news that Gulf Oil had been cut off from its supplies from Iran, this meaning that about 75 per cent of the oil imported into Canada from Iran will not be imported and we will be losing two critical shipments of oil into Canada this winter.

My question to the Prime Minister is, in view of the government's unconscionable neglect of the immediate needs of eastern Canadians for home heating fuel and gasoline this winter, can the Prime Minister assure the House that the location of alternative oil supplies will become an immediate priority of this government? In particular, will he immediately request Petro-Canada to negotiate for emergency supplies from Venezuela, from Mexico and from any other sources possible in the world, and use our national oil company to replace the loss that we have known because of the inaction of the government?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, let me, first of all, indicate that the Minister of Energy, Mines and Resources is in Nova Scotia today announcing the—

An hon. Member: Bad news.

Some hon. Members: Oh, oh!

Mr. Clark: —determination of this government to move forward in developing alternate energy sources with the government of Nova Scotia so as to end an era of unconscionable neglect of the needs of maritime Canadians by the former government.

Some hon. Members: Hear, hear!

Mr. Clark: I should also draw the attention of the House to the fact that the hon. member for Outremont is calling for extra action to get oil from a country with regard to which his leader yesterday said Canada should entertain boycotts.

Mr. Trudeau: I did not.

Mr. Clark: With regard to the substance of the problem, I can say two things: first of all, that the shortages that might exist in Canada this year underline dramatically the failure of the former government to plan ahead and to bring forward the kind of energy self-sufficiency policies that would allow Canada to rely upon Canadian sources of supply. Second, I can indicate to one of the several spokesmen of the Liberal party on petroleum matters that the government is involved, and has been for some time, in discussions with other countries regarding the possibility of supplies. The government is in consultation now with Gulf and with other companies, and there is some expectation that Gulf will be able to obtain an alternate cargo to replace the cargo that was to arrive from Iran in February of 1980.

Some hon. Members: Hear, hear!

● (1420)

Mr. Lalonde: I have no doubt people in eastern Canada will be impressed by the announcement of "pie in the sky" promised for 1985, but they are more concerned about getting oil this winter. I would remind the Prime Minister that at no time when we were the government was eastern Canada or any other part of Canada short of gas and oil.

The minister of energy said the other day that he had written to the multinational oil companies concerning the possibility of diversion, this winter in particular, and the present situation of short supply is obviously an invitation to those companies to raise prices and divert supplies. What answer has the government received from the oil companies concerning the possibility of diversion to more profitable markets? If answers have been received, will they be tabled in the House immediately?

Mr. Clark: Answers have been received. They indicate there is no danger of diversion. I will consult with the minister to determine whether or not the full length of the answers can be diverted—

Some hon. Members: Oh, oh!

Mr. Clark: —can be placed before the House. If it is not possible, for reasons of industrial confidence, to table those documents, I am quite sure it would be agreeable to the minister, if it would be agreeable to the companies, that we could make them available on a confidential basis to the opposition spokesman on energy matters who is a Privy Councillor. I would point out that any shortage of energy supplies in Canada this year is the result of a shortage of decisions by the former government when they were in a position to do something about it.

Some hon. Members: Hear, hear!

Mr. Lalonde: The latest Gallup poll shows that Canadians ceased to believe those stories a long while ago. They know who is responsible for the present situation—the present government. The present supply position is an invitation to companies to raise prices. Yesterday, the Prime Minister said he would be in touch with the president of Imperial Oil, a good old friend—

Some hon. Members: Oh!

Some hon. Members: Cheap.

Mr. Lalonde: I see the spokesmen for Imperial Oil are at work again on the other side. My question to the Prime Minister is simple: What reason did Imperial Oil give for increasing prices as they did in the past two days, and was he able to convince that company to reduce those prices to their former level—which was quite high enough, thank you very much.

Mr. Clark: The minister of energy will be meeting on Friday with the president of Imperial Oil. We shall be requesting Imperial Oil to present us with full details to justify their price increases, if they can justify them. If the details of their presentation do not justify those price increases, we will suggest to Imperial Oil that the increases be reconsidered.

I should again make it clear to the House and to the country that there is no immediate answer today to a possible oil supply shortage problem which was caused by the failure of the former government over ten years to put plans in place which would provide energy self-sufficiency for the country. This is not a problem which was created six months ago. This is a problem which was created in the last ten years, and it will be resolved only if there is support in the House for the kind of measures we are introducing which will allow Canada to be in a position to supply our needs from our own resources, rather than following the Liberal position of leaving Atlantic Canada, Quebec and Ontario dependent on unstable, unreliable foreign sources.

• (1425)

PLANS TO DEAL WITH POSSIBLE OIL SHORTAGES THIS WINTER

Mr. Roger Simmons (Burin-St. George's): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Simmons: I, too, would like to ask a question of the Prime Minister in the absence of the Minister of Energy, Mines and Resources. I say to him that whatever the origin, or how old the problem is, what the people of eastern Canada would like to know is what will be done this winter. It will be cold comfort otherwise. My questions are directed toward that end.

In light of the announcement of the Iranian cutoff to Gulf Oil, and in light of the numerous reports that the domestic oil supply situation, especially in eastern Canada, has been steadily worsening, is the Prime Minister still persisting in saying that domestic oil supplies for this winter are, in the words of his Minister of Energy, Mines and Resources—and I quote—"tight but manageable"; or is the Prime Minister now finally prepared to admit to the very real prospect of shortages this winter? Is the Prime Minister prepared to admit, now, to the very real prospect of shortages this winter and to the need to have a plan in place to deal with these shortages?

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, let me, first of all, welcome the new member to his place in the House. I do that on behalf of members of all parties. Second, let me say that I am sure that he, as an Atlantic Canadian, will not share the view of the hon. member for Outremont—

An hon. Member: He does.

Mr. Clark: —that a policy being announced by the Minister of Energy, Mines and Resources to look at the possibility of contributing to the energy security of Atlantic Canada through the use of tidal power is, to quote the hon. member for Outremont, "pie in the sky". That might be a central Canadian attitude; it is certainly not an Atlantic Canadian attitude.

Some hon. Members: Hear, hear!

Mr. Clark: I can indicate to the hon. member that, as I have said, Gulf is reasonably confident that it can make up its supplies from other than Iranian sources. We have received an indication that no diversions are expected from other companies supplying Canada. We are looking now for other supplies which might be available on an emergency basis.

To come to the last question, the National Energy Board has now, as a result of increased consumption in Canada and some other activities, come to the conclusion that there may be limited shortages this winter in Canada. As a consequence of that, it is our intention to appoint members to the Energy Supplies Allocation Board by the end of next week. We very much regret that the failure to plan ahead on the part of the former government has left Canada exposed, particularly, Atlantic Canadians.

Mr. Simmons: Mr. Speaker, on a supplementary to the Prime Minister, I am not sure he got the message as to the point of the question. It is to find out if he realizes that there is a problem, a concern in eastern Canada about oil supplies. I will try it one more way for him.

In view of the unthinkable hardship that the unplanned-for oil shortages will mean for Canadians—and, again, particularly eastern Canadians and those in the Atlantic provinces—is the Prime Minister prepared to stick by his latest commitment made just moments ago? I understand he made one in the House on November 6, albeit somewhat under duress at the time; but he made another one in the last few moments, that the Energy Supplies Allocation Board will be appointed in the next week. Do we have the firm undertaking of the Prime Minister now that that will indeed be the case, or will he renege as he did on his earlier promises?

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, I realize precisely the problem which exists in Atlantic Canada. The problem in Atlantic Canada is that the people of that region have been left by the Liberals to rely upon Iran rather than being put into a position where Canadian consumers can be relying upon Canadian supplies.

Some hon. Members: Hear, hear!

• (1430)

Mr. Clark: If there are shortages anywhere in Canada this winter, those shortages will be a direct result of the failure of the former government to plan ahead and to put in place an energy self-sufficiency policy.

Some hon. Members: Oh, oh!

Mr. Clark: We are determined to stop Canada's reliance upon the Irans of the world, and to build a policy of Canadian self-sufficiency. That is the policy we are following. With regard to the problems caused by the former government, they have to be addressed by this government now. I repeat that it is the determination of the government to put the board into

place by at least the end of next week, as I indicated a moment ago.

Mr. Speaker: I cannot help but point out to the House at this point that, as a result of a combination of long questions and long answers, we have used 15 minutes to ask two questions, which I think is a modern record for longevity.

* * *

INTERNATIONAL TRADE

FUTURE OF CHRYSLER CANADA—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa): Mr. Speaker, my question will be short and to the point. Yesterday, the president of Chrysler International met with members of the cabinet to discuss the future of the Chrysler Corporation in Canada. Could the Prime Minister tell the House the government's point of view and the basic principles that are involved in these negotiations? More specifically, will he tell the House to what degree, if any, an agreement between Chrysler of Canada and the Government of Canada is dependent upon an agreement between Chrysler and the government of the United States?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, let me answer very briefly. We do not intend to make any agreement or any announcement as to an agreement until we know the nature of the agreement made between the U.S. government and Chrysler in the United States.

Mr. Broadbent: Precisely along that line, Mr. Speaker, I should like to ask the Prime Minister the following question: Given the need, not only to maintain existing jobs in the Chrysler facilities here in Canada but also to obtain future jobs for Chrysler, would the Prime Minister tell the House why the Government of Canada could not, now, enter into an agreement with the Chrysler Corporation under certain conditions, one of them being the continuing economic viability of the corporation internationally, instead of waiting until this important Canadian matter is settled in the U.S.A.?

Mr. Clark: The question at issue in the United States is sufficiently central to any decision that might be made with regard to the engagements entered into by the Government of Canada that we need to know the details and the implications of those decisions before we can make policies respecting an agreement between the Government of Canada and Chrysler of Canada.

Mr. Broadbent: Mr. Speaker, I have a final supplementary question which concerns the over-all nature of the package that the government is negotiating with the Chrysler Corporation. Would the Prime Minister assure the House that when an agreement is reached—if it is reached, and one hopes it will be—between the Government of Canada and Chrysler Corporation, it will pertain to all aspects of the industry, parts production, research and development, and assembly operations in Canada?

Second, will he assure the House that if other than financial guarantees are to be offered by the Government of Canada—and I am thinking of cash—in return for that cash, the people of Canada will get equity participation in Chrysler?

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, the Minister of State for International Trade has reported frequently to the House that we are looking at a wide range of matters, including the impact on parts manufacturers and other questions in relation to this matter. I think it would be premature, at the least, for me to try to signal to the leader of the NDP the contents of an agreement which is not yet in the final stages of negotiation. I simply am not in a position to do that at this stage.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

INQUIRY WHETHER CERTAIN CHANGES WILL BE MADE TO AGREEMENTS CONCERNING MONTREAL AND OUTAOUAIS REGIONS

Mr. Armand Caouette (Abitibi): Mr. Speaker, in the absence of the Minister of Regional Economic Expansion, I should like to put my question to the Prime Minister. With regard to the policy of the Department of Regional Economic Expansion, could the Prime Minister confirm whether the department intends to make certain changes to the special region of Montreal and if so what are those changes and when will they be implemented?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the Minister of Regional Economic Expansion and the Minister of State for Economic Development intend to announce today in Montreal a policy aimed at altering the implementation of the DREE arrangements for the Montreal and Outaouais regions.

CHANGES BROUGHT ABOUT BY MODIFICATION OF AGREEMENTS

Mr. Armand Caouette (Abitibi): Mr. Speaker, my supplementary question is directed to the right hon. Prime Minister. In view of the fact that his minister is away, could he make this announcement and also advise the House whether these changes will affect the Outaouais and northwestern Quebec regions?

Right Hon. Joe Clark (Prime Minister): I shall reply concerning the Outaouais and Montreal regions, Mr. Speaker. Over the four-year period of the program, DREE intend to support at least 500 projects in the region. We hope that these projects will generate nearly $500 million in investments and create some 29,000 permanent new jobs.

Oral Questions

REQUEST STATEMENTS BE MADE IN HOUSE BEFORE BEING MADE OUTSIDE

Hon. Pierre De Bané (Matapédia-Matane): In the opinion of the right hon. Prime Minister who would like to restore the importance of Parliament, is it not improper to have three senior cabinet ministers in Montreal this afternoon to announce that new designation for both the Ottawa and the Montreal regions without giving the House of Commons details of the new changes which will be announced directly in Montreal?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, it is always difficult to take the time of the House of Commons to make such announcements, as the hon. member will certainly understand. We have always tried to give Parliament priority for announcements, and I think that a positive change in attitude toward Parliament has been expressed by the government. But to deal specifically with the question raised by the hon. member, the announcement will be made later today in Montreal, at three o'clock, I think.

On the questions asked by the hon. member for Abitibi, I had the opportunity, two or three minutes ago, to announce the details here in the House of Commons before an announcement is made outside the House.

* * *

[*English*]

INTERNATIONAL TRADE

ASSISTANCE TO CHRYSLER CANADA

Hon. John C. Munro (Hamilton East): Mr. Speaker, I should like to direct a question to the Prime Minister and preface it by saying that I am really amazed, and in wonderment, at his inadequate answer to the Leader of the NDP, coming from someone who has proposed openness of government over many years.

We on this side—and, no doubt, the NDP—have had to learn about Chrysler through evidence put before the U.S. Congress. May I put this proposition to the Prime Minister. In view of the importance of the Chrysler negotiations, in terms of the maintenance of 3,000 jobs in Canada and the conversion in Canada from V-8 to V-6 engines, and the fact that we might have light-bodied, fuel-efficient trucks in Canada, would the Prime Minister indicate whether he would be in favour of indicating, at least in principle, that the Canadian government looks favourably upon giving assistance to Chrysler in order to help the matter go to the United States Congress?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, as we have demonstrated by the introduction, for example, of the freedom of information bill—which the former government would never have introduced—and by a number of other actions, we are certainly prepared to be open with the House of Commons. The question posed by the Leader of the NDP, and repeated by the hon. member for Hamilton East, had to do with whether or not we would declare the details of an agreement that has not been made. Of course we would not. We cannot, because the agreement has not been made.

As I indicated, in what I think were clear terms, to the Leader of the NDP, the decisions that are at issue in the United States are sufficiently central to Canadian decisions that we will not be able to make that kind of announcement in Canada until there has been some indication of the agreement in the United States. The hon. member has asked me a question regarding our attitude in principle. I can indicate, in principle, that if there is an arrangement that would be beneficial to Canada and to Chrysler, we would be prepared to contemplate it.

• (1440)

Mr. Munro (Hamilton East): Mr. Speaker, the Prime Minister was in the House, I believe, yesterday when the Minister of State for International Trade indicated that the government was prepared, in negotiation with Chrysler, to consider any one of several options. One was grants, one was subsidies, and one was Canadian equity participation in Chrysler Canada. His minister in the other place, Senator de Cotret, indicated in a press conference yesterday that he was prepared to consider, and saw likely, subsidies or grants but unlikely Canadian equity participation. I feel this is a very important subject for Canadian guarantees.

I am asking the Prime Minister if a study came out of his government where privatization is precluding the government from considering Canadian equity participation in any arrangement entered into with Chrysler Canada. Further, would the Prime Minister be prepared to consider some other innovative policies with respect to Chrysler and, I put to him, Canadian employee participation in the ownership of Chrysler as well as Canadian employees on the board of directors?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, as the Minister of State for International Trade indicated in the House the other day, the question of equity participation is among the options being considered. When we indicate the options being considered, we will not, until we are further along in the negotiations, be able to indicate how seriously they will be considered in a particular case.

The hon. member has asked whether the policy of this government to return to the private sector those Crown operations which can be more effectively carried out in the private sector would preclude us from considering equity participation. Of course, the answer is no, that it would not. Concerning the question of other innovative ideas, I will discuss with the Minister of State for International Trade and his colleagues whether it would be viable for us to consider the possibility of employer participation.

Some hon. Members: "Employee."

Mr. Clark: Indeed, if the hon. member for Hamilton East discovers any other innovative ideas, we would be prepared to consider them also.

* * *

AIR TRANSPORT

PROPOSED SALE OF NORDAIR—CONSIDERATION OF BID OF EASTERN PROVINCIAL AIRWAYS

Mr. Howard Crosby (Halifax West): Mr. Speaker, I have a question for the Minister of Transport. In an article in *Canadian Aviation* magazine, the minister indicated that he was ready to make a decision on the sale of Nordair to one of the bidders, which includes Eastern Provincial Airways. Would the minister indicate whether the EPA proposal is being given active consideration, and would he also indicate what other bids are under consideration and when a final decision will be made?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the matter of the disposal of Nordair is currently a matter which is being considered by cabinet. I expect a decision very soon.

* * *

ENERGY

INFRASTRUCTURE TO ALLOCATE OIL SUPPLIES IN EVENT OF SHORTAGE THIS WINTER

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Prime Minister, in the absence of the Minister of Energy, Mines and Resources. It relates to the fragile situation with home heating oil this winter.

The Prime Minister announced that he will set up the emergency board, but that is only the first step. In light of the admission by the Minister of Energy, Mines and Resources in committee the other day, that the National Energy Board figures on supply are at least one month behind, the reports by National Energy Board officials yesterday indicating that they are very concerned about the world supply, and the fact that Ontario refineries have been underestimating the oil demand for the province, can the Prime Minister assure us that the necessary infrastructure is now in place so that the government can react quickly to allocating oil supplies in case there is a shortage and will be able to guarantee that Canadian homes and industry will not be without heat this winter?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the Department of Energy, Mines and Resources has been consulting very actively over the last couple of weeks, and longer than that, regarding nominations for the Energy Supplies Allocation Board from the provinces, from consumer groups and from others. We expect to have all of those in and to be in a position to act by the end of next week.

Also, we would expect to have in place such infrastructure as would be necessary, should it be decided that there is an emergency of the kind that is necessary to activate the powers associated with the board. On the basis of evidence now before us, we do not anticipate having to declare that emergency in the immediately foreseeable future.

Mr. Symes: Mr. Speaker, the one part which is still very worrisome is that, according to the timetable, it takes 60 days to implement an allocations system. Given the time lag with any of these figures, I am afraid we may not have that guarantee which the Prime Minister thinks is there. By way of a final question, can the Prime Minister update us on the status of the negotiations with Venezuela and Mexico about securing additional oil supplies, given the fact that the chairman of Petro-Canada said in committee last week that his company has been inactive in pursuing these negotiations?

Mr. Clark: Mr. Speaker, the 60-day provision is also a matter of concern to the government. It is precisely for that reason that we are moving early to put the board into place and to establish such infrastructure as may be possible to put in place, prior to any action having to be taken. We expect that those acts of foresight will allow us to reduce the lead time to which the hon. member referred.

If I may come to the second part of his question, there are active negotiations and active discussions now with Venezuelan and Mexican officials. The minister himself has been directly involved. It has been our view that it would be more effective to use intermediaries other than Petro-Canada.

NEGOTIATIONS WITH MEXICO FOR OIL SUPPLY

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, I have a question for the Prime Minister on that same matter with regard to the negotiations with Mexico. In view of the fact that as of May there was an initialed agreement with Mexico providing for the sale of 50,000 barrels a day in 1980, and 100,000 barrels a day in 1981, to Canada, that that agreement simply awaited the planned arrival in Canada of the President of Mexico, for final ratification and announcement, that the price between Canada and Mexico was at world prices and not spot prices, that I am informed—of which I would like to have confirmation and explanation—that the only contact with Mexico on that agreement since the election is a message to scratch the word "Petro-Canada" from the agreement, and that there have been no further serious negotiations of any substance whatsoever, can the Prime Minister confirm and explain the neglect, in the face of a potential shortage of oil with which we are all dealing right now?

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the information of the hon. member regarding the contact with Mexico is false. There have been a number of contacts in relation to a Canada-Mexico oil agreement, including conver-

sations involving the Secretary of State for External Affairs for Canada and the foreign minister of Mexico regarding that arrangement. It is our expectation and our hope that it will be possible for that negotiation to be concluded at or before the visit to Canada of the President of Mexico, which we expect will occur some time in the spring.

Mr. Andras: Mr. Speaker, I have a question relating to the Prime Minister's final comment. Would the Prime Minister explain to the House, again based on information which I have been given, that there has been little or no contact with the President of Mexico to re-invite or reconfirm his invitation to Canada which was postponed, understandably, during the election period? Also, the Prime Minister might explain or confirm that there is a serious deterioration, as a result of this inept performance by this government vis-à-vis Mexico, regarding relations between those two countries which are so important to both countries?

Mr. Clark: Mr. Speaker, I can only suggest to the hon. member that he find a new source of information, because the two pieces of information he has put forward in the House this afternoon are categorically false. There have been extensive conversations involving Canada and Mexico in relation to the visit of the president. It is our expectation that the very good relations between the two countries will continue and, indeed, be improved by the president's visit here. I would suggest to the hon. member very seriously, because I know his respect for the House and for the truth, that he find a new source of information.

* * *

● (1450)

[*Translation*]

SHIPBUILDING

INQUIRY AS TO CONTRACTS TO BE AWARDED QUEBEC

Mr. Raynald Guay (Lévis): Mr. Speaker, in view of the absence of the minister of patronage, I would like to direct a question to the Prime Minister. On behalf of the workers, and especially of the unemployed from the Lauzon Shipyards and from Marine Industries, and on behalf of the unemployed in general in Canada, I want to say to him that these people are fed up with promises and meetings. I need only remind the Prime Minister of the promises he himself made in Lévis where about 30 people came to see him. He met the president of the Lauzon shipyard workers and made a great many promises at that time.

I would, therefore, like to ask the Prime Minister whether, in light of the new federalism he was promoting during last weekend's convention in Quebec City, the province of Quebec will be getting some of the $150 million in contracts announced by the previous government. More than three-quarters of those contracts have already been awarded in other provinces. Are there any left for Quebec? In particular, are there any—

Mr. Speaker: Order, please.

Mr. Guay: For the contract, Mr. Speaker—

[*English*]

Mr. Speaker: Order. The hon. member for Terrebonne.

* * *

[*Translation*]

AGRICULTURE

FEDERAL INSPECTION OF MEAT IN QUEBEC—PROVISION FOR SUFFICIENT STAFF

Mr. J.-Roland Comtois (Terrebonne): Mr. Speaker, my question is for the Minister of Agriculture. Could he tell the House whether decisions have been made to remedy the difficult and even critical situation with regard to federal meat inspection in Quebec, a situation resulting from a shortage of qualified staff and an increasing demand for services from Quebec businesses?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I welcome this opportunity to respond to the hon. member's question and I appreciate his representations on this very important matter over the last couple of weeks. I am in a position today to indicate to the hon. member and to the House that a meeting has been scheduled, and will be held within the next two weeks, between the assistant deputy minister in charge of meat inspection in my department and his Quebec counterpart.

We are very confident that we will be able to fulfil the need for federal inspectors at Quebec plants from now until January 1. As of January 1, we will be in a better situation to have additional people available to carry out meat inspection in the plants of Quebec. On April 1, 1980, with the co-operation of my cabinet colleagues and, particularly, with the co-operation of the President of the Treasury Board, there will be 31 new inspectors brought on staff. That should solve our difficulties.

[*Translation*]

INQUIRY WHETHER GOVERNMENT WILL SOON ANNOUNCE SUBSIDY FOR EASTERN CANADA POTATO GROWERS

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I wish to revert to a question I asked the Minister of Agriculture 17 days ago exactly. I should like to know whether he has had the opportunity to look into a request for subsidies on behalf of eastern Canada potato growers, whether he has made a personal decision in this regard and whether the Treasury Board has come to a decision. If so, when does the minister intend to make a public announcement?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, when I responded to this same question some 17 days ago, it appeared that we would be in a position to proceed with the application of the Treasury Board. However, in the interim new information has come to light and we have had to recalculate that proposal. The recalculation should be completed within a matter of days, whereupon I will be moving forward to Treasury Board.

* * *

FISHERIES

FREEZER-TRAWLERS OPERATING OFF COAST OF NEWFOUNDLAND

Mr. Fonse Faour (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is to the Minister of Fisheries and Oceans. The Premier of Newfoundland yesterday issued a statement expressing his very strong concern that the minister has opened up the northern fishery to factory freezer-trawlers to operate off Newfoundland.

Has the minister examined the statement of Mr. Peckford and, if so, what is his response to his very real concern that these developments, if not stopped, will seriously prevent the inshore and nearshore cod fishery from recovering to its full potential, as well as depriving many seasonal fish plants of much needed employment opportunities?

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, first of all, I want to say to the hon. member, and through him to the premier, that there is no intention of opening up the northern cod stocks or any cod stocks to factory freezer-trawlers. We will not permit processing at sea for any traditional groundfish species. However, we are permitting the replacement of existing trawlers by freezer-trawlers. It is a policy which is permitted under the existing regulations. In effect, what we are doing is ending the uncertainty which was created by the two years of indecision of my hon. friends sitting opposite.

In so far as the future of that stock is concerned, the fears of the premier are quite groundless. For example, for this year, 92 per cent of that particular cod stock will be landed at Newfoundland plants. We are planning to increase the inshore TAC for Newfoundland for next year.

ATLANTIC SALMON FISHERY—ALLEGED DIFFERENCE BETWEEN FEDERAL AND PROVINCIAL POSITIONS

Mr. Maurice Harquail (Restigouche): Mr. Speaker, I have a supplementary question for the Minister of Fisheries and Oceans. Because of the negative response to the announcement by the minister with respect to inshore fisheries and, more particularly, with respect to his recent statement on Atlantic salmon, could the minister explain to the House the difference between his position and the position of the minister of natural resources for the province of New Brunswick? Mr. Bird indicated over the weekend that he completely disagreed with the position taken by the federal Minister of Fisheries on the Atlantic salmon fishery of New Brunswick.

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, it is my understanding, and indeed I have been told, that the salmon policy which I announced last week has the support of the government of New Brunswick. That is a situation to which my hon. friend is not accustomed and, hence, he cannot understand it. That position is supported by the government of New Brunswick. I have no problem whatsoever stating to the House that the steps we took had the full co-operation, after consultation, of the government. Both parties were aware that the steps taken had the conservation of that threatened and endangered species in mind, as well as a meaningful enhancement program to allow the stock to grow.

• (1500)

FREEZER-TRAWLER POLICY

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my supplementary question relates to the question of the hon. member for Humbert-Port au Port-St. Barbe. It involves quoting from yesterday's press release of the Premier of Newfoundland, the like of which we have not seen since the debate on Term 29. I direct my question to the Prime Minister. The Premier of Newfoundland said:

> Implementation of Ottawa's freezer-trawler policy would be an outright betrayal by the federal government of this province to mainland corporate interests—

He went on to say that the present government—

Mr. Speaker: Order. If the hon. member has a question, he should put it forthwith.

Mr. Rompkey: Does this gap that is widening between the federal government and the province of Newfoundland not call into jeopardy all future discussions between the two governments, and does the Prime Minister not agree that this is not simply a minor irritation but, indeed, an open sore on the fresh face of federalism?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I would certainly hope that it does not call into question all future discussions on other questions with the government of Newfoundland. The Canadian Minister of Fisheries and Oceans indicated the position of the Government of Canada in a telex to the premier that has been made public. It indicates the determination of the Government of Canada to exercise its federal jurisdiction in a way that will recognize the historic interest of Newfoundland cod fishermen in the northern cod stock.

It also recognizes that both federal jurisdiction and the participation in fishing and harvesting that stock by fishermen from other parts of Canada is an essential element of any national policy. That is the position indicated by the Canadian minister, and that is the position of the Canadian government.

Oral Questions

COMMUNICATIONS

APPOINTMENT OF CHAIRMAN AND ADDITIONAL STAFF OF CRTC

Hon. Jeanne Sauvé (Laval-des-Rapides): Mr. Speaker, my question is for the Minister of Communications. Recently we heard the acting chairman of the CRTC, and those of us who were present got the impression that his workload is very heavy. Can the minister tell us when he will appoint a chairman to the CRTC? This gentleman does have a tremendous workload, particularly due to the fact that the minister is more or less saddling him with new hearings on pay television which are not necessary because such hearings have already been held. When does the minister intend to give this man the staff which he needs in order to fulfil his functions?

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, the question is an important one. We have engaged in a rather wide-ranging process of consultation in order to ensure that, not only in the case of the new chairman to be appointed but in the case of the other two members to be appointed, we will have outstanding people to provide service to a rather important institution in regard to telecommunications policy for this country.

[*Translation*]

Please allow me, Mr. Speaker, to draw the attention of the House to the presence in your gallery of a woman of great importance to the cultural life of Canada, Mrs. Antonine Maillet, who recently was awarded the Prix Goncourt of France.

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[*English*]

ENVIRONMENTAL AFFAIRS

ENVIRONMENTAL STUDIES BEFORE EMBARKING UPON POSSIBLE HARMFUL PROJECTS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the congenial Minister of the Environment. It concerns two extremely important projects at either end of the country, namely, the proposed flooding of 12,000 acres of farmland by B.C. Hydro, and the proposal for putting a highway through the heart of the Annapolis Valley in Nova Scotia which will destroy some of the best farmland in that province.

Will the minister promise full-scale environmental impact studies before either of these projects goes ahead, and will he recommend to cabinet the possibility of cutting off fundings for Highway 101 in Nova Scotia unless an alternative route is found which will not destroy good farmland?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, with respect to the question of the flooding of land in the event that a dam is built in British Columbia, that is a matter which is, of course, fundamentally the responsibility of the province of British Columbia. I will be discussing the entire situation shortly with the new minister of the environment in the province of British Columbia. I was to meet with him on Friday of this week. Unfortunately, I will not be able to attend, so that meeting will be rescheduled.

On the question of farmland and the highway, I will be discussing that matter with my officials and my colleagues and will be able to give the hon. member a more satisfactory answer at a later time.

Mr. Nystrom: A supplementary question, Mr. Speaker. In May of last year, the former minister of the environment said that a federal land use policy would be announced shortly thereafter. I should like to ask the minister when we can expect that announcement, in view of the fact that we are losing thousands of acres of prime farmland every year. According to the government, we are not now capable of feeding our people in almost every foodstuff area except grain. When can we expect that important study?

Mr. Fraser: Mr. Speaker, the studies have been completed and the cabinet document on federal land use policy is being prepared and will be delivered to cabinet shortly. I must point out to the hon. member and other hon. members that the federal government does not have jurisdiction over any land in the country that comes within provincial jurisdiction or which is alienated into private ownership. As a consequence, the actual power of the federal government to control land use in the country is understandably limited.

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PRIVILEGE

MR. ETHIER—RECEIVABILITY OF QUESTION OF PRIVILEGE

Mr. Speaker: On the question of privilege raised by the hon. member for Glengarry-Prescott-Russell (Mr. Ethier), the Minister of Agriculture (Mr. Wise) has just indicated to me that he would like to make his intervention on the matter on Monday. If that is convenient, then I will hear that matter on Monday, when I think I should be in a position to decide the matter finally. I have given it some consideration already and I would not anticipate that I would have to reserve it any longer than that.

I have a notice of a question of privilege from the hon. member for Essex-Windsor (Mr. Whelan).

MR. WHELAN—NEW NATIONAL FOOD POLICY—REMARKS OF PRIME MINISTER DURING QUESTION PERIOD

Hon. E. F. Whelan (Essex-Windsor): Mr. Speaker, I rise on a question of privilege, because yesterday in this House the Prime Minister (Mr. Clark), in answer to one of my questions, indicated to the people of Canada and the members of this House that there were documents missing from the files of the Department of Agriculture and the Department of Consumer and Corporate Affairs.

Mr. Speaker, these documents are readily available. They are in pretty nearly every member's office in Ottawa. They are

also in the Library of Parliament. One document that I would like to table is in the Library of Parliament. It is entitled "Canada, Department of Agriculture: A food strategy for Canada." The other document, "Canada, Food Strategy", was issued publicly.

A ministerial meeting took place in January, 1978, which outlined the food policy that we had. I feel very strongly that yesterday the Prime Minister misinformed this House and probably hurt the philosophy of Parliament and the rights of members. I do not know whether he intended his remarks in a jocular fashion, but many people called me about them afterwards. Some have read the documents and wanted to know what the Prime Minister meant. I replied that I did not know what he meant. His reply to my question is reported in *Hansard* at page 1984 in part as follows:

We looked in his files, we looked in the files of the former minister of consumer and corporate affairs. Having no guidance from that front—

The documents are there for anyone who wants to see them, Mr. Speaker. I think this is a very serious question of privilege and a confrontation with this House.

Right Hon. Joe Clark (Prime Minister): On that question of privilege, Mr. Speaker, ever since the former minister began to talk about a national food strategy, we have been interested to find some evidence of agreement between the former minister of agriculture and the former minister of consumer and corporate affairs. We were also trying to find some evidence that progress had been made toward putting into effect the national food strategy of which the two former ministers had spoken often, though usually in differing terms.

We looked for some evidence of real progress having been made toward a national food strategy. As we could not find any in the Department of Agriculture, we assumed that probably, having regard to relative influence in the former cabinet, we would find it in the office of the former minister of consumer and corporate affairs. We did not find that kind of evidence anywhere. I know the former minister has published a great number of documents.

The difference between that old government and this new government is that we are acting to put in place a national food strategy.

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EXTERNAL AFFAIRS

UNITED STATES DECISION NOT TO PURCHASE OIL FROM IRAN

Right Hon. Joe Clark (Prime Minister): While I am on my feet, Mr. Speaker, let me say I owe an apology to the House leader of the opposition party. I attributed a statement of his to the former prime minister. It was with the House leader of the opposition, not with the former prime minister, that the hon. member for Outremont (Mr. Lalonde) was in disagreement when he suggested that we should be looking for trade with a country regarding which the House leader of the opposition said on Monday we should be imposing sanctions.

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I noted at the time that the Prime Minister (Mr. Clark) had made a mistake. I understand also that his mind is not subtle enough to understand that there is no contradiction between my position and the view taken by the hon. member for Outremont (Mr. Lalonde).

* * *

PRIVILEGE

MR. ROSE—ALLEGED PATRONAGE CONTRACTS—CORRECTION OF QUESTION TO PRIME MINISTER

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I rise on a question of privilege in order to set the record straight. At page 1823 of *Hansard* for November 29, in a discussion with the right hon. Prime Minister (Mr. Clark) about untendered government contracts, I put the following question:

—whether he would now investigate, as well, the awarding last summer of a $30 million contract to Media Buying Services Limited, headed by one Peter Swain who directed the Progressive Conservative advertising campaign during the recent federal election.

Those are the words I used, Mr. Speaker. What I should have said is as follows:

—whether the Prime Minister would now investigate, as well, the $1.8 million untendered contract last summer to Media Buying Services Limited as placement agents for potentially $30 million in government advertising. Media Buying Services, incidentally, being headed by one Peter Swain, media adviser to the Progressive Conservative campaign during the recent federal election.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I welcome the correction of the record. I think it might be useful, knowing his interest in this matter, to indicate to the hon. member and the House that we acquired the very good idea of going to an agency of management for advertising from the successful practice of the Schreyer government in Manitoba.

MR. WADDELL—ENTRY TO THE SENATE BARRED

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise on a question of privilege which mainly concerns the hon. member for Skeena (Mr. Fulton) and myself, but which also affects other members of Parliament and all Canadians who believe in democracy.

During the question period, the hon. member for Skeena and I wished to put some questions to the Minister of Industry, Trade and Commerce. Since we could not do that in this House, we went to the Senate to try to put the questions. We were barred at the door, assaulted and thrown out on our ears.

Some hon. Members: Hear, hear!

Mr. Waddell: I understand that this is the job of the guards and I sympathize with them, but for us it is an unbearable situation. We cannot put questions in this House to this minister who is dealing with very important matters and that is very unfair. The hon. member for Skeena and I would ask you to use your good offices to persuade the Sergeant-at-Arms

to permit us to go into the Senate and ask these questions, or in the alternative—

Mr. Speaker: Order, please.

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): On that question of privilege raised by my hon. friend, Mr. Speaker, I want him to know that if he would consent, we would be very pleased to appoint the hon. member for Winnipeg North Centre (Mr. Knowles) to the Senate so that he would have a voice there.

Mr. Knowles: Never!

• (1510)

[*Translation*]

MR. GUAY—PRIME MINISTER'S ATTITUDE REGARDING ORAL QUESTION ASKED IN HOUSE

Mr. Raynald Guay (Lévis): Mr. Speaker, I rise on a question of privilege. A while ago, during the oral question period, my personal rights were encroached upon. I rose on behalf of several thousand unemployed, shipyard workers, not only from the province of Quebec but from the whole of Canada. I thought I had put a very important question to the right hon. Prime Minister (Mr. Clark) and I see that, even now, he does not deign to listen to me because he is talking with the Secretary of State for External Affairs (Miss MacDonald). That is indicative of the importance he attaches to the unemployed. There are more than 5,000 unemployed in our Canadian shipbuilding industry. I merely want to say, Mr. Speaker, that since the right hon. Prime Minister did not deign to give me a reply, I shall see to it that the shipyard workers unions and the workers throughout Canada are advised of the scorn he showed for the importance of the question I put to him just a few minutes ago.

Mr. Speaker: Order. The House understands full well, I am sure, that it was the Speaker, and not the Prime Minister, who decided to turn down the question put this afternoon by the hon. member for Lévis. Despite the importance and urgency of the matters being brought up, it is absolutely imperative that the questions always be put according to our practice and precedents.

* * *

[*English*]

POINT OF ORDER

MR. PETERS—OPPORTUNITY FOR MEMBERS TO ASK QUESTIONS

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I rise on a point of order partly in relation to the question period today and partly following some comments Your Honour made during the question period. Many members of this House are denied the opportunity of asking questions. I was one of those who was here when question period went on as long as members wanted to ask questions. I have seen question period go on until eight or nine o'clock at night under previous governments. We reformed the rules to eliminate that so as to make question period more meaningful and allow most members to ask whatever questions they wished.

The question period is structured and it is being structured by the parties, but there does not seem to be any control, advice or instructions being given to individual members or ministers as to how question period would be most advantageous for members of Parliament as well as for the viewers who now watch question period. I can raise this without much difficulty because I am not one who has participated unduly in question period over the last few years.

I have spoken to many members who I find are totally dissatisfied that they cannot ask questions. I agree that many of the questions are not properly asked. Some questions have too long a preamble and in some cases Your Honour has to ask if the member has a question. After two or three minutes it is not always obvious whether a question has been asked.

I would like to see you, Mr. Speaker, enforce a set of rules that would be designed in such a way as to allow the elicitation of the largest number of questions possible. I would like to see you charged with making the decision autocratically as to when there is too much preamble and not enough question. This would allow as many members of Parliament who wished to ask questions.

It would seem to me that if a member on behalf of his constituents wished to ask a question, he should be able to do that at least within a week, but if he cannot do that within a week, then obviously the question is out of date and there is really no point in asking that question. It seems to me that we have given you that responsibility by shortening the question period, making it only three-quarters of an hour rather than an unlimited question period, and if members are to be satisfied we better extend the length of question period or, as members of Parliament collectively, we should make a decision that there will be less preamble and more question.

If a snappy question is asked of a minister, he is going to be in difficulty if he does not give a snappy answer. Sometimes a member goes all over the waterfront in asking a question. Certainly the first two questions that were asked today were fairly good speeches and probably would do the members credit in having asked them in the way they did if they were making a speech, but questions they were not.

I know Your Honour has a great deal of other responsibilities and the job is not a cinch anyway, but the House has really given you the responsibility for meeting the requirements of allowing as many questions as possible in that very limited three-quarters of an hour that we have allocated for this purpose.

Question period is really now the window of Parliament as far as the public is concerned. I think they must be as disgusted as I am sitting here listening to many questions and answers knowing full well that there are many other members who would be able to ask questions on behalf of their constituents if they were given the opportunity. I have no objection to

the maiden speech that was made by the new member today. That was his first opportunity to rise in this House, and I appreciate your not having done anything about it.

However, I would ask you if you could discuss this matter with the House leaders or any other interested group, whether a committee or not, to ascertain whether there is some way of being able to put more questions in the question period. As well, perhaps you could have more control over the type of questions that you allow so that the end result will be that all members of Parliament will be in a better position to ask questions given the limited time in which that can be accomplished.

Mr. Speaker: The hon. member raises a point which is of concern to all members of the House. I think he has seen the efforts that I have made from here to try to admonish members, particularly at the beginning of question period, as I did again today. The primary difficulty in this seems to be those who lead off the question period. The putting of a long question, as was the case today and has been the case in many days, at the beginning of question period invites a long answer. In fairness, it is very difficult for the Chair to move in immediately with the first question of the day and try to be very severe and cut short that question. When that question is allowed by the Chair to be a moment or two long, it invites at least an equal answer. Today, for example, the first question and answer of equal length absorbed five full minutes. At that rate, by the time the leader of the New Democratic Party had finished his questions, the question period would have been over if we had continued at that pace.

It is a very difficult chore. I try to admonish members, and here we are dealing with experienced members of the House. The hon. member raises the point that we are dealing with members who are inexperienced and are new but the difficulty is that it is the experienced members who at the head of the question period consistently feel, for whatever reasons—and they are valid reasons—that their question at that point is quite important. It is indeed important; it should be and perhaps it deserves extra treatment. But it does not seem to me to contribute to the importance of the question or the answer by making them overlong. What it does do is contribute immensely and immediately to the frustration of many members. I now have a list running for several days of many members who have simply been denied access to the question period. It is very difficult for them to continue to suffer this denial at the price of an extended performance at the beginning of question period.

I have asked several times for the co-operation of members and I plead with members again to examine this matter to see why it is that members at the end of the question period have to be expected continually to put questions and get answers in a minute or two. They seem to put effective questions and get effective answers. I am wondering why the same thing cannot be done at the beginning of the question period as this would multiply immensely the opportunity for distribution of time and participation throughout the question period. I ask that again, and I ask for co-operation from members on both sides of the House in putting shorter questions and shorter answers, as I think this would go a very long way towards solving the very legitimate matter raised by the hon. member.

● (1520)

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, perhaps I could take just a minute or two on the same point. I want you to know on behalf, I am sure, of most members of the House that if members do not respond to your plea for co-operation most of us in this House would be fully supportive of you if you were to get really tough and just cut them off. It seems to me that if that happened once or twice to a member, even an experienced one, members would start co-operating with you and that would be better for all of us.

I suggest the same thing goes in respect of answers by the government. If they tend to be windy and drag the answers out, and if they do not respond to your plea for co-operation, you should just get really tough and cut them off, and I am sure you would have the overwhelming support of members of the House.

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I had not intended to participate in this debate, but I do want to make a point. We have witnessed a very considerable change in the question period over the last while, not beginning in the present Parliament. The question period evolved quite directly and quite obviously into almost a self-disciplining situation during the last Parliament. When I sat on the government side I thought that development was very much to the advantage of the opposition. When this Parliament opened, Your Honour, and when my leader extolled your virtues, one of the points he made was that we hoped the same rights that had been accorded to the opposition in the last Parliament would prevail in this Parliament.

We are prepared to look at changes in the question period, but we will resist very vigorously any attempt to deny to the opposition the rights which were so advantageously and effectively employed by the present members of the government against us when we were in the government.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I am sure this House could be tempted to discuss this at great length. I think the point that has to be made is that it must be understood that the Chair is not going to lose during the question period. I have nothing to lose during the question period. I do not put questions. I have to try to preside, not on my behalf, but on behalf of hon. members, and the victims of disorder during the question period are not those who have the responsibility to preside, but those who are trying to participate. They are the ones who pay the price, and that is the concern I am attempting to express.

Therefore, I hope all of these interventions will be examined in the light, not of reducing participation during the question period or of access during that time, but, instead, of increasing it.

Order Paper Questions

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

ALLOCATION OF TIME TO CONSIDER COMMITTEE OF THE WHOLE STAGE OF BILL C-20

Mr. Baker (Nepean-Carleton): Mr. Speaker, yesterday, as you know, the House gave approval in principle to the government's Bill C-20 regarding property tax credit. That having been done, I consulted with my colleagues, the other House leaders, to see whether there would be any possibility of arranging an allotment of time for the Committee of the Whole proceedings. I wish to advise the House that this was done pursuant to Standing Order 75C, and that the representives of the parties were unable to reach an agreement under Standing Order 75A and 75B on the allotment of time for the Committee of the Whole stage on Bill C-20, to amend the Income Tax Act and provide a tax credit with regard to mortgage interest and home owner property taxes.

In those circumstances, Mr. Speaker, I therefore give notice of my intention to move a motion on Friday, December 7, 1979, allocating one sitting day for the consideration of the proceedings at that stage of this bill so this debate can continue.

Some hon. Members: Open government.

An hon. Member: It is the only way to deal with a filibuster.

Some hon. Members: Oh, oh!

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 89, 213, 231, 313, 321, 383, 387, 401, 409, 413, 417, 436, 577 and 653.

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

[*Text*]

NEW HORIZONS PROGRAM—RIMOUSKI

Question No. 89—**Mr. Allard:**

1. Since 1978, did the Department of National Health and Welfare finance projects in the constituency of Rimouski as part of the New Horizons Program and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

[Mr. Speaker.]

2. Is the department planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Hon. David Crombie (Minister of National Health and Welfare):

1. Please see list A.

2. Please see list A.

1. List of New Horizons Projects Approved for the Constituency of Rimouski, Quebec

Project No.	Name of Organization	$ Amount
1978-1979		
4-A2864	Club de l'Age d'Or Saint-Pierre-du-Lac, Val-Brillant	$ 2 505
A2968	Le Cercle d'Age d'Or de l'Amitié, Rimouski	4 112
3171	Club de l'Age d'Or, Ste-Angèle de Mérici	3 439
3276	Corporation de l'Age d'Or de Notre-Dame-du-Lac, Notre-Dame-du-Lac	4 475
3387	Club de l'Age d'Or, Cabano	7 016
3566	Club de l'Age d'Or de Nazareth, Rimouski	8 320
3595	Le Club de l'Age d'Or "La Rigolade de St-Pierre de Lamy", St-Pierre de Lamy	4 793
3661	Club "Age d'Or"—Pointe-aux-Pères, Pointe-aux-Pères	3 045
3917	Les Pionniers, St-Narcisse	8 898
4000	Club Récréatif du Domaine Charles-Eugène Parent, Rimouski	5 260
	Total	$51 863
1979-1980		
4-A3688	Age d'Or St-Michel du Squatteck Inc. Squatteck	$ 4 429
A3950	Club de l'Age d'Or de St-Anaclet, St-Anaclet	2 890
4118	Les Rimouskois, Rimouski	5 105
A4162	Club de l'Age d'Or St-Germain, Rimouski	3 274
A4184	Club de l'Age d'Or de St-Eusèbe, St-Eusèbe	3 844
A4235	Le Club de l'Age d'Or de Packington Inc., Packington	1 841
	Total	$21 383

2. There are two further projects under review.

HEALTH AND WELFARE—NUMBER OF EMPLOYEES

Question No. 213—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Department of National Health and Welfare's payroll on March 31, 1979?

Hon. David Crombie (Minister of National Health and Welfare):

(a) Eight thousand eight hundred sixty permanent employees of whom 190 were continuing part-time—working more than 15 hours per week, but less than full-time hours.

(b) Six hundred fourty-six term employees over six months and an estimated 680 term employees less than six months.

MINING SECTOR—CAPITAL EXPENDITURES

Question No. 231—**Mr. Lambert (Bellechasse):**

For each province, what was the decrease or increase rate of capital expenditures in the Canadian mining sector for (a) 1978 (b) the first nine months of 1979?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources):

Province or Region	(a) 1977 to 1978 (per cent)	(b) 1978 to 1979 (per cent)
Atlantic Region	– 4.8	32.8
Quebec	–57.9	2.2
Ontario	–22.7	31.6
Prairie Region	17.9	– 5.2
British Columbia	–19.3	35.4
Yukon Territory and Northwest Territories	– 2.3	–15.6

Notes: (1) Disaggregated data unavailable for Atlantic and prairie regions; (2) Partial-year data for 1979 unavailable; and (3) Data shown for 1979 results from survey of company investment intentions and thus may differ significantly from actual data.
Source: Statistics Canada, Catalogue 61-206.

HEALTH AND WELFARE—APPROVAL OF DRUGS

Question No. 313—**Mr. Herbert:**

1. Has the Department of National Health and Welfare received complaints that two departments, cardiovascular and renal and neurological are causing delays in the approval in Canada of compounds that have been marketed in England and Europe for several years?

2. Have some compounds been stalled for more than two years?

3. Is there a manpower shortage and, if so, is it the government's intention to take immediate measures to rectify this situation?

Hon. David Crombie (Minister of National Health and Welfare):

1. A number of pharmaceutical companies awaiting completion of reviews of new drug submissions by the bureau of drugs have complained of the delays in the division of cardio-renal and arthritis drugs, central nervous system drugs, and the division that reviews anti-infective (antibiotics) drugs. A four-month backlog of submissions exists in all three divisions.

2. If a drug manufacturer is not issued a notice of compliance for one or two years, it is because of problems with drug quality, safety concerns, or inadequacy of efficacy data.

3. There is a shortage of pharmacologists, pharmacists and physicians to carry out reviews of manufacturers' submissions. In the light of the increasing work load, a review of staffing needs is being conducted.

RESIDENCE OF THE PRIME MINISTER—ITEMS REMOVED

Question No. 321—**Mr. Cossitt:**

According to the government records or knowledge, during the period of time that the former Prime Minister vacated the premises of the official residence of the Prime Minister at 24 Sussex Drive, were any items removed that were paid for, belonged to or in any way in whole or in part, the property of the government and, if so (a) under whose instructions were the items removed (b) what is a complete list of all the items (c) what was the approximate original cost to the taxpayers of the items (d) did the former Prime Minister pay the government any amount whatsoever toward the cost of the items and (i) if so, in what amount (ii) if not, for what reason?

Hon. Erik Nielsen (Minister of Public Works):

(a) Items of furniture were moved to Stornoway, the official residence of the Leader of the Opposition, at the request of the Leader of the Opposition. The items in question were mutually agreed upon by the parties concerned after discussions took place between them.

(b) The complete list of items moved is as follows:

2 large easy chairs
1 sofa
3 brass end tables
1 brass tea wagon
3 lamps
2 arm chairs
1 wicker lamp
2 brass end tables
1 floor lamp
1 safe
3 chairs
1 sofa
1 night table
1 high boy and dresser
1 chair
1 end table
1 brass bed—head board & foot
2 end tables
1 chair
1 dresser and bookcases
assorted linen for beds
assorted towels
1 canoe

(c) The furniture moved was from the personal living quarters, and not from the "official rooms" at 24 Sussex. The total approximate cost to the taxpayer of the above items was $14,000.

(d) The former Prime Minister did not pay any money toward these goods that were transferred.

(i) Not applicable.

(ii) As the former Prime Minister is still an MP and the Leader of the Opposition, he is entitled to reside in Stornoway which is the property of the Government of Canada, and as such, has not removed any property belonging to the taxpayer from those designated premises.

Order Paper Questions

HEALTH—VIETNAMESE REFUGEES—HEPATITIS B VIRUS

Question No. 383—**Mr. Cossitt:**

1. Is the Minister of National Health and Welfare aware of a bulletin issued by the Canadian Dental Association claiming that up to 7,000 of the 50,000 Vietnamese refugees being admitted to Canada are carriers of Hepatitis B Virus and that (a) the Canadian Dental Association has advised its members not to treat any of these people unless they have been tested to see if they carry such virus (b) provincial governments have been requested by the Canadian Dental Association to establish specific dental units for treatment of Hepatitis B Virus in major populated centres (c) Hepatitis B Virus is extremely dangerous and quite different from Hepatitis A Virus, normally found in Canada?

2. (a) What is the policy of the government on this matter (b) has the minister discussed it with provincial departments of health (c) what action has the department taken, if any, or is prepared to take?

Hon. David Crombie (Minister of National Health and Welfare):

1. Yes, the minister is aware of the bulletin issued by the Canadian Dental Association claiming that 7,000 of the proposed 50,000 Indo-Chinese refugees may be carriers of hepatitis B virus.

(a) The minister has decided that all Indo-Chinese refugees arriving in this country will be tested for hepatitis B virus by the Canadian Red Cross blood transfusion service.

(b) The results of the tests carried out by the Canadian Red Cross laboratories will be forwarded to the appropriate provincial department of health within five to seven days of the blood specimens being taken.

(c) Although advice given to the department by experts has in general been reassuring respecting the potential risk of hepatitis B virus, a further program of testing of hepatitis B virus among the arrivals from Southeast Asia is being carried out by the department to establish the parameters of the problem and the most appropriate manner of dealing with it.

2. As mentioned, the policy at the present time is to carry out tests on all immigrants;

(b) The department has discussed this matter with all provincial departments of health who had been invited to meetings of an expert committee on refugee health problems over the past two months;

(c) The department, as mentioned, is prepared to take tests on all refugees of all age groups and the results of these tests will be made available to the provincial departments of health concerned.

HEALTH AND WELFARE—GRANTS TO PLANNED PARENTHOOD FEDERATION

Question No. 387—**Mr. Mitges:**

1. For the fiscal year ended March 31 (a) 1973 (b) 1974 (c) 1975 (d) 1976 (e) 1977 (f) 1978 (g) 1979, did the Planned Parenthood Federation of Canada apply for a grant to the Department of National Health and Welfare and, if so, for what amount?

2. For each year, was the application approved and, if so, in what amount?

[Mr. Nielsen.]

Hon. David Crombie (Minister of National Health and Welfare):

1.	Yes Amount requested	2. Yes Amount granted
(a) 1972-73	$ 500,000.00	$500,000.00
(b) 1973-74	547,479.00	457,500.00
(c) 1974-75	600,000.00	600,000.00
(d) 1975-76	600,000.00	600,000.00
(e) 1976-77	1,314,464.98	600,000.00
(f) 1977-78	1,105,844.66	600,000.00
(g) 1978-79	973,209.00	600,000.00

AIR TRAFFIC SERVICES

Question No. 401—**Mr. Cossitt:**

1. (a) In each of the past four years, how many "near misses" or what is commonly referred to in Air Traffic Services lexicon as "losses of separation between aircraft" have occurred between Air Canada aircraft and other aircraft (i) in Canadian airspace (ii) elsewhere (b) what was the location of each occurrence and what was the identity of the other aircraft involved?

2. In which cases were investigations conducted and what (a) were the results (b) action, if any, was taken?

Hon. Don Mazankowski (Minister of Transport):

1. (a) (i)

Year	Losses of Separation
1978 —	6
1977 —	6
1976 —	8
1975 —	11

(a) (ii) Formal records for situations outside of Canadian airspace are not maintained.

(b)

	Location	Other Aircraft
Case 78-1	Near Fredericton, N.B.	Laker Airways Flt. 42
Case 78-2	Near St. John, N.B.	Canadian Civil C-FAZI
Case 78-3	Vicinity of Quebec Airport	Canadian Civil C-GTRC
Case 78-4	Vicinity of Quebec Airport	Quebecair Flt. 155
Case 78-5	Near Cold Lake, Alta.	Pan American Flt. 122
Case 78-6	Northeast of Vancouver, B.C.	Canadian Military call sign RAM 153
Case 77-1	Near Sept-Iles P.Q.	American Navy 00JFN
Case 77-2	Atlantic Ocean (SCAD Fix)	Royal Dutch Airlines Flt. 691
Case 77-3	Near Greenwood, N.S.	Military Airlift Command 40644
Case 77-4	Near Sault Ste. Marie, Ontario	Canadian Pacific Flt. 80
Case 77-5	Near Sioux Narrows	Air Canada Flt. 161
Case 77-6	East of Winnipeg, Man.	Lufthansa Flt. 452
Case 76-1	East of Sept-Iles, P.Q.	Northern Wings Flt. 911
Case 76-2	East of Millinocket, Maine	Trans Mediterranean Flt. 313
Case 76-3	East of Hudson Heights, P.Q.	Air Canada Flt. 793
Case 76-4	Vicinity of Mirabel Airport, P.Q.	Scandinavian Flt. 941
Case 76-5	East of Toronto, Ont.	Canadian Pacific Flt. 64
Case 76-6	East of North Bay, Ont.	Canadian Pacific Flt. 66

Case 76-7	East of Thunder Bay, Ont.	Air Canada Flt. 145
Case 76-8	Near Hudson Heights, P.Q.	Iberian Flt. 971
Case 75-1	Near Fort Chimo, P.Q.	Scandinavian Flt. 911
Case 75-2	Near Sherbrooke, P.Q.	United States Air Force call sign ETTA 32
Case 75-3	Near Quebec Airport, P.Q.	Canadian Civil C-GODR
Case 75-4	Near Montreal Airport, P.Q.	Air Transit Flt. 1002
Case 75-5	Near Toronto, Ont.	American Civil N5116
Case 75-6	Near Thurso, P.Q.	Air Canada Flt. 163
Case 75-7	Near Sault Ste. Marie, Ont.	Air Canada Flt. 244
Case 75-8	Vicinity Saskatoon Airport, Sask.	Canadian Military (call sign Viking 11)
Case 75-9	Near Empress, Sask.	Air Canada Flt. 217
Case 75-10	Near Beechy, Sask.	Air Canada Flt. 130
Case 75-11	Near Reflex Lake, Sask.	Canadian Pacific Flt. 73

2. All reported cases are investigated.

2. (a) (b)

Sample	Findings	Action
Case 78-1	Controller error	Control requalified
Case 78-2	Procedures inadequate Human factors	Procedures revised Controller referred to Regional Medical Officer
Case 78-3	Controller error	Controller counselled
Case 78-4	Controller error Procedures not followed	Controller counselled
Case 78-5	Controller error	Data board format revised
Case 78-6	Procedures vague	Procedures revised
Case 77-1	Controller error	Unit direction initiated
Case 77-2	Controller error Pilot error	Flight data methods revised Crew reprimanded
Case 77-3	Controller error	ATC bulletin issued to improve controller awareness
Case 77-4	System breakdown due to heavy traffic workload	Airways realigned to segregate flows
Case 77-5	Controller error	Controller counselled
Case 77-6	Controller error	Data sector reconfigured Controller requalified
Case 76-1	Controller error	Concerned units made aware of readback requirements
Case 76-2	Controller error	Review of direct routing requests/requirements
Case 76-3	Inefficient control practices	Unit to rectify deficiencies
Case 76-4	Controller error	Controller proficiency checks
Case 76-5	Controller error	Awareness package disseminated nationally
Case 76-6	Pilot error	Referred to airline for action
Case 76-7	Controller error	Procedures corrected, wrong way altitude study initiated
Case 76-8	Pilot error	Study initiated on clearance violations
Case 75-1	Controller error	Controller counselled
Case 75-2	Controller error	FAA to rectify American deficiencies
Case 75-3	Inexact ATC Procedures	Procedures revised
Case 75-4	Controller error	Bulletin issued to improve awareness
Case 75-5	Controller error	Controller counselled
Case 75-6	Controller error	Controller requalified
Case 75-7	Controller error	Bulletin issued to improve awareness
Case 75-8	System deficiency	Airspace review, no further action
Case 75-9	System breakdown	Controller counselled
Case 75-10	System breakdown	Performance Development Program instituted
Case 75-11	System breakdown	Training program revised Briefing routines intensified

An Air Traffic Control (ATC) loss of separation results when the required spacing between IFR-instrument flight rule-aircraft is not maintained. There is no definition of "near miss" however, it is commonly used to describe critical situations when avoidance action is required by the pilots.

OLD AGE SECURITY PENSION

Question No. 409—**Mr. Lambert (Bellechasse):**

On March 31, 1979, how many (a) female (b) male persons received the old age security pension?

Hon. David Crombie (Minister of National Health and Welfare): On March 31, 1979, there were 2,145,383 recipients of the Old Age Security pension. Information to indicate the sex of Old Age Security pension recipients is not available on a regular basis. However, data compiled for the month of June 1979 only indicate that 46 per cent were male recipients and 54 per cent female recipients.

PENSIONS

Question No. 413—**Mr. Lambert (Bellechasse):**

During the fiscal year 1978-79, what amounts were spent for (a) old age pensions (b) spouse's allowance paid to persons aged 60 to 65 (c) Guaranteed Income Supplement for spouses and, how many (i) female (ii) male persons received such allowances?

Hon. David Crombie (Minister of National Health and Welfare):

	Number of recipients March 31, 1979	Amounts paid Fiscal Year 1978-79
(a) Old Age Security Pension	2,145,383	$4,130,612,910
(b) Spouse's Allowance	75,292	126,301,725
(c) Guaranteed Income Supplement	1,161,610	1,234,160,749

Information to indicate the sex of Old Age Security, Spouse's Allowance and Guaranteed Income Supplement recipients is not available on a regular basis. However, data compiled for the month of June 1979 only indicate the following percentage distribution:

Type of benefit	(i) Female	(ii) Male
Old Age Security	54 per cent	46 per cent
Spouse's Allowance	92 per cent	8 per cent
Guaranteed Income Supplement	60 per cent	40 per cent

Order Paper Questions

SOULANGES CANAL

Question No. 417—**Mr. Herbert:**

1. Was the Soulanges Canal sold to the province of Quebec and, if so (a) on what date (b) under what terms and conditions?

2. Has the government taken any position concerning the re-opening of the canal?

3. Was the government approached by the government of the province of Quebec, in the last year, with any proposal for the use of the canal or did any discussions take place during this period?

Hon. Don Mazankowski (Minister of Transport): Transport Canada advises as follows:

1. Governor in council transferred to the province of Quebec, on February 11, 1965, by Order PC 1965-251, the administration and control of the Soulanges Canal and the reserve of land of the said canal, subject to the following condition:

> Her Majesty in right of the province of Quebec will permit Her Majesty in right of Canada to store on the upper entrance wall of the Soulanges Canal, during the period extending from the close of navigation of Lake St. Francis each year until the opening of navigation on the said lake the following year, at such location or locations thereon as may be mutually agreed upon between the deputy minister of the Quebec department of roads and the Deputy Minister of Transport Canada, the navigation buoys and other aids to navigation on Lake St. Francis.

The governor in council also authorized by the said order the payment to the province of Quebec the sum of $416,000.

2 and 3. Not to our knowledge.

WIDOWS

Question No. 436—**Mr. Herbert:**

Did the Minister of National Health and Welfare, in a speech he made in the House of Commons on October 22, 1979, express concern for a very vulnerable segment of our society, the newly bereaved, near aged widow and did he say, as printed at page 459 of *Hansard* "at the age of 60-plus it is clearly unreasonable to assume that they would be able to go out and fully sustain themselves on the labour market" and, if so, what is the estimated number of women aged 60 to 65 who were widowed before they attained the age of 60 and how many of these widow's husbands, at the time that they died, were (a) 65 or over and in receipt of the old age pension (b) aged 60 to 65?

Hon. David Crombie (Minister of National Health and Welfare): Yes. Statistics are available from the 1971 and 1976 censuses to establish the age distribution of widows. Statistics indicating the age at which women become widowed, or the age of their spouse at the time the spouse died, are not available.

GRAIN TRANSPORTATION TASK FORCE

Question No. 577—**Mr. Nystrom:**

1. What budget has been made available to the Grain Transportation Task Force and specifically, what amounts have been budgeted for (a) transportation and communications (b) professional services (c) printing and distribution of report(s) (d) material and supplies (e) salaries and per diem allowances?

2. Are all members of the committee also members of the Progressive Conservative Party?

Hon. Don Mazankowski (Minister of Transport):

1. With respect to the Grain Transportation Task Force, the amounts spent to November 14 are:

(a)	transportation and communication	$6,943.27
(b)	professional services	1,552.57
(c)	printing and distribution of reports (est.)	400.00
(d)	material and supplies	266.00
(e)	salaries and per diem allowances	nil

2. Yes.

RESEARCH IN DRUGS

Question No. 653—**Mr. Herbert:**

Is the government undertaking research or the publishing of the results of research in the private sector, that would identify drugs that are chemically equal but not therapeutically equivalent?

Hon. David Crombie (Minister of National Health and Welfare): No.

[*Translation*]

Mr. Speaker: The hon. Parliamentary Secretary to the President of the Privy Council has mentioned question No. 436 and immediately after question No. 477. I am sure he meant question No. 577.

Mr. Kilgour: That is right, Mr. Speaker.

[*English*]

Mr. Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, notices of motions for the production of papers Nos. 5 and 11 are acceptable to the government.

TREASURY BOARD—SELECTED PERSONNEL ADMINISTRATION POSITIONS

Motion No. 5—**Mr. Herbert:**

That an Order of the House do issue for a copy of the Report on the Compliance Audit of Selected Personnel Administration Positions prepared by the Evaluation Program Group, October 1977, Treasury Board.

Motion agreed to.

STEVENSON AND KELLOGG LTD

Motion No. 11—**Mr. Herbert:**

That an Order of the House do issue for a copy of the report by Stevenson and Kellogg Ltd. on a new classification system for the government.

Motion agreed to.

Mr. Kilgour: Mr. Speaker, would you be so kind as to call notices of motions for the production of papers Nos. 8 and 24?

PUBLIC SERVICE—JOB CLASSIFICATION

Motion No. 8—**Mr. Herbert:**

That an order of the House do issue for a copy of the study on certain occupational groups in the public service intended to determine the extent of job classification accuracy.

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, on behalf of the President of Treasury Board (Mr. Stevens), the only study conducted on certain occupational groups in the public service was the classification audit in the national capital area and the non-national capital area. This study was tabled in Parliament by the President of Treasury Board on December 18, 1978. On behalf of the minister I would, therefore, ask the hon. member to withdraw his motion.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I have reason to doubt the accuracy of that statement and I would, therefore, ask that the motion be transferred for debate.

Mr. Speaker: Transferred for debate.

JUSTICE—APPLICATION OF FEDERAL LAWS BY PROVINCIAL COURTS

Motion No. 24—**Mr. Herbert:**

That an order of the House do issue for a copy of the latest study by the Department of Justice on the comparison of the application by provincial courts of federal laws.

Mr. George Cooper (Parliamentary Secretary to Minister of Justice): Mr. Speaker, as far as the Department of Justice is concerned, there is no such study as that requested by the hon. member in his motion No. 24. Therefore, I ask that this motion be withdrawn.

Mr. Herbert: Transfer for debate.

Mr. Speaker: Transferred for debate. Shall the remaining notices of motions for the production of documents be allowed to stand?

Some hon. Members: Agreed.

PRIVILEGE

MR. HERBERT—TABLING OF REPORT OF STANDING COMMITTEE ON MISCELLANEOUS ESTIMATES

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I rise on a question of privilege. I notice that the hon. member for Edmonton West (Mr. Lambert) is in his seat today. I was under the impression that he would be tabling a committee report today, a report which we on this side of the House consider to be extremely important and which would affect our work. I wonder if, under those circumstances, we can be advised as to why such report has not been tabled since it has quite an effect on the conduct of this House?

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the answer is very simply that I have not got the report. If I have the report on Friday I will table it. There was no direction as to time.

● (1530)

GOVERNMENT ORDERS

[*Translation*]

INCOME TAX ACT

AMENDMENT TO PROVIDE TAX CREDIT IN RESPECT OF MORTGAGE INTEREST AND PROPERTY TAX

The House resumed from Tuesday, December 4, consideration in committee of Bill C-20, to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax—Mr. Crosbie—Mr. Laniel in the chair.

The Chairman: When the committee rose on Tuesday, December 4, 1979, clause 1 of the bill was under consideration.

On clause 1—

Mr. Comtois: Mr. Chairman, I would have preferred to make my speech before the second reading stage of the bill but since I did not want to delay the vote unduly, I agreed to postpone my intervention to this stage of this bill. This afternoon I would like to give the House the reasons which motivated my voting in favour of Bill C-20, an Act to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax.

At the same time I would like to explain to the hon. Minister of Finance the amendments I would like to see made to clause 2 of the bill so that he may consider them now and I hope agree with them. Bill C-20 is a measure designed to bring about a tax rebate and help young couples who want to raise their families in the best conditions possible. As for me, any

measure intended to facilitate single unit home ownership will meet with my support. Yet, I think that this measure should be integrated into a more general family policy.

Mr. Chairman, we have heard during the debate all those grand theories for and against Bill C-20. It has been said that it is a discriminatory bill. I should like to remind my hon. colleagues that all bills that the House passes discriminate against parts of the population or particular groups of citizens, and I will give as an example the measure we passed to make sure that those people over 60 years of age who are entitled to the spouse's allowance will keep receiving the allowance until they are 65, after the death of their pensioned spouse over 65. That measure discriminates against all single persons between 60 and 65 years of age, but that did not stop the House from supporting it unanimously.

So this is a similar case. It is a tax cut intended for a particular group of Canadians who are or will become owners of single-family dwellings. Some have said that the legislation puts at a disadvantage some provinces where the number of home owners is not as great as in others. That is why I thought of moving an amendment, or rather two amendments, to change the proportion of tax credits applicable to mortgage interest and property tax. When we come to clause 2, I intend to ask the minister to consider the possibility—I would appreciate it if the minister listened carefully to what I am saying—of reducing the tax credit in respect of mortgage interest to $1,000 from $1,250, and of increasing the tax credit in respect of property tax to $500 from $250, thus leaving the allowable maximum the same as it is now, at $1,500. That would help more the Atlantic provinces and Quebec where more people own homes that are mortgage-free or almost completely paid.

So a higher tax credit for property tax would be, I think, much fairer and would not affect future government spending.

Mr. Chairman, with regard to housing and single-family dwellings, there is some concern, and rightly so, about the future of single-family homes in Canada. Only recently, the Quebec provincial home builders Association at its convention held in Chicoutimi, I think, spent a whole weekend looking into the future of single-family homes, in Quebec in particular, all the more as the majority of buyers of this type of housing are in the 25 to 44 age group. Most are young couples with or without young children or who intend to raise a family, of course, in the best conditions possible. I think we might have erred in our housing policy in that large housing projects have been promoted rather than smaller single-family or multiple family dwellings, with the result that there are now terrible social problems in those large projects. There are communication, public transportation problems, the solution of which requires millions, if not billions, of dollars. As to the single-family dwelling, it causes the least social problems and no congestion in downtown areas because they are located mainly in the suburbs.

[Mr. Comtois.]

I should also like to deal with the situation of tenants who are ignored in this legislation, but it is a comfort to think that the minister responsible for the Canada Mortgage and Housing Corporation stated a few days ago that he was in favour of housing subsidies for senior citizens. It is perhaps the group of tenants that are the most penalized at present by rental or heating costs, energy costs in general and the cost of living. If the government wants to go further in that direction, it will surely get the support of my colleagues on this side of the House.

Mr. Speaker, it is easy to say this legislation is going to cost $2 billion or $2.5 billion in four years. It is more difficult to try to figure what this legislation may save in social allocations, in unemployment benefits and other government expenses when we know that in Quebec alone more than 150,000 unemployed are looking for work in the housing sector. If this measure is going to boost housing construction, I think it represents a step in the right direction even if it is a small step.

I would like the government to examine the question of public transportation in the big cities and their suburbs in order to reduce the costs incurred by single dwelling owners. As I said earlier, they tend to live in the suburbs of big cities where the atmosphere is more favourable to raise their families. It should be part of a global policy which the government should examine without delay. We need answers that will be of real interest to the whole population.

Those who think that single-family dwellings are more expensive in the way of infrastructure are either misinformed or inexperienced. There may not be too many members here who in the past had an opportunity to plan, develop and build a municipality mostly made up of single-family dwellings. This was part of my experience, and I can say that infrastructure costs were lower than those in large centres or housing projects, and social problems in my town are much less acute than in larger cities.

Those are some of the reasons why I supported the bill. I feel that the tax credit approach can be handled with a minimum of intervention by officials and will not create an unnecessary and costly bureaucracy. It is simply a matter of completing an income tax return and adding mortgage interests and property tax receipts, and from then on computers take over.

The Minister of Finance suggested he would not accept amendments that could change the nature of his bill or the nature or make up of income tax returns. I say to him that all that is involved in the amendments I shall be moving to clause 2 is a transfer of amounts, and the only thing to do is to change the computer program. There will be no need to change the income tax returns which are already printed and will be sent to taxpayers within a few weeks.

Mr. Chairman, this is what I had to say, the few explanations I wanted to give to hon. members and to my constituents who also support the bill. Since we heard all sorts of comments

during the debate, I should like to conclude by saying, as I often do, that in every area the experts are always right, except when things go wrong, at which time they turn to politicians to solve the problem. So, in the long run, it is always a political decision. Whatever the experts may think, it is my view that as politicians and elected representatives of our fellow citizens, it is our duty to make decisions, and I hope that jointly we made the best possible one.

I have the firm intention when we come to clause 2, to move two amendments, and I hope the Minister of Finance and the government will accept them for the benefit of home owners, especially those in the Atlantic provinces and Quebec.

Mr. Veillette: Mr. Chairman, I am very pleased to rise in the House. Several of my colleagues have already expressed their views regarding this bill to provide a tax credit in respect of mortgage interest and home owner property tax. I expect that the remarks and suggestions made by all speakers in the course of this debate on Bill C-20 will be taken into consideration in order to offer Canadians a fair scheme for all those who have housing needs. Mr. Chairman, I say housing needs because I do consider that Canadians need shelter the same way they should have clothes. This to me is a basic rule. What I find detrimental and unfair is that the government opposite tries to make Canadians believe that this scheme is a product of their imagination when in fact it is derived from the ideology of the Liberals who for years have made serious and extensive studies on the possibility of establishing a scheme which, through an allowance, would encourage Canadians to become home owners in the proper sense of the word.

Because of an election promise, the government now introduces this bill with the firm intention of having it passed before the holiday season. Does the government want to make a Christmas gift to the Canadian public? Mr. Chairman, I would like to tell my friends opposite that when a father makes Christmas gifts to his children, at least he tries to be fair to the whole family so that everyone can be happy during the holidays.

Mr. Chairman, the government is anxious to keep its election promise because it wants the Canadian people to forget the mistakes of the past. They have introduced this bill too hastily without making an in-depth study of this matter, just as they did in the case of the election promise to move the Canadian embassy from Tel Aviv to Jerusalem. We all know that to save face the government had to send Mr. Robert Stanfield as ambassador extraordinary to the Middle East and that on his return, Mr. Stanfield immediately and quite logically submitted his report, following which the Prime Minister stated not too long ago in the House that he had made a mistake and had to withdraw. We all know that the government had to change its plans concerning Petro-Canada and is now making every effort to find an answer to keep its election promise.

Because of all this, Mr. Chairman, I am afraid that this government, just to prove its efficiency, will implement this last promise even though it is certainly detrimental to the Canadian people.

In view of the irresponsibility of this government in the past, I find it hard to believe that this bill will prove beneficial for the whole population. Mr. Chairman, I am certainly not against a mortgage tax credit. What I oppose in this bill is the fact that a group of Canadians, who are already privileged in certain respects, will benefit from additional advantages to the detriment of other Canadians who do not have the good luck to be home owners. I am thinking especially about the middle income worker who is lucky enough to own a home in which one floor or one part could be converted into an apartment. This home owner could not benefit fully from the exemption because of subclause 2(7)(c) which reads:

> qualified home does not include a property for any period during which it is used principally for the purpose of gaining or producing income,

We can say that, basically, this bill will contribute to increasing the gap between various groups of Canadian citizens. This gap, of which the government is certainly aware, is becoming increasingly wider, and a responsible government with coherent policies should try to bridge this gap as soon as possible, but our friends opposite are doing everything to maintain these disparities and even to make them worse, which is more serious.

Mr. Chairman, the government should reconsider this bill and review it substantially to make it more equitable for the underprivileged members of our society, for the workers who are trying very hard to earn enough money so one day they too might become home owners like many others.

Mr. Chairman, I am also thinking about all those people who have worked hard for years to buy a small house. What makes it worse is that those people had to work even harder to repay their mortgage as soon as possible so that they would not be swamped with interest charges. I know of wives who had to get a job to help their husbands with that mortgage. Today, through their hard work, those people have managed to repay their whole mortgage but will not be able to benefit from this bill as proposed by this government. Mr. Chairman, if this program were improved so that all prospective home buyers, including tenants or people who pay little or no federal income tax, may have access to housing, this program would certainly be much more acceptable.

Mr. Chairman, at present we have many social programs. Take old age security for instance: as I see it, all senior citizens get a cheque; take family allowances: every mother gets her cheque every month. So, Mr. Chairman, I wonder why all tenants who wish to buy their own house eventually could not avail themselves of government assistance.

Mr. Chairman, I will not support this bill and here is why: According to recent rumours, the government would draw the money necessary to cover the cost of this program from the

family allowances budget. On this matter, I must say to the government that it would be compounding injustice to take the funds from there. The hon. Minister of Finance will present his budget only in December and we shall not know until then where the money will come from. One thing I know for sure is that eventually someone will have to foot the bill and there is no doubt in my mind, Mr. Chairman, that it will be the vast majority of Canadians who will not even benefit from that tax credit who will have to pay the bill through a direct or disguised income tax increase. I imagine that that concealed tax, Mr. Chairman, will be a 30 per cent excise tax on gas which the government is ready to levy on all Canadian drivers.

To briefly put it, I blame the government for introducing this draft without an in-depth study and a thorough consideration of the matter. This is easy to realize when we look at the fact that the people who have rather high mortgages and pay over $1,500 in income tax to the federal government are those who will benefit from the bill. This measure which I feel is quite exceptional confirms what I said before, that the government wishes to increase disparities among Canadian citizens.

With this new tax credit, the government is not increasing the number of potential claimants, at least not more than under the previous plan for tax deductions. Renters are entirely excluded from the scheme which is too bad, because they are first-class citizens; they are as Canadian as the home owners and they are entitled in the same degree to the services of the federal government.

As usual, Ontario is the winner at the expense of Quebec because the number of home owners with mortgages high enough to be eligible for that tax credit is 20 per cent higher in Ontario than in Quebec. To thwart those unfair measures at the national level as well as the individual level, I suggest to the government it should reassess the matter and remove those disparities. I therefore advocate a policy designed to rationalize Canadian housing through considerable assistance to home ownership. In closing, Mr. Chairman, I reaffirm that I am not averse to the idea of a program that would facilitate home ownership and as a result would stimulate the building industry, and I hope the government will benefit from the constructive remarks of my colleagues. I also hope that the government has fully analysed the financial situation of the country and I look forward to the day when it can tell us how we will pay for that luxury without, however, increasing the national debt.

● (1550)

[*English*]

Mr. de Jong: Mr. Chairman, I too would like to rise in opposition to the proposals in front of us. There is no doubt that there is a tremendous need for action in the field of housing in our country today. The difficulties faced by a vast number of people in the "middle class" and in the lower income group in meeting their monthly mortgage payments is making it increasingly difficult for people to own their homes and to live with any degree of security.

All members of the House are committed to the notion that families should be able to enjoy a secure home which will provide warmth and shelter in the years ahead without that simple basic necessity becoming a major economic problem in their lives. Indeed, I think the government recognized the need for action in the field of housing. I think that the record of the former government in that respect was a dismal one. There were cutbacks in all sorts of housing programs in the last few years that had a detrimental effect on the provisions of adequate housing for Canadians. Under the Liberal government we had high interest rates, which I think was the reason for which the Tory policymakers introduced the mortgage tax deductibility scheme during the last election campaign.

Tory candidates were going around the country saying to new home owners: "Look at the difficulties you are having in securing a home under this Liberal government; elect us and we will do something about it". As I hear Liberal members of the House make grandiose proposals for housing, I cannot help but smile and wonder where they were seven or eight months ago. In fact, their heart was in a much different place than it is today. It is amazing how such a switch of the heart and of the mind can take place in such a short period of time.

There were cutbacks in housing while the Liberals were in government, but now in opposition they have become progressive. It is quite a conversion. Of course, such a conversion is not restricted to the Liberal party. We have seen a similar conversion taking place among members of the Conservative party. They were criticizing high interest rates when they were in opposition and promising to do something about it, but in fact they continued down the same road with this insanity until now when the home owners are facing interest rates which are anywhere from 14 per cent to 15 per cent.

The number of defaults that are occurring across the country is alarming, there is no doubt about it. Many Canadian home owners are facing a period of crisis in attempting to maintain their homes and to hold on to what they have invested in their homes and what they paid in down payments to secure a shelter and a roof over their heads. But is this measure before us going to help? I am afraid it is not. It is not a housing program.

Had the government decided to move $500 million into CMHC or had it decided that in four years' time they would drop another $2.2 billion directly into housing in this country, we might have had a housing program. If the government decided to use $500 million to secure urban land, bringing down the cost of urban land in this country, then we might have the beginning of a housing program. If they decided to use the $2.2 billion which they will be spending four years from now in building co-op and low income housing, then indeed we might have a housing program. As it is, we do not have one. We have vast sums of money invested in a program which will slide through the hands of consumers and home owners into the pockets of the banks and developing companies like a piece of fat passes through a goose.

• (1600)

It was under the Liberal government that we saw a tremendous increase in the holdings of land development companies. For example, Nu West, a major land holding company and developer, increased its assets in 1973 from $89 million to $482 million in 1977. This was done under the Liberal government. The Liberal government allowed this type of exploitation of Canadian home owners.

In 1973 Cadillac Fairview had total assets of $900 million and in 1978 they had doubled to $1,800 million. In 1973 Bramalea had $147 million worth of assets and in 1978 it had $347 million. A few large developing companies acquired a monopoly situation. They were able to boost up the cost of land to a point where in cities such as Toronto and Vancouver one has to pay an extra $25,000 for a lot. This is because of the exploitation which the former government allowed to occur. Thus, the Liberals must accept full responsibility for that development, there is no doubt about it.

I join with members opposite when they condemn the Liberal party for allowing that to occur. It was a major rip-off of Canadian home owners. It is why urban land prices in Canada today are so much higher than they are in the United States. There is a lot of land in Canada, and obviously it is ridiculous that land should cost more here than in the United States. Obviously it must have been a sweet deal for the former government to have allowed such a major rip-off to have occurred. It should have been investigated under the Combines Investigation Act and the monopolies act. It should have been prevented. Had it been prevented, Canadian home owners would have saved thousands and thousands and thousands of dollars. When I hear them now plead for the average home owner, I become cynical about the political process. Where were the Liberals a year ago, two years ago or three years ago when they allowed this rip-off to occur?

Will the present government do anything about it? No, they will not. Will they tackle the real reason why housing in the country is so expensive today? No, they will not. They will not go after the developers. Somehow or other, once a party becomes the government it becomes the friends of the same type of folk who were friends of the former government. Something must happen the moment one passes to the government side; one must acquire a whole new different mentality and a new set of friends. We see no change. In fact, I fear that the bill before us today will only benefit the very same developers. Yes, it will increase the cost of housing because the benefits received by the average home owner under this proposal eventually will find their way into the cost of houses. The cost of homes will increase by the amount of the benefit given to home owners by the proposed act.

Who will benefit from this? Who will benefit from the increased cost of housing? Surely it will be the land developing companies and the banks. It will not be the average home owner. It will not make housing more accessible to the average home owner. Eventually it will drive up the cost of housing rather than reduce it; it will increase inflation rather than decrease it.

I cannot understand the economic thinking of the government on this particular proposal. In fact, I cannot understand the thinking of the government in the entire area of economic policy. The government and the Minister of Finance claim that the proposals before us today are to stimulate. Yet on the other hand the minister defends higher interest rates because he suggests it is time to reduce consumption, not to stimulate. On the one hand we have stimulation, on the other we have the opposite. It is a jig which they must do in Newfoundland; one step one way and another step the other way. It must be called the splits. It is the Tory splits. I am afraid it is the country that is hurting; it is the country that is being torn apart. They are inconsistent policies, policies which are to stimulate at the same time as tackling inflation and decreasing consumer demands. It is schizophrenic. A schizophrenic proposal such as this must originate in the fogs of the maritime provinces.

I, and I think the Canadian people, would dearly welcome a new, imaginative initiative on housing. One can imagine what the government could do if the amount of money being spent on this program was directly spent on housing. It would break up the urban land monopolies. It would actually start reducing the cost of housing for Canadians. We could get into land banks. We could get into co-op housing on a massive scale. It would actually reduce the cost of housing in this country. By doing that, all Canadians would benefit. At present the proposals before us, as many members and tax economists have shown, will benefit only people with higher incomes.

If these sums of money were to be used for housing, we would reduce and in fact subsidize interest rates. One can imagine what it would do for housing if we were able to reduce the interest rate to 8 per cent for all families earning $25,000 or less a year, or if we were able to reduce it to 9 per cent for all families earning $30,000 a year.

An hon. Member: What about those who earn $31,000?

Mr. de Jong: Those people who earn $31,000 are in a position to pay what the market will bear. Now we are helping those who are earning $31,000 and more per year, generally at the expense of those who are earning less than that. That is why I suggest that the measures before us are unfair as well as unsound. Not only are they unfair in terms of the distribution of wealth according to income groups; they are also unfair according to geographic location. We could do so much for housing if the amount of money being spent in this tax bill was spent directly on housing. Why not do it? If these types of expenditures will be made, surely a housing program of $2.2 billion would be something every Canadian would welcome. I am sure it would be something that would increase the government's popularity ratings to more than 28 per cent.

• (1610)

This government seems to be committed to committing suicide. It has not thought out any of its proposals. It comes in one day with one proposal and the next day it says something else which is counter to what they were intending to do at the beginning.

The way in which this bill has been introduced in this House is another point. The government had the whole summer to set up a timetable for this particular measure, but somehow or other it could not come to grips with it and make a decision early enough. The government then made the decision without thinking of the consequences or a timetable.

The Prime Minister then gets up in the House and says that he would welcome all amendments and suggestions and that he wanted this bill to be a co-operative effort. We took him at his word and have prepared a whole series of amendments, many of which are very sound and which the Conservatives, particularly the small "c" Conservatives, would accept. A sunset clause would make this legislation a little easier to predict from year to year in terms of what it will cost.

We have now been told, "Sorry, boys, no time". In fact we learned today that closure will be introduced.

Mr. Crosbie: Time allocation.

Mr. de Jong: Pardon me, time allocation. But what is the difference? We still do not end up with any real opportunity to introduce amendments which would strengthen this bill and allow us in our roles as members of Parliament to contribute something to this particular proposal. I am sure that most members of this House and, indeed, most members of the government in their hearts would find our proposals very acceptable and eminently reasonable. But we are not being allowed that opportunity because the timetable was not thought out in the preparation of this particular bill. I am afraid that that is not only true for this bill but for many other measures which have come before this House.

The government does not seem to have a grip on the problems confronting this country. It flies off by the seat of its pants making one proposal one day and another proposal the next. It has no coherent idea of how it will get hold of the problems which it has been left by the previous government. There is no doubt that the Liberals left this House a whole host of problems and, indeed, Tory times are often bad times because they follow Liberal times. The former government is now sitting like a bunch of Cheshire cats in the trees smiling down at the new government. It handed the new government a real mess, but I am afraid that all it is doing is mixing it around and making it even worse. The government is following the bad examples and bad policies of the Liberal government to the insane end. This can be seen in their high interest rate policy, crazy money policies and give-away programs. The former government gave away half of the treasury to their friends in all sorts of little proposals such as the MURBs, give-aways to the oil companies and the tax measures which nobody had any control over and which resulted in the deficit in which we now find ourselves. I understand that the Minister of Finance intends to tell us how much these policies in the past have cost the Canadian people. Instead of stopping it with this bill, however, the government is merely continuing down the same path of financial responsibility.

The only reason the government has decided to go ahead with this proposal is that it has already had to change some of its other political promises. It had to insist that it kept one promise, come hell or high water and whether or not it makes sense. That is why this proposal is before us today. I am sure that it contradicts the government's basic philosophy of trying to get some proper fiscal management into government. The only reason for this proposal is that it is political. The government had to show that it was able to stand tough on something, so now it is posturing.

I am sure that Canadians would be much happier if the government came across honestly and said to them, "We made a mistake on this; it does not make any sense to us now, so we are going to scrap the idea". I am sure that the government would receive some jeering and ribbing, but the Canadian people would at least give the government credit for having the guts to stand up and say, "Look, we were wrong; we are going to bring in something that is a little better".

Had the government spent this money on a housing program instead of the tax credit scheme, then the Canadian people would have understood and applauded. Instead, it is damned determined to go ahead.

An hon. Member: Talk to your constituents.

Mr. de Jong: The hon. member suggests that I should talk to my constituents. I talk to them every week because I faithfully go back and knock on doors. I have been knocking on doors in the new housing districts of my own riding and also the riding of Prince Albert. The one thing the people seem to talk about is the fear of losing their homes because of higher interest rates. When I ask them if the mortgage tax scheme will help, they say, "Of course it will not save me because the amount of money I will have to pay out in interest rates is much higher than I will ever get back from this particular program". When I asked them if the NDP proposal of reducing the interest rate to 8 per cent or 9 per cent makes any sense, they say, "Boy, I wish the government would at least adopt that type of program; then the money markets for housing would be stabilized".

Mr. Munro (Esquimalt-Saanich): How would you do it?

Mr. de Jong: The hon. gentleman asks how I would do it. The government is already doing it in various areas such as the Farm Credit Corporation guarantees on interest rates. Why does the government not do it for housing? Why does it not use the money which is being spent on this scheme to subsidize and stabilize the interest rates for housing so that when a person buys a house they will know how much they will pay for it next year and in the years to come? That makes sense because it means stabilizing our society and helping to stabilize the economy and the housing market. That is what the Canadian people are asking for. Instead, what we have in front of us today is a gimmick which the people of Canada do not understand, do not want and do not appreciate.

For these reasons, and if time and opportunity permit on Monday in the restricted time period, we will attempt to introduce some amendments. I hope that the government will consider our proposals, which we will make in good faith. I

think they will strengthen this tax bill in front of us and I urge the government not to reject them out of hand. I think that the proposals of a sunset clause and certain ceilings make good sense. I know that these proposals will make sense to the Minister of Finance. I am sure that he wishes there were more ceilings and sunset clauses in some of the measures with which he must deal from day to day. So we will be helping him in trying to convince this House to accept at least some of our proposals for this particular bill.

● (1620)

[*Translation*]

Mr. Roy (Laval): Mr. Chairman, I am pleased to rise again and speak to Bill C-20 which amends the Income Tax Act in order to provide a tax credit in respect of mortgage interest and home owner property tax. At every stage in the examination of a bill, an hon. member may intervene to make his remarks and, if need be, with the help of those remarks the government or the minister responsible can improve the bill in question. On November 21 last, Mr. Chairman, I rose in the House to wonder out loud about the housing situation in Canada.

I was pointing out the situation in Canada to my colleagues, and I mentioned how proud I was to be part of the Liberal team that has designed and implemented rather exceptional housing policies, if one considers that following a Gallup poll in October, 1968, in which Canadians were asked whether they were more or less satisfied with their housing conditions, 60 per cent said they were satisfied. In 1978, ten years later, 85 per cent of Canadians said they were satisfied with their housing.

In 1968, 34 per cent said they were unsatisfied, whereas in 1978, 13 per cent said in October, 1978, that they were unsatisfied. All this to say, Mr. Speaker, that the building of 235,000 housing units on average during the past ten years under the Liberal government through the Canada Mortgage and Housing Corporation has considerably improved housing conditions in Canada. That is why in my remarks I wanted to review housing conditions.

I also expressed my concern as a Liberal about the status of our various housing policies with respect to non-profitable organizations: the municipal infrastructure, the neighbourhood improvement program, the senior citizens residence construction program, the assisted home ownership program and the role of the Canada Mortgage and Housing Corporation. Of course, I would have been happy to see today in the House a minister responsible for urban affairs who could enlighten me a bit about the future of those programs. But as this is a fiscal policy, it is not a policy designed to improve housing conditions in Canada. It is a fiscal policy, a tax cut, a measure in respect of mortgage rates or property taxes. I wanted in my first intervention to review the housing situation. I should like to say today that from a fiscal point of view I cannot object to that tax cut for Canadians.

Every shade of opinion may be expressed about this legislation whether one lives in one area or another of Canada or whether one views it as a social policy, a socioeconomic policy or a fiscal policy. I represent an urban riding located in the second largest Quebec City resulting from the merger of 14 municipalities. I have experienced the problems of these residents and it is in light of meetings I had with the people of Laval that I realized to what extent our existing policies concerning housing assistance for the elderly had been effective. But having studied that policy, which is not a housing policy, I also realized that I do not fully agree with the preceding speaker in the sense that in my view it will not necessarily stimulate housing development.

However, Mr. Chairman, it seems to me that it will stabilize conditions for Canadians who already own a home and who see their mortgage interest or their municipal taxes increase annually. One has to live in a city which has mushroomed over the last ten years to realize how difficult it is for home owners to meet that yearly increase in their municipal property taxes. That is why I will support this bill which will alleviate the tax burden for home owners. This will obviously mean an annual saving.

As I said at the beginning of my comments, when we consider a bill we can improve it and expect to do so through our suggestions to the government, and after discussing this matter with my colleague from Terrebonne, who has also lived in a municipality which has expanded, I intend to support the amendment he suggested to the minister this afternoon to protect the owners of single-family dwellings which are not mortgaged.

In Canada, 27 per cent of all home owners do not hold a mortgage. This means that 2.2 million Canadians who own single-family dwellings and do not have a mortgage will not be able to claim the amount of $1,250 provided under this bill to reduce the cost of mortgages. We therefore ask the Minister of Finance to consider doubling the amount provided for the municipal tax credit to help these 27 per cent of Canadians whose houses are no longer mortgaged. Over the first year, instead of having the $62.50 municipal tax credit, home owners who do not have a mortgage will have nothing. If they had a mortgage, they would receive $125. In my opinion, if this amendment is accepted, not only would an additional 2.2 million families be able to benefit from this legislation, but we would also be doing something for senior citizens, since my colleagues are also anxious to have as many Canadians as possible benefit from this bill.

● (1630)

Since only 6 per cent of senior citizens have a mortgage on their home and a great many of them have only a small house,

and in fact 63 per cent of them have a small home or a small bungalow, it is plain to see that these people often have only the income from their pension. I repeat that 63 per cent live in their own home and these are single-family dwellings, and only 6 per cent of them have mortgages. They would be added to the Canadians who will benefit from this legislation. As a matter of fact, if we take only the present legislation, only 32 per cent of taxpayers could have either the property tax credit or the tax credit in respect of mortgage interest, whereas if we add those who do not have a mortgage and who could deduct a double amount for their municipal taxes, we would add another 29 per cent. Mr. Chairman, this consideration is important, in our opinion, and we hope that the minister will be able to consider the possibility of providing the benefits of this legislation for those Canadians.

Mr. Chairman, in concluding, I shall say that some newsmen misinterpreted my position when they mentioned that on November 21, in my speech, I did not seem to share the views of this bill. At that time, I based my assessment of the housing situation in Canada on quantity and not on quality. Well, now I am trying to bring some improvements to this bill, which I think will better meet the aspirations of the Canadian people. This is why I support the amendment introduced by the hon. member for Terrebonne this afternoon so that Canadians are better protected.

Mr. Bockstael: Mr. Chairman, it would have been inconsistent on my part to vote in favour of Bill C-20 precisely when I wanted to point out its deficiencies. I have a lot of respect for traditions, and it should be recognized that, according to parliamentary tradition, the official opposition is normally against any tax increase proposed by the government. Consequently, the opposition should not object to a tax reduction if it is a real reduction applying equally and equitably. Unfortunately, Bill C-20 does not meet those requirements in my opinion.

[*English*]

Bill C-20 is a far cry from the proposal that the Conservatives promised during the election campaign. It represents a token effort to meet the promises they made concerning their original tax deduction program. This tax cut favours one segment of our society; it sets a dangerous precedent and can be described as a handout to a few at the expense of others. All Canadians know that they cannot expect something for nothing. A mortgage interest tax cut benefits only those households that carry a mortgage, but their neighbours who do not qualify for such a benefit will have to help pay for it in some way or another.

The mortgaged property owners themselves and all Canadians will soon be finding out that they will have to pay a lot more to heat their homes, to operate their equipment and to drive their vehicles. It is impossible to obtain information from the government as to how the moneys will be raised before the presentation of the budget.

[Mr. Roy (Laval).]

This scheme sets a very dangerous precedent that will ultimately become ingrained in our tax system while we recognize that it is an inequitable and inefficient use of funds. It is a proposal which is at cross-purpose with the government's stated goal of reducing expenditures. I find it difficult to accept that the Minister of Finance, who went on record at one time as opposed to such a measure, could do a personal about-face and become a prime supporter of such a crass, politically motivated proposition.

Another aspect of this bill concerns the municipal tax credit. As a municipal councillor I quickly discovered that municipal tax credits were nothing more than a vote gaining move by an upper echelon of government. Let me describe the Manitoba scene as follows. A young couple purchased a new home. The mortgage company listed their tax bill as $1,250. On applying to the city for a tax certificate, the assessment department told them that their taxes amounted to $1,000. That was all the city, in establishing its tax rolls, claimed from them for their property, but the province had directed the city to add an additional $250 on to their tax bill so they could in turn show it as a tax deduction on their income tax form. People were wont to run around and say, "Thank God we have a good government who gives us a $250 tax refund on our municipal taxes because those lousy councillors are overtaxing us." Actually they did not realize that eventually they could only claim that portion of the $250 that was applicable to them when they filed income tax returns.

I realize that the proposal before us today is for a genuine tax credit, but what I am trying to point out is this. In earlier systems and earlier relations with senior government and municipal governments, the senior government simply sent one cheque from their treasury to the city treasurer to accomplish the same ends. But that in itself was only known between both treasurers and the city council, and it did not draw the government any individual votes. Whether citizens are poor, middle class or very wealthy, they are all ready to accept what appears to be a free handout. So to make themselves look good, this PC government chose the more elaborate route of an offset to all the bitter pills they are planning to make Canadians swallow eventually. As far as I am concerned, this is a form of misleading advertising that I cannot condone.

The hon. House leader for the government used his most eloquent and persuasive manner, just as if he were trying to win over a reluctant jury, when he urged us to pass this bill quickly without any amendments. He even issued a veiled threat by inferring that if we did not rush it through in its less desirable form, we would be held accountable by the public as the ones who did not want them to have a tax break in April, 1980. Remember that we on this side of the House did not make such a promise, much like the Minister of Finance when he said that our government did not promise renters any relief from their shelter costs. If the government cannot deliver the first phase of the mortgage tax deductibility plan in time for the 1979 taxation year, it could very well be deferred. All they have to do is to keep down their proposed tax increases in other areas.

I must confess, as a man involved in the construction business for 35 years, that I was very much amused by the suggestion by government members that such a move would prevent people from buying homes, that this program was in fact a real incentive to move people out of apartments into their own homes and that this bill would stimulate construction and the home building industry. Who are they trying to confuse? I defy them to show me one couple who would be prepared to go out and buy a house right now because this government is promising them a $312.50 tax credit if they would hurry and do so, at a time when new mortgage interest rates are at an all time high. Conservative policies are systematically bringing the house building industry to a standstill while creating massive profits for the bankers and the financiers in this country.

● (1640)

The same $2.87 billion that this ill-conceived proposal is estimated to cost by the fourth year, applied to a practical home owner assistance program, would boost our whole economy a great deal more than the measures this Conservative government has proposed thus far. Please do not try to give the people a snow job by trying to make them believe that this can also be construed to be a housing policy, an incentive to build or acquire a new home, while high interest rates are currently forcing the housing industry and all its satellite industries to make drastic cutbacks in manpower and material requirements, resulting in more unemployment and a lower gross national product. I urge the government to reconsider.

This latest move this afternoon of imposing closure on us, saying they have to do it because there is no other solution, is another mark of the arrogance of this government which has continued to accuse the previous government of arrogance. I would ask hon. members opposite to consider for a moment what the attitude of this same Minister of Finance and the leader of the government would be in opposition today if the Liberal government ever dared to suggest that they had to pass this bill by a certain time or else they would be responsible and they would be blackmailed with the public. How would they react to this proposal of closure?

Mr. McDermid: Mr. Chairman, I have a question for the Minister of Finance. The proposal that is being brought in by the government, Bill C-20, as I understand it, will not require one additional bureaucrat to administer, but in fact will just involve one line on the income tax form supported by certain receipts. Is it correct that we will not have to hire one additional staff member to administer it?

Mr. Crosbie: Perhaps I might answer that, Mr. Chairman. The answer is yes, this is a PC policy. We will not need to hire any additional people. We will not have to hire thousands of additional government employees or civil servants to administer this plan which is going to benefit home owners in this country to such a great extent. Rather than do as the Liberals did before us and hire extra tens of thousands, this proposal will not require one extra person, but it will be administered by the Department of National Revenue, as is now the case. It will involve a simple tax credit and will not require any enlargement of the bureaucracy.

While I have the floor, can I continue on for a few minutes, Mr. Chairman, or do you want to give the floor to someone else?

The Assistant Deputy Chairman: This time I prefer to give the floor to someone else; I will call upon the minister later.

Mr. Crosbie: That is very good of you.

Mr. Robinson (Etobicoke-Lakeshore): Mr. Chairman, I am pleased to have the opportunity of saying a few words with regard to Bill C-20 to amend the Income Tax Act and to provide a tax credit in respect of mortgage interest and home owner property tax.

My constituency is an urban riding where this kind of legislation creates a lot of interest and enthusiasm. The home owners and renters are all concerned about this kind of legislation. I hope the government is not serious when it suggests, in effect, that there are obstructionist tactics being used by members of the opposition, because that certainly is not the intent. Rather, as far as I am personally concerned, this is a matter of my responsibility as a member of Parliament speaking for my constituents with regard to matters and important issues that are before the government in terms of legislation.

I would also say that, as far as the delay is concerned, the minister first announced this plan on September 17, 1979. The bill did not receive first reading in the House until October 29, 1979, some six weeks later.

Mr. Crosbie: Because of your budget.

Mr. Robinson (Etobicoke-Lakeshore): If there was any delay, maybe the minister intended it because he was not happy with this legislation.

Mr. Crosbie: What about the budget that you brought down and your legislation which you delayed for weeks?

Mr. Robinson (Etobicoke-Lakeshore): There is, of course, the question of deductibility versus the tax credit, and I must say that initially I think the government did show some good sense in that it scrapped the original vote-getter, the mortgage interest deductibility program, in favour of the tax credit scheme.

In 1978 the deductibility promise proposed that a home owner be allowed to deduct from taxable income all mortgage interest up to $5,000 and property taxes up to $1,000. However, under this legislation, mortgage interest paid and the amount of federal income tax paid are principal determinants of benefit. Without doubt, the tax credit plan distributes benefits more equitably among the eligible portion of the population, for it shrinks the tax benefit for high-income earners and fattens it for those in the middle-income group. However, despite the government's attempt to make the best of a bad pledge, in my view the bill certainly has a number of major flaws.

First of all, let us take a look at what we might call a balance sheet and imagine that the balance sheet has two columns, one column entitled "who benefits" and the other column entitled "who does not benefit". On the "who benefits" side you have 3.8 million families in Canada who pay federal tax and have mortgages, of which 2.3 million are eligible for both the mortgage interest and property tax benefit. There are another 1.5 million of the 3.8 million I mentioned who will receive only the property tax benefit.

On the other side of the ledger you have the "who does not benefit" column, and that includes the 5.5 million families who are disqualified for various reasons—the elderly, those who have already paid off their mortgages, the poor who pay no taxes or maybe very little tax and who cannot afford a down payment in any event, the single parent families, many of whom cannot cope and certainly could not afford to buy homes and pay off big mortgages, the mobile workers who find it unrealistic to purchase homes, and, of course, the renters as well. Obviously the balance is tilted in favour of a very specific group of taxpayers.

I do not suggest that home owners are not entitled to some assistance, and they have received some assistance in the past and will continue to do so in the future. It just seems that we are giving a little bit more assistance to this select group than maybe we should be at this time.

Of course, there is the whole of the expense of the program and who pays for it. When we look at the cost we find that by 1982, when the plan is fully matured, it will cost $2.87 billion. I ask the Minister of Finance how this is to be paid. The only explanation I have been able to find so far is a statement by the Minister of Finance which appears at page 1463 of *Hansard* of November 19, 1979 as follows:

> The money is going to stay in the pockets of the 3.8 million Canadian taxpayers who would otherwise have paid it. That is where it is going to come from.

Consider that as a non-explanation. We cannot forget the families who do pay the taxes but who do not benefit because of the reasons I mentioned earlier, particularly the renters, the elderly, the mobile workers and so on. The list is quite extensive.

If the Minister of Finance is not prepared to explain who pays, perhaps I could provide a little insight. It would appear that there is no doubt but that the burden will be reshuffled among the middle class. One must consider that, aside from the taxes paid by Canadian home owners, the government has one significant alternative source of revenue, and that is the people who are living in rental accommodation. Some of my colleagues have already, to some extent, pointed out this major discriminatory aspect.

I would like to quote from an article by Mr. Peter Myers in the November issue of the *Executive* in which he states:

> Canada's economists do not object to the mortgage plan because of any disagreement with the objectives stated by the government. None of them questions the need for more jobs . . . However, the economists have challenged the government to show how a massive shift in income from renters to home-owners would achieve any desirable social objective. They see no logic in additional inducements to home ownership when Canadians already have achieved an unusually high ratio of ownership to rental and when the tax system already provides home owners with an enormous financial advantage through the exemption for capital gains on private residences.

● (1650)

Perhaps I should give the Minister of Finance the benefit of the doubt by waiting to see what he tells us in the budget he will be presenting next Tuesday night. Maybe at that time he will let us know where the $2.3 billion will be coming from by 1982.

In the meantime my major concern has to do with federal programs which are presently in place, such as old age security, family allowances and so on. There have been considerable cutbacks, as we all know, affecting Canada Works grants. In my riding of Etobicoke-Lakeshore no grants have been received whatsoever. Members may say this is because unemployment is low, much lower than in most other ridings. Nevertheless, there are certain people who are affected by the cutbacks in Canada Works grants. In particular, I can think of one organization called Storefront Humber which was obliged to give up the work it was doing for handicapped people, senior citizens and other groups because of lack of funding.

I am also greatly concerned about the rumours which have been going around concerning pension reviews, universality versus selectivity, and so on. My constituents are uneasy about this kind of thing and they would like assurances from the government that programs such as pensions for senior citizens which are already in place will remain in place.

Another question I want to ask is this: What are the government's priorities with regard to tax cuts? In particular, I ask the government, since they are in a mood of austerity, whether it is proposed simply to add the $2.8 billion to the federal deficit which is already astronomical—

Mr. Brisco: You said it!

Some hon. Members: Oh, oh!

Mr. Robinson (Etobicoke-Lakeshore): In a so-called "bite the bullet" speech in Toronto the Minister of Finance asked the following question—I am quoting from the *Financial Times* of November 12, 1979:

> Are we so unique that we think our natural advantages in resources and geography somehow protect us from fundamental economic realities? I don't think so. There is no magic in this, there is nothing new in it. Success will involve some hard work, some cutting back, some putting off of real increases in our standard of living, some restraint.

Well, the minister cannot have it both ways. He cannot have his cake and eat it too. With the passage of this bill there will, no doubt, be an increase in the demand for housing and, in turn, the demand for mortgage credit will increase with unavoidable inflationary consequences.

In July of 1979 in the magazine *Executive* an article appears by Peter Myers. He writes:

> While the Tory economists profess considerable confidence that their concept of a stimulative deficit can bring net benefits, many of their professional colleagues outside the government have been voicing serious doubts. If the

concept does not pay off or even if there is a significant delay before government revenues recover, then a larger federal deficit would be unavoidable. The consequences would be more inflation and further depreciation of the Canadian dollar.

We in opposition are concerned about the fiscal responsibility of the Government of Canada, and I am sure hon. gentlemen across the way share this concern. To place a program of this kind before Parliament in present circumstances seems to me rather ridiculous. On the one hand, the government talks about restraint and belt tightening, and on the other it is proposing to spend $2.87 billion with no explanation of where the money is coming from.

What about the American experience? As we know, an all-party committee went down to Washington to look into the system there and find out whether it could be used here, whether it would be worthwhile. The information I had from the members when they came back was that we should avoid this kind of program at all costs. Well, we are to have it anyway. The comments of Mr. Richard Pomp, an associate professor of law at the University of Connecticut School of Law, are important in this connection. He said:

Although international comparisons are not always meaningful Canadians should find it curious that despite these deductions the home ownership rate in the United States is virtually the same as in Canada.

I believe the Prime Minister has acknowledged that the mortgage plan, once established will be difficult to reverse. This aspect seems to be in conflict with the idea of sunset legislation proposed by the Minister of State (Treasury Board). I note that in an article which appeared in *The Ottawa Journal* on November 28, the following appears:

Minister of State Perrin Beatty, who is preparing the legislation, said yesterday Parliament could terminate or drastically change programs after they had been reviewed.

What about Canada's housing situation? Once again I want to quote from Professor Richard Pomp. He says there would really be no increase in home ownership whatsoever as a result of the introduction of this kind of legislation.

A study carried out recently by the Organization for Economic Co-operation and Development reached the conclusion that Canadians were the best housed people in the industrial world. A Gallup poll conducted just before the election of May 22 indicated that Canadians were well housed; over 80 per cent of the people who responded to the questionnaire said they were satisfied with their present housing situation.

Mr. Chairman, I have touched on a number of areas which concern me with regard to this bill. I was prepared to look at it favourably during the election period; I felt that this mortgage deductibility concept might be acceptable within certain limits. However, at the present time, the economic situation being what it is, I believe it is untimely and would benefit only a few at the expense of many. Without doubt it is a seductive sales pitch to voters, but throwing money at a problem has never been a satisfactory answer. I hope the government will consider very carefully the amendments which are to be submitted. I will only say in conclusion that Canada cannot afford this expensive program at this time.

Mr. McDermid: Would the hon. member for Etobicoke-Lakeshore accept a question? If the government is so irresponsible in presenting this bill, would the hon. member tell me why the housing critic for his party, the hon. member for Winnipeg-Fort Garry, has suggested it be extended to include renters and other groups?

Mr. Robinson (Etobicoke-Lakeshore): Mr. Chairman, the hon. member for Winnipeg-Fort Garry will be quite prepared, I am sure, to answer that question when he gets back to the House. I do not pretend to speak for my hon. friend from Winnipeg-Fort Garry.

Miss Nicholson: I want to address clause 1 briefly, Mr. Chairman. There are many social as well as economic reasons why as a matter of public policy a government might wish to encourage home ownership; it contributes to the stability of neighbourhoods and helps citizens have a stake in their country. But this bill does nothing to help young families buy a home. It does nothing for renters and therefore does nothing to assist people at the time they are trying to save money to buy a home. It does not address the question of the affordability of homes, in particular the very high interest rates which buyers are now facing as result of present government policy. Except for a limited credit in respect of property tax, it does nothing for those who have already paid for their homes—for example, senior citizens who are struggling to maintain themselves in their own homes on fixed incomes.

I voted against the bill on second reading because it is a poorly designed piece of legislation which does not stimulate home ownership or construction.

● (1700)

During this committee stage we will be coming forward with a number of motions to try to improve the bill and rid it of some of its most obvious inefficiencies and inequities. We are limited in what we can do, however, by the rigidly intransigent attitude of the government, which is so sure it will be able to use its majority to pass the bill in its present form that it has already printed and distributed tax credit forms based on the bill as it now stands, even though the bill has not been passed by Parliament.

The Prime Minister complained in Vancouver recently that Liberals were obstructing this bill. The Prime Minister made his complaint three days after the second reading debate was begun. At that time six members of the official opposition had spoken on the bill. This government is showing an arrogance and a lack of respect for Parliament which are unmatched in our history.

Some hon. Members: Oh, oh!

Miss Nicholson: To print forms before a bill has even had second reading on the assumption it will not be amended, to complain because the bill is not rubber stamped and to complain after only six speeches—six thoughtful speeches, I might add, with a lot of constructive suggestions for change if the government had been disposed to listen to them—is surely very

strange behaviour for a party which claims to have respect for Parliament.

The mortgage interest and tax credit plan which we have before us is, admittedly, less objectionable than the original tax deduction proposal put forward by the Conservative party during the election campaign. However, as the bill now stands it does not assist people on limited incomes to buy homes, nor will it stimulate residential construction. This tax credit reduces the ongoing costs of home ownership to a very slight extent, but the major obstacle to home ownership is still high mortgage interest rates. High interest rates are also reducing construction industry activity across the board. If the government really wants to do something to make it easier for people to purchase homes and to assist the construction industry, the first choice would be to do something about reducing mortgage interest rates.

Bill C-20 represents an expenditure of $2.87 billion after four years and in every year after that. The bill represents an expenditure this year, 1979, of $575 million. Where is that money to come from? The bill will reduce federal taxes for perhaps 30 per cent of Canadians, but who is going to pay for those lost revenues? The Minister of Finance has been threatening us with a tough medicine budget. Is he going to get the money to pay for this program through a general tax increase? There is only one taxpayer, who pays from one pocket or another.

The statements on the proposed excise tax on gasoline are vague in the extreme. Could this be a disguised way of getting Canadians to pay for the mortgage tax credit? Will programs and services be reduced to pay for the mortgage tax credit? If family allowances are reduced, the tax relief from mortgage payments may be cancelled out. The Minister of National Health and Welfare has said that family allowances and existing tax deductions for children will continue during 1980 only. What happens after that? Will those programs be cancelled to pay for the mortgage tax credit scheme, which will cost $2.87 billion in its fourth year of operation?

We should not be asked to deal with this bill before the budget, before we know how it will be paid for and what Canadians will be asked to give up in exchange for it.

The minister is now introducing closure at the committee stage, which prevents us from asking further questions. Nevertheless, we will be introducing some amendments in the hope of improving somewhat this poorly designed bill.

[*Translation*]

Mr. Savard: Mr. Chairman, if I rise to speak on Bill C-20, it is because things most strange and mystifying are occurring. As a rule, the purpose of this program is to grant taxpaying home owners a tax credit of 25 per cent on the first $5,000 of interest paid up to $1,250 per year, which would enable taxpayers to claim at the end of the first year $312.50 in mortgage interest and $62.50 in property taxes. Well, Mr. Chairman, I am greatly concerned when I consider and analyse the snare which the government is preparing for the Canadian people. Mr. Chairman, has the glaring unfairness that will be done in my constituency been considered? It is true that this government has not been well received by our people. One aim of the program is to promote economic activity as a whole by increasing the net income of home owners after taxes. This mechanism will not be effective because the credit will be universally granted to all owners according to the amount of their mortgage. In most areas in recent years, people have been more deterred from buying houses by the ever-increasing mortgage interest rates than by the increase in the price of homes.

This bill does not even guarantee that all home owners will benefit from the mortgage interest tax credit. I am referring to people of my riding, the elderly who have worked hard and who have paid off their homes. I can understand that turnabout. One day they tell home owners that they will be able to deduct their mortgage interest, which would leave them with only their property tax to pay, but the next day, as is the case with every policy established by the new government, there is a complete turnabout and now we have the government telling home owners that they will only give them a tax credit against their mortgage interest and property tax. Mr. Chairman, I am very confused. Further, the true benefits of the program will probably be neutralized by higher interest rates. The increase in interest rates for mortgage loans which brought the rates from 11 per cent in July, 1979, to almost 14 per cent recently gives a good idea of the incidence of these raises on home ownership. In 1978, the average value of houses purchased through loans under the National Housing Act was $44,874. At that time, a household with a reasonably secure $20,156 income could afford such an investment provided the monthly payments at a mortgage rate of 11 per cent did not exceed 25 per cent of its gross income. Now that the mortgage rate has gone up to 14 per cent, a $23,283 income is required to make the same purchase.

It seems that the Progressive Conservatives want to facilitate residential home ownership. If so, they should design their program so as to do away with the main cause of erosion of the purchasing power of future home owners, that is high mortgage interest rates. In the 1970s, housing costs have increased much faster for home owners than for tenants. And what about tenants? This program will cause them to despair of ever owning their own home just because they could not afford it.

Mr. Chairman, this government should earnestly look into a shelter allowance scheme for tenants, for elderly people, for young couples who want to purchase a home. This government will be responsible if young people are discouraged from ever getting established. Just think that the mortgage interest rate is 15 per cent, Mr. Chairman.

Elderly people and home owners with low income who therefore do not pay any federal taxes and thus are not eligible for that credit may find themselves in dire straits.

• (1710)

Mr. Chairman, this government's priority is to meet the needs of small wage earners and of those who cannot manage on their own. To whom will this money go? Will it help average income people pay their mortgage or senior citizens whose living standards are below the poverty line? This tax credit is a mere wasteful patronage scheme which will only deprive small businessmen. It is wasteful mainly because it is a questionable fiscal program purporting to promote ownership. One need not be very bright to realize that this is not a proposal designed to improve housing but merely a tax cut. This program will give rise to three types of injustice.

First of all, renters who account for about 40 per cent of Canadian households are excluded. Then, the benefits are inequitably shared by the various groups of wage earners. And finally, the program entails regional inequalities. Mr. Chairman, home owners are treated better than renters. The tax credit scheme will encourage even more home ownership, but will in no way benefit Canadian renters who represent some 40 per cent of the population. Of course they could take advantage of it if they decided to buy a house, but even with the tax credit a large proportion of Canadian families cannot afford it.

There is also the difference in treatment according to the income groups. About 60 per cent of households could in principle claim a tax credit for property taxes and a tax credit for mortgage interest. But actually the figure will not be that large since some of them do not have enough income to pay federal tax or do not pay enough federal tax to be entitled to a full return.

Mr. Chairman, I would also like to mention the regional distribution. The credit for mortgage interest clearly favours some regions over others. On the whole, the maritimes and Quebec will benefit least, whereas Ontario and the western provinces will gain most.

Mr. Chairman, the tax credit program is expensive. It will change the distribution of resources within the economy and will increase inflation and unemployment. Once fully implemented, the program will cost about $2.3 billion a year. However, it can be estimated that in fact the cost of the program will be a little higher inasmuch as it encourages families to buy houses, to contract mortgage obligations and to make to their home improvements worth more than $5,000.

Without budgetary cuts in other sectors, the mortgage tax credit program will increase the federal deficit and thus create more inflation. It may also result in more inflationary pressures as the price of houses will rise and financial institutions will feel free to raise mortgage interest rates that in some cases could boost inflation. Any substantial increase in the inflation rate which was estimated at 9.6 per cent in September would be bound to create an inflation spiral as bad as the one experienced in 1975.

Mr. Chairman, I wanted to expose the weaknesses of this program as a rational housing policy. Other arguments could be raised to deal with it from the fiscal point of view. From that angle, it is obviously plagued with serious blunders. Anyone who sees in this bill anything other than a refusal of fiscal responsibility, a foolish gift that the Progressive Conservative government must make because it promised to do so during the electoral campaign, refuses to see what it is in reality: a bill that shows a lack of vision and the fact that the government is clinging to an unfair, extravagant and economically foolish proposal.

Before resuming my seat, Mr. Chairman, I should like to say that I was shocked to hear the NDP member for Saskatoon say that the people of Quebec live in conditions that are as unsanitary as those in which the people of northeast Brazil live. I want to point out to him that the poor of Quebec have clean and decent houses, and I quote what he said, if you will allow me:

In the area—

—that is to say, he compares Quebec with the people who live in northeast Brazil. According to me, Mr. Chairman, before saying things like that he should check his data. His words may have exceeded his thoughts but, as a Quebecker, I would invite him to retract what he said and restate the facts, as he should, because this is what he said and I quote:

I make this point now not because there is this type of bug—

—of which he spoke—

—in Canada but because one of my colleagues who now works in the inner section of Montreal—

So this is hearsay, he did not see it personally. I would invite him personally to visit my riding, to visit the people in the east of Montreal; then he will see that the people we have in Quebec, in Montreal, are clean people, people who can take care of themselves; to my mind, they can very well do without this kind of remark, the type a friend of his told him, and I quote:

—told me that, on returning to Canada after working with me for six or seven years in northeast Brazil, he was surprised there was such a similarity between the housing for the poor in Montreal and the housing for the poor in northeast Brazil.

It is really unfair to say such things about the people of the city of Montreal and the province of Quebec. It is terrible, we cannot accept that. So I invite him to withdraw his words and explain further what he meant when he said that. In concluding my remarks, Mr. Chairman—

An hon. Member: He talked about "bugs", and he thinks we are full of "bugs" but we aren't.

Mr. Savard: Yes, what my colleague is saying is true. He talked about "bugs", and he thinks we are full of "bugs", but we aren't. I am going to tell him that we are clean.

In concluding, Mr. Chairman, I should not like to write a blank cheque without being certain that the housing subsidy program will be included in the bill. Consequently, I voted against passage of this bill because, in my opinion, it does not meet the needs of the elderly and the renters. In other words, we should not take the money out of the pockets of the poor to give it to the rich.

Mr. Rae: On a point of order, Mr. Chairman. Unfortunately the hon. member for Saskatoon East is not in the House. I believe he is touring Quebec and eastern Canada, the maritime provinces, with my colleague from Winnipeg-Birds Hill to discuss health problems and conditions. However, I should like to assure my colleague, my good friend from Verdun, that if the hon. member for Saskatoon East were here I am sure he would want to clarify his remarks because I know for sure, knowing the hon. member, that he did not intend, and our party did not intend either, to insult the people of Montreal or of any other part of Canada. I feel sure my colleague from Verdun would agree with me, and if the hon. member's words did not convey his thoughts I am sure he would want to clarify his remarks. He meant that there are in Canada deep-rooted and real poverty problems. Instead of handing out a Christmas gift to home owners who obviously do not have the same needs as others, the government would do better to give something to those who really need it.

So I am quite sure that it is something which in his mind my colleague from Verdun shares with our party, and in the name of the member for Saskatoon East I would like to say that he had not the least intention of insulting the people of Montreal. He could just have said the same thing about the people of Toronto. I might have had the same reaction had he talked about my riding in such a manner, but in any case I want to assure the hon. member that my colleague did not mean to insult anybody.

● (1720)

[*English*]

Mr. Siddon: Mr. Chairman, I should like to make a few short comments on Bill C-20, in particular clause 1, in response to some of the discussions I have heard about this very valuable and attractive measure, and to some of the negative comments I have heard in recent days.

Continually we get the message from across the way that this program will cost the government something. It reflects a mentality which effectively says that anything we give up, in the way of leaving tax money in people's pockets, is a cost to government. Nothing could be further from the truth. Governments incur costs by spending, not by relinquishing their access to the taxpayer's purse. In fact, these measures will produce savings to government by reducing levels of taxation and by reducing the need for bureaucratic systems to process that tax revenue. We believe that those dollars ought to be rightfully left in the pockets of people who need them.

That brings me to my second point. I listened to the hon. member for St. Boniface this afternoon make the same error that has been made by other members opposite. That is the error of misleading the people of this country into thinking that this tax credit program, Bill C-20, represents a watering down of our earlier mortgage interest deductibility proposal. Nothing could be further from the truth. This tax credit measure represents a strengthening of the previous proposal. In fact, it will return more money into the pockets of people who earn it than the previous program. It has been said that instead of a $5,000 tax deduction, we are giving people only a $375 tax credit. That is a misleading comparison, because the previous proposal was a program of deductions from taxable income on which tax was calculated. So for Canadians home owners at a tax level in excess of 25 per cent, the previous program would have been more attractive than the present one. But those Canadian home owners who are in tax brackets of less than 25 per cent would have been disadvantaged by the previous proposal.

This proposal is of greater advantage to lower income Canadians who own their own homes than the previous one. Because it has a more positive benefit for Canadians in tax brackets of lower than 25 per cent, the negative impact on higher income Canadians in fact leaves more money in the pockets of low income Canadian home owners, which this program is designed to serve. I want that to be clearly entered on the record, because for far too long I have heard that fact being misrepresented by members on the opposite side.

Another point relates to the constant references made to interest rates in relation to this program. We would not be in the disastrous situation with which we are faced in this country today with high interest rates—because we have to maintain some relationship with the high interest rates in the United States and the western world—if it were not for the fact that our country pursued a policy of deficit financing. This has led to the disastrous state of our economy, a state from which there are no simple escapes, no simple solutions. But I should point out that what we are doing is right in the ball park of what the New Democratic Party has been asking for. The NDP and the Liberals have asked us to somehow subsidize interest rates, to somehow hold down interest rates. That is exactly what this program does.

If one calculates on the basis of current interest rates the benefit of the $375 tax credit, it translates to an interest reduction of roughly 1 per cent for the year 1979. At the end of the full implementation of these measures, the effective interest rate benefit will be between 3 per cent and 4 per cent. If, as we all expect, interest rates will begin to decline in the springtime and drop to levels of 10 per cent and 11 per cent once again, then this program, when it has reached its full implementation, will reduce the effective interest rate by 3 per cent or 4 per cent. Thus the interest rate could be reduced to something like 7 per cent on a residential mortgage.

I do not care how the NDP or the Liberals want to cut it: essentially we are doing something of benefit to Canadians which in a way is equivalent to an interest rate deduction. I,

for the life of me, cannot understand how these hon. members can sit there complacently and argue against this very effective and very positive program for which all Canadians will thank this government.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Tardif: Mr. Chairman, I am extremely grateful to you for allowing me to participate in this debate in Committee of the Whole on clause 1 of Bill C-20. This bill is the result of an election promise. Before the elections, the Tories were prepared to promise anything to get the support of the voters without any consideration for the consequences of such promises. In view of the result of the elections, those same Tories now feel they have to fulfil a promise. They feel all the more strongly about it because having been in power for a mere six months, they have already had to change their minds on the issue of moving the embassy. That is why, Mr. Chairman, they want to have Bill C-20 passed at all costs.

The minister even told us yesterday in this House that the printing of the forms had already been ordered on the assumption that this bill would be passed. Although my colleagues in the official opposition on this side of the House have made a great number of arguments and points against this bill, I would like, Mr. Chairman, to add my voice to those of my colleagues to show why I am personally against it and why, in my opinion, this bill should be abandoned or at least substantially amended to make it more equitable and fair. Before doing so, I must say that in the area of housing, my riding is similar to many others in the sense that several of my constituents want to become home owners, but not at any cost, however. Others, and there are also many of them both among young and older people, will never be able to afford such a luxury. There are even more of them now after the unprecedented rise in interest rate. And finally, my riding has a high percentage of home owners who carry no mortgages.

Renters, older people, home owners without mortgages, Mr. Chairman, are as far as I am concerned all full-fledged Canadians, all taxpayers. They will get no benefits out of the measures introduced under the umbrella of a housing policy. Quite the contrary, they will contribute for a large part to the financing of that program. So it is a plea I am making for those thousands of people who also have a right to improve their lot. Furthermore, their situation requires major and immediate attention.

Having said that, Mr. Chairman, the first reason why I think Bill C-20 should be substantially amended is that it greatly discriminates against thousands of Canadians who are nevertheless also concerned with finding a decent home at a reasonable cost they can afford. Not only does this bill not improve their condition, but it makes it substantially worse because it forces them to pay the cost without considering that in the very short term they will have to pay substantial increases as a result of high interest rates and the increase in the cost of home heating oil or perhaps tax increases to pay for the cost of this program that is estimated at about $3 billion when fully matured.

● (1730)

I respectfully submit that a housing policy should definitely apply to all Canadians and not only to a small group. If it must be more generous for some people, it should favour the less privileged, the poorest among us. If we suppose that the bill is aimed at promoting home ownership, I will say, Mr. Chairman, that I am in complete agreement with such a purpose, which is basically and objectively most valid and even most laudable. In this regard, I would like to relate the conclusions of a brief survey that I made among the contractors and lenders of my constituency. No one will be surprised when I say that I have learned that very few loans are presently granted and that accordingly construction has, to all intents and purposes, come to a dead standstill. Why is this? Very simply because of interest rates. In my opinion, this notorious Bill C-20 therefore does not meet its objective, and even worse, the present economic situation is discouraging thousands of Canadians and hundreds of my constituents who wanted to invest in property.

Mr. Chairman, the Progressive Conservative members will probably reply that the interest rates will come back to normal very soon. Even though I am quite sceptical about this possibility in view of their high-handed attitude in the face of what I consider to be a dramatic situation, I believe that the forthcoming oil price increases will slow down as never before the construction of single family dwellings and multiple unit housing in Canada. To summarize, the mover of Bill C-20 wants to give the impression that he is promoting home-buying because this is electorally profitable. In my opinion, reality is very different and even quite the opposite especially if we examine this legislation in the context of the present situation in Canada, and even more so if we refer to the latest Gallup poll, which was most revealing in this regard.

Mr. Chairman, who will benefit from Bill C-20? Only present home owners whose houses are mortgaged. They will naturally be pleased to benefit from a mortgage tax credit. However, this pleasure will change into bitterness when they see the tremendous increase in heating oil costs and when their monthly payments are increased on renewal of their mortgage. Everything points to a loss of a few hundred dollars.

The Minister of Finance has said:

> This is not an income distribution scheme, not at all; it is a scheme which concerns property. Its objective is to help Canadians become home owners.

Mr. Chairman, I do not believe that the bill in its present form will help Canadians become home owners. At most, it will prevent a few Canadians from losing their property. I am quite convinced that the same Canadians would have been more satisfied with a program that could protect them against

interest rate increases and ensure stability in heating oil costs. The residential construction market in Canada and especially in Quebec has slowed down considerably in the last month and this will have greatly unfavourable consequences if the Progressive Conservatives do nothing to correct this situation. For that purpose I believe they must amend the bill and try to find real solutions through genuine and not phony assistance. If they maintain the attitude they have adopted since May 22, they will be responsible for, not to say guilty of, destroying any hope which young families and young couples might entertain to buy their own house some day.

If we believe the Progressive Conservative government, Mr. Chairman, in coming months and even in coming years Canadians will have to live with government restraint policies. Therefore, they question now the universality concept of some programs. They repeat every day that they will consolidate as much capital as possible in productive expenses, that every expense will be carefully considered for investment in the most promising sectors to stimulate and restore the economy, or so the government members say. Although I am not an economist, I do not understand how it is possible to reconcile such a policy with Bill C-20. Indeed, they propose to spend billions of dollars in a sector where there will not be any economic spin-off, no new employment in a foreseeable future. On the contrary such a measure may place our economy in a complete state of stagnation. If at least the program were fair, but it is dramatically unfair.

No matter what the approach is, Mr. Chairman, this bill is completely useless in my opinion, and moreover it is extremely expensive. Its impact would be disastrous. I will point out, with all due respect, that the capacity of Canadians to pay is not unlimited and that in a very short time, with such actions, we will quickly reach those limits. The bill is only an attempt to follow up on an awkward and irresponsible election promise, and it should not have been introduced in this House, once again taking into account the present state of the economy.

Mr. Chairman, we must devote all our energies to make sure that over the next few months the government will spend the taxpayers' money in an effort to raise or at least maintain their standard of living, instead of increasing the deficit without any justification.

But, all things considered, I do not want to be negative but essentially realistic and positive. I think, Mr. Chairman, that the government should withdraw its decision, review its position and seek out means—we would certainly be ready to co-operate—to make home ownership easier for low-income Canadians, by reviewing the high mortgage interest and establishing programs to slow down the rate of increase of energy costs.

Bill C-20 is discriminatory, unjust and useless, and the government should also forget its election promise and work on a really fair legislation such as, for instance, a national assistance program to renters who are mostly single people, young couples, old people, single parent families, of which there are quite a large number in my riding, Mr. Chairman. Even though its cost is astronomical, the program put forward by the Tories exclude all these Canadians, and it is for that reason, at the risk of repeating myself, that I must oppose this bill. This promise which initially gave much hope to many Canadians has now become a very sensitive and especially very controversial question.

The great majority, myself included, see in this program a very badly conceived idea, falling far short of the intended objectives and finally introduced in circumstances that void all effects it could have. Moreover, all agree that its limited and temporary advantages will result directly in excessive costs, for much longer than the program will last.

I think the *Canadian Building* magazine describes perfectly well and particularly clearly the consequences of the bill. Here is what it says:

> It is a clumsy, discriminatory and counter-productive appropriation of capital funds. It will distort the tax structure, the rental market and the money markets and will result in higher home production costs, interest rates, property taxes, inflation, personal debts and federal deficits.

Those were the remarks I wanted to make to the House in the debate on clause 1 of Bill C-20.

● (1740)

[*English*]

Mr. Nystrom: Mr. Chairman, I wish to make two points in this debate. The first is in response to many of the comments made by members of the Conservative party to the effect that Saskatchewan has a similar tax plan to the one they have put forward. I should like to make a couple of brief comments to point out that what the Conservative party is saying is not true at all. There are a couple of very significant differences between this government's plan and the one in Saskatchewan. The Saskatchewan plan is a lot more progressive and is weighted more toward people on lower incomes. In fact, the tax credit becomes larger for people on smaller incomes. In other words, the tax credit is less when people earn higher incomes. That is a very important difference between the government's plan and the Saskatchewan plan.

The other important difference is that the Saskatchewan plan is tied to a rental program. They realize that people who rent homes are just as entitled to some kind of tax assistance from the federal government as people who own their homes. I thought it important to make those two points in response to spokesmen for the Conservative party, who have claimed that the Saskatchewan NDP introduced a plan which is the same as the one they propose. Those are two very important and fundamental differences that separate the plan of Premier Blakeney from the plan of the Minister of Finance.

I also believe that the plan before the House is, in essence, a Christmas gift to the wealthier half of our society, or perhaps the wealthier one-third or one-fifth of our society. It is certainly a Christmas gift for people in my own income bracket and

this year it will mean a $375 tax saving. People like us do not need it, Mr. Chairman.

An hon. Member: Until the mortgage comes due!

Mr. Nystrom: Yes, I know, until the mortgage comes due. Then I face the increased cost. In this taxation year, however, it is a gift of $375. Little Joe is playing Santa Claus for me and he has wrapped it up in nice paper and put it under my Christmas tree. I appreciate that and I am sure people in the same income bracket will appreciate it as well.

The purpose of this House, Mr. Chairman, is surely to see to it that people in greater need than ourselves receive some of the riches and wealth that they deserve. I want to make the point that instead of giving the money to me and to other members of this House who have mortgages, the government should do what the Saskatchewan government is doing, and that is make sure that the credit becomes smaller as income increases and also that the program will aid those people who rent their homes.

The second point I want to make is that I think there is a growing disrespect for Parliament by the Conservative party that sits across the way. I know that the late Right Hon. John Diefenbaker, who was the former member for Prince Albert, would have made the point if he were here. He complained many times in the past about the Liberal government printing a taxation form before the relevant bill was passed, but again the Minister of Finance and the Minister of National Revenue have had the taxation forms printed before the bill is passed. I ask, Mr. Chairman, what kind of disrespect is this for Parliament, for this institution that is supposed to be supreme? They are pre-judging the institution. How do they know that we will pass this measure carte blanche, without amendment, or that we are not going to change the thoughts of chairman John who has just come into the chamber? Is it not arrogant of the Minister of Finance and the Minister of National Revenue to have the tax forms printed before the bill goes through the House?

This is a reflection of the Conservative party's disrespect for Parliament, Mr. Chairman. On Friday, a motion for closure will be brought before the House. Surely after such a short debate on this bill we should not be faced with closure.

Mr. Clarke: After a filibuster.

Mr. Crosbie: A "taxabuster". You are trying to bust our taxes.

Mr. Clarke: It is time allocation and you know it.

Mr. Nystrom: Time allocation? What a difference there is when a member moves 20 feet from this side of the House to that side of the House, Mr. Chairman!

An hon. Member: You will never make it.

Mr. Nystrom: The very same people used to call it closure when they sat on this side of the House. It seems to me they are overzealous, Mr. Chairman. A week ago this party and the Liberal party offered to have a vote on second reading but the Conservatives—particularly the hon. member from Owen Sound, I think—filibustered for 35 minutes. There was no vote because they filibustered their own bill.

An hon. Member: Sit down and we will vote.

Mr. Nystrom: This bill could have gone through the House on second reading six or seven days sooner than it did had the Conservatives not filibustered it. Now they are talking about closure and that is an utter disgrace which, I think, reflects their disrespect for Parliament.

We have never seen so many senators in a cabinet as there are now. Senator de Cotret is a member of the inner cabinet, as are many other important ministers, but the Minister of National Health and Welfare, the Minister of Transport and the Minister of Regional Economic Expansion, who are very important figures, are not in the inner cabinet. The senator who was a defeated candidate was rewarded with a seat in the other place and chairs a very important committee in cabinet—

Mr. Kilgour: Mr. Chairman, I have a point of order. I wonder if the hon. member for Yorkton-Melville is not speaking in a completely irrelevant manner. I do not think that what he has said in the last few minutes has anything whatsoever to do with the matter before the House. I would ask for your ruling, Mr. Chairman.

The Assistant Deputy Chairman: Order, please. I must remind the hon. member that clause 1 is now under discussion.

Mr. Nystrom: Mr. Chairman, I was speaking about the Conservative party's disrespect for Parliament, as exhibited by the fact that they had tax forms printed before the bill was through the House. This is not the first time we have seen this happen in the short period they have been in power. Yesterday the Chairman ruled that debate on clause 1 is very wide. It seems to me that one of the most relevant things to be discussed is the fact that the Conservatives had the tax forms printed in advance. It is something that the Canadian people should know about. It is symbolic of the fact that they did not call this Parliament back for four or five months after the election. We could have been doing work like this; we could have had a chance to debate this bill and move appropriate amendments to it. The fact that important ministers are sitting over there in the Senate where we cannot question them does not show much respect for Parliament. I know many capable Conservatives sitting over there, like the hon. member from Vancouver who has just interjected, who are just as capable, if not more so, as Mr. de Cotret or a couple of others in the Senate, but the Prime Minister has disregarded democracy and disregarded the House of Commons.

• (1750)

If I could quote Mr. Diefenbaker when the selection of the cabinet was made, I am sure there are backbenchers who

would agree that they should not have been passed over. As I said, I think the party across the way is disrespectful of Parliament. It should be noted at this stage that it should not be introducing closure and it should have not printed the taxation forms. That is real gall and arrogance on the part of the Minister of Finance—the Ayatollah of Newfoundland. He thinks he can get his own way with everything. We cannot let this bill pass without protesting the fact that they disregard and are disrespectful of this institution, and many of the Conservative party members who have been here in the past I am sure are very unhappy with the new Conservative party that sits across the way.

[*Translation*]

Mr. Lessard: Mr. Chairman, only a few minutes remain before six o'clock, and I would like to take this opportunity to comment briefly on the legislation now before us. I listened earlier to our hon. friend, the Minister of Finance, who was coming back to the House, and I had the feeling that had he had a choice between the proposals to initiate in the House, and especially during the preparation of his budget which is very much on his mind now, surely this measure would not have been his top priority. Having known the Minister of Finance for some years, I am convinced he had his mind on something quite different than this election promise. As he said himself over the last few weeks, his margin of manoeuvre is altogether narrow. Members opposite blame the previous government for the somewhat tight financial situation he was referring to, but by proposing this election promise of the Progressive Conservative Party the Minister of Finance is committing government revenues, because this will reduce government revenues by more than $2 billion over the next few years. The fourth year of operation at least entails a loss of revenue of over $2 billion.

I am convinced that listening to the debate and getting acquainted with the proposal, Canadians were originally interested, but I see things differently. And there is a specific point with which I would like to deal. I wonder whether the Progressive Conservative government, when they took that political commitment to capture votes of course, thought more of it than of really helping the housing industry.

Furthermore, I am not sure whether the government has consulted with the provinces before proceeding with its plan. What I mean is this: in the proposal brought forward by the Minister of Finance and the government, we have two elements: the first one aimed at reducing the cost of interest. This is fine since it comes under the jurisdiction of the federal government as we are responsible to a very large extent for the interest rates in the country.

But as concerns the second element which proposes to reduce by way of a tax credit the property taxes paid at the municipal level, I have some reservations because that political party has consistently accused us, when we formed the government, of interfering with provincial responsibilities. None of my colleagues has discussed this aspect of the government's proposal. I wonder, Mr. Speaker, if the Minister of Finance has actually reflected on this. They claim to be the advocates of provincial autonomy and they say that they do not want the government to interfere with the provincial jurisdiction but is this not what they are going to do in indirectly subsidizing property taxes? I think that the minister should have set himself another objective as you can easily suppose that the benefit of some $62.50, for instance, that will result from the implementation of this legislation when it is passed, if it does go through, might be very quickly diverted by the municipal authorities. We all know that municipal authorities are always short of money. We all know that they must continuously appeal to provincial governments to get some assistance. It is obvious, Mr. Chairman, that in the coming years, if this legislation is implemented, provincial and municipal governments will try to recover that money and this taxation field that we are virtually giving up. As home owners will be subsidized indirectly by us, some of them at least, the municipalities will be tempted to occupy that field. As all home owners will not benefit from this program you will tell me that municipalities may have to resist this temptation because if they raise the property taxes, these will apply to all citizens, whether or not they benefit from this tax credit. I would like us to reflect on this, and I would like to say two things in this regard: either we do not subsidize this part of the interest. Thus, we would only be subsidizing the property taxes and this would benefit all home owners who have to pay them. This would be a little less discriminatory. Or else, we do not concern ourselves at all with this part, and we only pay an indirect subsidy by way of a tax exemption for lower interest, since that is where we stand as a Canadian Parliament which is directly involved.

I would like us to reflect on this and I would like the Minister of Finance, when he is given the opportunity to speak, probably during this debate, to tell us whether he has consulted with the provinces on this aspect of the proposal and whether he has heard the opinion of the provincial finance ministers or municipal affairs ministers on this aspect of the proposal. It would be interesting to know their point of view, Mr. Chairman, because the municipalities are most certainly a creation of the provinces. As we have said, the provinces provided the municipalities with the authority to collect property taxes and they certainly have the responsibility and the right to do so.

[*English*]

The Assistant Deputy Chairman: Order, please. It being six o'clock, it is my duty to rise, report progress and request leave to consider the bill at the next sitting of the House. Is that agreed?

Some hon. Members: Agreed.

Progress reported.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): It being six o'clock this House stands adjourned until tomorrow at two o'clock, pursuant to Standing Order 2(1).

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, December 6, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*Translation*]

AGRICULTURE

REQUEST THAT SUPPLEMENTARY IMPORTS OF POULTRY FROM U.S. BE STOPPED—MOTION UNDER S.O. 43

Mr. Marcel Ostiguy (Saint-Hyacinthe): Mr. Speaker, under the provisions of Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity, considering the dire straits in which the chicken industry is in Quebec and in all Canada.

Yesterday I received a copy of a telegram which the Quebec poultry producers' union sent to the right hon. Prime Minister (Mr. Clark) in which they urged him to order an immediate stop to any issue of supplementary import quotas to the United States, since the present inventories and physical production facilities are sufficient to meet the demand of the Canadian market. Besides, the Quebec Fédération des producteurs de volailles, supported by the UPA, is worried about the excess production of chicken piling up in storage facilities in Quebec, Ontario, Manitoba and British Columbia. Therefore, I move:

That the government give instructions to have any supplementary imports of chicken from the United States stopped immediately, that the agreement on import quotas with the United States be re-negotiated to the level of egg import quotas, that the government submit the request of Canadian producers to GATT arbitration if the Americans disagree.

Mr. Speaker: The House has heard the terms of the motion. Pursuant to the provisions of Standing Order 43, the motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

ELECTION PROMISE TO REDUCE CHEESE IMPORTS—MOTION UNDER S.O. 43

Mr. Denis Ethier (Glengarry-Prescott-Russell): Mr. Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43. Due to the fact that this government has been in office more than six months now, and that the dairy producers of this country are still awaiting the delivery of the election promise, namely, to reduce cheese imports by some 10 million pounds, I move, seconded by the hon. member for Essex-Windsor (Mr. Whelan):

That this government take immediate action to deliver this election promise, and if not that the Prime Minister make a public apology for deliberately misleading our Canadian dairy producers during the May 22 election campaign.

An hon. Member: Order.

Mr. Speaker: Order. An application for unanimous consent must retain parliamentary form.

* * *

THE ADMINISTRATION

REQUIREMENT THAT MINISTERS COMPLY WITH CONFLICT OF INTEREST REGULATIONS—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. In view of recent press reports that two government ministers, the Minister of State for Small Businesses and Industry (Mr. Huntington) and the Minister of Finance (Mr. Crosbie), have stated they found complying with government conflict of interest regulations regarding making public, or blind-trusting, their personal financial affairs so onerous as to cause them to question their commitment to public life, and since the Minister of Finance and the President of the Treasury Board (Mr. Stevens) are seeking to be exempted from the regulations, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That in view of their contempt of Parliament, the Minister of Finance and the President of the Treasury Board be suspended from their ministerial posts, without pay, until they comply with the regulations.

Mr. Crosbie: Hear, hear!

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDIAN AFFAIRS

LAND CLAIMS—LEGALITY OF POWERS CONFERRED UPON YUKON TERRITORY—MOTION UNDER S.O. 43

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a

matter of pressing and urgent necessity. Whereas on December 5, lawyers for the Council of Yukon Indians sent a telex to the Minister of Justice alleging that the new powers recently conferred by the government on the Yukon territory were unconstitutional and illegal, and whereas the Council for Yukon Indians have requested the Minister of Justice to direct a reference to the Supreme Court of Canada under section 55 of the Supreme Court Act to determine the constitutionality of these changes, I move:

That this House direct the government to make such a reference to the Supreme Court as quickly as possible so that these legal questions can be settled in order to facilitate land claims negotiations and planning for the pipeline in the Yukon.

Mr. Speaker: This motion can be presented at this time only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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PENSIONS

INCREASE IN PENSIONS OF PERSONS INJURED IN 1917 HALIFAX EXPLOSION—MOTION UNDER S.O. 43

Mr. George Cooper (Halifax): I rise, pursuant to the provisions of Standing Order 43, on a matter of urgent and pressing necessity. Sixty-two years ago today, in history's largest non-nuclear explosion, 2,000 citizens of Halifax were killed and 9,000 injured following a collision in Halifax harbour of a munitions ship bound for the front lines during World War I. Fifty-two people still receive spouse's pensions, or pensions for blindness caused by the explosion, fixed at only 71 per cent of the equivalent pensions received by combat veterans of World War I.

In view of the inadequacy of these pensions, in many cases, to meet the requirements of the recipients, and in view of the understanding long held by many that pensions would be paid as if the explosion had occurred at the front lines, I move, seconded by the hon. member for Halifax West (Mr. Crosby), and concurred in by the hon. member for Winnipeg North Centre (Mr. Knowles):

● (1410)

That, in the opinion of this House, the government consider bringing forward legislation at the earliest opportunity to increase pensions to those injured in the Halifax explosion to the same levels as those received by other World War I casualties.

Mr. Speaker: Such a motion can be presented for debate only upon the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

[Mr. Allmand.]

Some hon. Members: Agreed.

Motion agreed to.

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LABOUR DISPUTES

MEMBERS OF SASKATCHEWAN GOVERNMENT CROSSING PICKET LINE—MOTION UNDER S.O. 43

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, I rise under the provisions of Standing Order 43. In view of the fact that exactly a week ago today the nation was treated to the spectacle on TV of members of the Saskatchewan, NDP government, led by their premier, crossing a picket line, I move, seconded by the hon. member for York West (Mr. Fleming):

That this House deeply deplores the anti-labour attitude of the Saskatchewan government.

Some hon. Members: Hear, hear!

Mr. Speaker: Even motions pursuant to Standing Order 43 must be within the jurisdictional orbit of the House of Commons.

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AGRICULTURE

REQUEST CHICKEN IMPORT QUOTAS AGREEMENT WITH U.S. BE RENEGOTIATED—MOTION UNDER S.O. 43

Mr. Derek Blackburn (Brant): Mr. Speaker, I rise, under the provisions of Standing Order 43, to bring a matter of urgent and pressing necessity before the House. Due to the continuing dissatisfaction of the chicken producers over the high level of chicken import quotas recently negotiated with the American government, and the staggering economic burden it has placed on the chicken producers, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House continues to request that the Minister of Agriculture renegotiate the chicken import quotas agreement with the United States and, if that is not possible, takes the present levels to GATT for arbitration.

Mr. Speaker: Is there unanimous consent for the presentation of such a motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSE OF COMMONS

EXPENSES OF CONSERVATIVE CAUCUS ON GRAIN TRANSPORTATION—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I hope that I have better luck. Yesterday, in response to an order paper question, it was revealed that a Conservative party

caucus on grain transportation spent $9,161 of public funds. This group had no members from my party, the Liberal party or the Creditiste party. I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House request the Progressive Conservative Party of Canada to reimburse the federal taxpayers of Canada the $9,161 of public funds it spent on partisan caucus activity.

Mr. Speaker: Such a motion, pursuant to Standing Order 43, can be introduced only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

SOCIAL SECURITY

REQUEST FOR ADDITIONAL FUNDS FOR HOME CARE FOR AGED—MOTION UNDER S.O. 43

Mr. Raymond Savard (Verdun): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask for the unanimous consent of the House on a matter of urgent and pressing necessity.

In view of the fact that the Minister of National Health and Welfare (Mr. Crombie) intends to improve home care services for the aged and that the additional $15 million earmarked for home care services will not meet the needs of the elderly, I move, seconded by the member for Sainte-Marie (Mr. Malépart):

That the Minister of National Health and Welfare assure the House that additional funds will be allocated to finance home care services for the aged.

Mr. Speaker: The House has heard the terms of the motion presented by the hon. member. This motion can be presented for debate, pursuant to Standing Order 43, only upon the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*English*]

AGRICULTURE

STEPS TO CORRECT CRISIS SITUATION OF POTATO GROWERS—MOTION UNDER S.O. 43

Mr. Wilbur MacDonald (Cardigan): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. In view of the fact that potato farmers in eastern Canada are presently confronted by a crisis situation in which the potato market is so severely depressed that up to 20 per cent of maritime potato producers may face bankruptcy, I move, seconded by the hon. member for Malpeque (Mr. Gass):

That the Minister of Agriculture meet with the provincial ministers of agriculture from Prince Edward Island, New Brunswick, Nova Scotia, Quebec and Ontario, with a view to alleviating current depressed prices and assuring fair prices in future years through careful long-term planning in consultation with potato producers and their representative organizations.

Mr. Speaker: Such a motion can be introduced for debate at this time only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

IMMIGRATION

REQUEST FOR REINSTATEMENT OF IMMIGRATION POLICY FOR BOAT PEOPLE

Mr. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Employment and Immigration. Yesterday the minister announced yet another flip-flop in government policy, namely, that he would be reversing the very successful boat people matching program. The new leadership which the government is providing means that for every boat person sponsored by private citizens, our government will sponsor one less, rather than one more. I believe the minister and the government are caving in to the backlash. Will the hon. gentleman not acknowledge that the people have been misled by this reversal of policy? Will he not change his mind and reinstate one of the most successful programs he has established, and abandon this reactionary change?

Hon. Ron Atkey (Minister of Employment and Immigration): The commitment of this government to accept 50,000 refugees by the end of 1980 remains firm. That is the Canadian commitment which will consist of privately sponsored refugees and government sponsored refugees. Twenty-one thousand of those refugees have already arrived on our shores; the balance will be coming, hopefully, within less than a year.

Rather than a "caving in", as the hon. member alleges, this is an expansion of the program because we have suddenly recognized—it was not really sudden, though it may have been sudden for the hon. member opposite—the very serious problem which exists in Kampuchea and in Thailand, where some 600,000 people are fleeing for their very lives. We want to free up sufficient funds from the existing program through a shift from government to private sponsorship. This will enable Canadian contributions of food and medical aid to be given to the unfortunate victims in Kampuchea. That is an expansion of the government's program.

Mr. Kaplan: I should like to ask the minister further about this so-called expansion. In the statement this morning, the hon. gentleman announced that $1,300 would be saved by each of the non-sponsored refugees.

An hon. Member: Shame.

Mr. Kaplan: About a month ago he indicated in an interview he gave to *The Toronto Sun* that the cost of sponsoring a refugee was $2,300. The difference between $1,300 and $2,300, $1,000, has been taken away per refugee from programs in this area. So how can he call it an expansion? If he insists on transferring it, against our views, why does he not transfer the full $2,300, instead of apparently chiselling $1,000 per refugee for some other government program?

Mr. Atkey: It is hardly chiselling to take $1,000 or $1,300 and apply that sum to food or medical aid for a situation which the hon. member should well know is far more serious than that of the boat people. There are 2.5 million people in danger of their lives in Kampuchea, and this government is determined to do something about it.

Some hon. Members: Hear, hear!

Mr. Atkey: It is because of the warm and generous response of the Canadian voluntary sector in sponsoring, now, 26,000 refugees that the government is able to free additional moneys to provide assistance in Kampuchea.

Mr. Kaplan: That warm and generous response emerged because of the government's matching program, so I want to ask the minister whether he will not consult again with those groups he told us he met with yesterday, groups that he claimed were warmly supportive of his program but which, in fact, feel abandoned and betrayed by his decision. Will he consult with them again and reconsider this reactionary policy?

Mr. Atkey: Consultation with regard to this program has been ongoing, not only with the voluntary sector—and there were a good number of representatives in Ottawa yesterday—but also with the provincial governments which have played a major role in determining the absorbative capacity of Canada in terms of the acceptance of refugees, and in terms of the Canadian responsibility to provide food and medical aid in Kampuchea.

● (1420)

The hon. member seems to be unable or unwilling to see the relationship between the freeing up of moneys, the provision of governmental moneys in Kampuchea, and the continuing challenge on a one-for-one basis which exists under our program.

AID TO KAMPUCHEA

Mr. Jesse Flis (Parkdale-High Park): Mr. Speaker, my question is also to the Minister of Employment and Immigration. Having stated in committee today that the amount of money to be directed to aid the starving Kampucheans will be determined indirectly by the number of Southeast Asia refugees sponsored privately into Canada, would the minister please explain at what time and for what possible reason Canada's policy on emergency aid to a starving, war-torn country should be linked to a nebulous and changing domestic immigration policy?

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, obviously the hon. member opposite, unlike the other opposition party in this House, is unable to see the relationship between the two problems. There is a very deep and serious problem in Southeast Asia. Canada has a number of responses. We have a political response that is pursued by the Secretary of State for External Affairs. We have a refugee resettlement response that is symbolized by the 50,000 coming to our shores before the end of 1980. We also have a humanitarian response that is reflected in terms of the food and medical aid which we will provide to that part of the world.

We have expanded the program, and we will find additional moneys to provide assistance in that part of the world along with other countries of the west, the United States, France, Australia, West Germany, Japan. Canada will do its bit.

FUNDS FOR CAMBODIAN RELIEF

Mr. Peter Stollery (Spadina): Mr. Speaker, my supplementary question is also to the Minister of Employment and Immigration. Clearly, the Secretary of State for External Affairs on November 5 made a commitment to the United Nations, that she cannot live up to, of $15 million for Cambodian relief.

Some hon. Members: Louder.

Mr. Stollery: The government—

Mr. Speaker: Order, please.

Mr. Stollery: Will the minister explain to the House why the same moneys originally taken from Canadian employment programs were given to the boat people, and that same money is now being taken away from the boat people and turned over to the Secretary of State for External Affairs, and why the Minister of Employment and Immigration has not, instead, taken the money from the advertising budget for his department instead of moneys meant for people in dire straits in this world?

Some hon. Members: Hear, hear!

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, in the absence of the Secretary of State for External Affairs, I can assure hon. members opposite that that commitment was made, will be kept, and perhaps will be expanded, as a result of the program.

Some hon. Members: Hear, hear!

An hon. Member: At whose expense?

Mr. Atkey: What the hon. member opposite fails to realize is that this, being a very expensive program—and no one denies that—there are many expenses involved, whether with regard to privately sponsored refugees or publicly sponsored refugees. Those expenses will be met by this government. However, unlike the party opposite, we are not going to turn off the enthusiasm and the voluntary generosity which has come from the private sector in Canadian society to assist in a Canadian response and not merely a Canadian government response.

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ENERGY

PLANS TO DEAL WITH POSSIBLE OIL SHORTAGE THIS WINTER

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Does the minister agree with the statement made by the Prime Minister yesterday in this House concerning oil supplies that, and I quote:

The National Energy Board has now, as a result of increased consumption in Canada and some other activities, come to the conclusion that there may be limited shortages this winter in Canada.

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I always agree with the Prime Minister, who is always very perceptive with respect to this particular situation. The fact of the matter is that I indicated to the hon. member in committee this morning—and I mentioned this during the course of preceding months this fall and last summer—that we are and have been in a very tight situation in Canada. Naturally, in a tight situation there are going to be circumstances in which there could, indeed, be shortages of a temporary nature.

● (1425)

We are hoping that the situation will not deteriorate any further. We are continuing to take steps, on a daily basis, in consultation with importers and industry in general, to try to tide us through this winter. The Prime Minister is right: there could very well be interruptions in terms of supply in the course of this winter. But we are doing everything possible to avoid that situation and we are taking every initiative we can.

Mr. Symes: Now that we have that clear admission about the possibility of shortages, the question is what action the government is prepared to take. In that regard, I have a question for the minister which relates to a confidential report given to him last week by the National Energy Board, since revealed somewhat in the text of the telegram I have here from the board to the deputy minister of energy in Ontario, sent two days ago, in which the minister was advised of the very precarious situation in eastern Canada and that we would need an additional 2 million barrels of distillates as of the end of November.

Given the fact that now diesel and home heating oil supplies are down 15 per cent in Ontario and eastern Canada over the same amount last year at this time, what specific action is the government taking to make up this shortfall so that the shortages will not, in fact, happen over the next few months?

Mr. Hnatyshyn: I have indicated on previous occasions, as well, that we are in a position, after the actions taken under the previous administration, of building up the inventories in our country to an acceptable level. It is quite true that we have been striving to accomplish that over the time we have had this responsibility as the government. The fact is that I and my department, in the course of discussions with industry, have been working very closely with them to determine what can be done in the way of import requirements on the part of each of the companies, and what we can do to bring in additional product in order to meet our requirements this winter.

There have been instances, which I have mentioned in the House, of various companies, such as Imperial and Gulf, being able to indicate that they will be obtaining additional imports of product for us to help tide us through the winter.

Mr. Symes: The National Energy Board indicated to the minister that there were three courses of action that could be taken to try to alleviate the supply problem. The minister has alluded to one, which is increasing imports. The other was instructing refineries to convert from gasoline production to home heating production. The third was curtailing exports. It is in the latter regard that I should like to put a question to the minister.

Given the fact that we are currently exporting 75,000 barrels a day of fuel oil products, half of which are home heating oil supplies, and given this precarious supply situation, is the minister prepared, today, to recommend to the National Energy Board the cancellation or curtailment of those exports to the United States? Surely Canadian interests come first in this case.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: In fact, as the hon. member knows, the National Energy Board has Canadian interests very much in mind as part of its mandate with respect to applications for exports of product, and this is a prerequisite and a condition upon which any licence for export is undertaken. The fact of the matter is that we are canvassing a number of possibilities to increase the inventory we have. I have taken steps to reduce general exports in terms of crude to the United States, to supply our domestic needs.

Naturally, I will be glad to look into the matter raised by the hon. member with the National Energy Board and receive an up-to-date report from them, so that I can assure the hon. member that I am taking all steps to get us through the winter, all steps available to us in light of the situation in which we find ourselves.

[*Translation*]

AGRICULTURE

POULTRY INDUSTRY—INQUIRY WHETHER REPORT RECEIVED FROM COMMITTEE STUDYING SUPPLEMENTARY IMPORT QUOTAS

Mr. Marcel Ostiguy (Saint-Hyacinthe): Mr. Speaker, further to the telegram the Prime Minister received yesterday from the UPA, and in view of the very serious difficulties the poultry producers are now experiencing, which will surely lead to bankruptcies in 1980, I should like the Minister of Agriculture to tell the House whether or not the committee that was created to study additional quotas, the renegotiation of import quotas of poultry and the redistribution of import quotas among the various poultry importers, has advised him in that regard. If not, is the committee now sitting continuously in view of the urgency of the situation across the country?

● (1430)

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the committee is active and, indeed, it has made some recommendations to me. I have discussed those recommendations with my colleague, the Minister of Industry, Trade and Commerce. At this point in time—and, I think, for the foreseeable future—we will be in a position to follow those recommendations.

[*Translation*]

POULTRY INDUSTRY—PROBLEM IN ONTARIO AND QUEBEC

Mr. Marcel Ostiguy (Saint-Hyacinthe): Mr. Speaker, I wish to direct a supplementary question to the Minister of Agriculture. In view of the fact that production in the poultry industry requires between 11 and 13 weeks, that the enormous inventory of chicken which is accumulating will soon become worthless in the hands of the stockers, and that the Prime Minister received yesterday a telegram from the UPA, will the minister reach a decision, as he promised he would and as a politician should, or will he remain indifferent to this problem the industry is facing both in Quebec and Ontario?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, this minister has never been at odds with the industry or at odds with my colleague, the Minister of Industry, Trade and Commerce. I am getting a little tired of people trying to misinterpret our remarks.

Some hon. Members: Oh, oh!

Mr. Chrétien: Arrogance.

Mr. Wise: There is no difference between us whatsoever. On many occasions both he and I have said before the Standing Committee on Agriculture that we want to co-operate and consult on a day to day basis with people in the industry, thus the reason for establishing this industry committee. Both of us have said that we want to be in the position in the very near future, or as soon as possible, so that the national industry can provide a sufficient quantity of product from domestic sources to supply the domestic market. To this point in time, we have achieved that. I think there is sufficient good will in the industry, and certainly there is good will between the industry and the government, to achieve that goal as soon as possible. I am quite satisfied that we have achieved that today.

[Mr. Hnatyshyn.]

[*Translation*]

INQUIRY RESPECTING NEGOTIATIONS WITH QUEBEC AND POULTRY PRODUCERS' UNION

Mr. Claude Tessier (Mégantic-Compton-Stanstead): Mr. Speaker, my supplementary question is also directed to the hon. Minister of Agriculture.

Given the telegram forwarded by the Union des producteurs agricoles to the right hon. Prime Minister, can the minister tell us what consultations he had with the Quebec government and with UPA representatives? How can he explain that the telegram mentions that the federal government should consult the Quebec authorities on this matter, that it should reconsider its agreement with the United States and, finally, that it should immediately stop allowing supplementary quotas? More precisely, I would like to know what negotiations the minister had with his Quebec colleagues both at the government and at the UPA level.

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, as I have indicated on a number of occasions, I communicate very regularly and quite frequently with my Quebec counterpart. If there is any question on any member's mind in the House as to the inability of the minister of agriculture of the province of Quebec to communicate his feelings to the Minister of Agriculture of Canada, they should remove those doubts immediately. We have consulted with the industry.

Of course, we must recognize that the national board is made up of provincial parts. There is all kinds of input from the people within the industry in that province, like any other province. There is no difference between the position taken by the minister of agriculture for the province of Quebec on that particular issue and the position taken by the minister of agriculture for the province of Ontario. I agree with them and I support them. We are working with the industry to reach that goal as soon as possible.

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FINANCE

THE BUDGET—TAX ON GASOLINE

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I have a question for the Minister of Finance. In light of the increase in the price of oil and gasoline by some oil companies yesterday,

is the Minister of Finance in a position to assure the House, since nobody has given any indication to the industry, that he might raise the tax on gasoline next week so that the companies will be in a position to raise their prices before the minister raises taxes?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, certainly I have not given anybody any indication that there will be any increases in any taxes. That would be the last thing I would think of doing. If I was going to do it, it certainly would not be done to the oil companies. No one from the government has communicated with the oil companies about price increases.

As far as the increases of Imperial Oil are concerned, whether they are justified or not justified the Prime Minister and the Minister of Energy, Mines and Resources are looking into that. The fact remains that we do not have any wage or price control system at the present time, so there is no law which prevents them from raising their prices. It certainly has no connection with the budget which is to come down on Tuesday. I hope that budget will have many pleasant surprises.

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ENERGY

REASON CANADA-MEXICO OIL AGREEMENT NOT RATIFIED

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In the face of concern about oil supply in the immediate future, and the inaccurate and unsatisfactory answers yesterday given by the Prime Minister to my question about Mexican arrangements, will the minister now give the House a clear explanation why the Canada-Mexico oil agreement, which provides for the sale to Canada of 50,000 barrels per day in 1980 and 100,000 barrels per day in 1981, has not yet been ratified and implemented by the new Government of Canada?

Furthermore, at the earliest opportunity will he make a full statement and table the pertinent documents and records of all negotiations, if any, on this matter that have taken place with the Mexican government since May 22?

Some hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I reject out of hand any suggestion the Prime Minister was not, in fact, forthcoming. In fact, he told the hon. member and the House yesterday precisely the state of affairs in the Mexican negotiations.

Mr. Andras: It has not been signed.

Mr. Hnatyshyn: The hon. member knows that he is less than candid with the House. He knows full well that the interim agreement provided that the initial shipment of upward of 50,000 barrels per day would take place during 1980. The Mexican government is now—

Miss Bégin: He said that.

Mr. Hnatyshyn: We are having ongoing discussions with the Mexican government. We are continuing at a satisfactory rate our discussions with respect to the availability of supply by them. We are continuing those negotiations and have had exchanges of delegations and will continue to do so in the weeks ahead. The fact is that we are satisfied we will be able to bring a final agreement into place some time in the near future, that is to say, some time prior to the visit to Canada of the Mexican president.

STATE OF NEGOTIATIONS ON CANADA-MEXICO OIL AGREEMENT

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, that negotiation has not been resolved, and it is now seven months later. Let me try another one with the Prime Minister.

Mr. Baker (Nepean-Carleton): Oh, you can do better than that.

Mr. Andras: Following my question about Canada-Mexico relations yesterday, will the Prime Minister confirm that it is only really within the last several days that the Canadian ambassador to Mexico has begun conversations with Mexican officials about the renewal of the invitation for President Portillo's visit to Canada, which was scheduled for May and postponed because of the election, and in fact that no formal invitation as of now—seven months later—has gone from the Prime Minister to the president of Mexico?

If that is essentially correct—which I am told it is—then why has there been this neglect and delay which, along with these other measures of inaction, is causing a cooling of relationships with Mexico, a very valued friend of this country?

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, first of all, it should be clear that there is no cooling of relationships between Canada and Mexico. Second, it should be clear that the reason a formal invitation has not gone forward is that the President of Mexico has not yet been able to indicate to us the precise dates on which he would be free to come in May or in June.

There have been extensive conversations among officials of the foreign office of Canada and officials of the foreign office, and perhaps the office of the President of Mexico, with relation to his visit. There have been a number of conversations and discussions involving representatives of the Government of Canada and representatives of the government of Mexico regarding the bringing into effect of the oil agreement between Canada and Mexico.

As the hon. member will remember from his days in the ministry, the agreement between Canada and Mexico was one which was not specific as to delivery dates or quantities of oil

and, indeed, cannot be until the President of Mexico, under the regulations of his country, is in a position to determine the reserves in Mexico and, consequently, the amounts available for export to Canada or to other countries.

An hon. Member: Olé.

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● (1440)

STATUS OF WOMEN

SAME WAGES AS MEN FOR SAME WORK

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the Secretary of State in his capacity as the minister responsible for women. In light of the report of the Department of Labour that the gap between the wages earned by men and women is widening, rather than narrowing—55.6 per cent wider in 1977 than in 1972—and that in all but two of 48 industrial occupations men earn substantially higher wages than women for the same work, what measures is the government taking to oblige the government itself and the companies doing business with the government to pay the same wages to women as to men for the same work?

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, the hon. member has raised an extremely important question in light of the disturbing report from the Department of Labour. It points out, again, the situation vis-à-vis the salary levels of women which do not remain a constant factor, and in some very important ways there has been a very serious situation with a backward step being taken in respect of the actual salary levels of men and women.

It is for this reason that two years ago Parliament passed, as the hon. member may recall, the principle of equal pay for work of equal value, which remains a principle for this government and, of course, in pursuit of which the Human Rights Commission is attempting to make it a practice. In addition, the member will know that we are very much committed to developing an over-all employment strategy for women. I have had meetings with provincial counterparts, and we hope before too long to be able to give more explicit details.

Miss Jewett: Mr. Speaker, the minister does not know the difference between equal pay for equal work and equal pay for work of equal value. I was talking about equal pay for equal work, which is a basic minimum. I was not even asking for that yet elusive goal of equal pay for work of equal value: it is equal pay for equal work that we are first of all trying to seek.

I would like, as a supplementary question, to ask the Minister of Employment and Immigration, since only a few companies on government contracts—and only a very few—have signed affirmative action agreements, when the government will make it obligatory for businesses and companies with government contracts or receiving financial assistance from the government to sign affirmative action agreements.

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, we are in the process of assessing and evaluating the program of voluntary compliance by companies who contract with the federal government. I am not yet satisfied that the voluntary approach, with some promotion, will not work. However, I will have in my hands before the end of the calendar year a study both as to the federal contracts compliance aspect of the program and as to the affirmative action program.

I hope, frankly, to go to cabinet either before the end of the calendar year or early in the new year with a proposal for the advancement of both the affirmative action program, not only for women but for the handicapped and natives, and a federal contract compliance program that will achieve the objectives stated by the Secretary of State and Minister of Communications and the hon. member opposite.

* * *

INDIAN AFFAIRS

LAND CLAIMS—LEGALITY OF POWERS CONFERRED UPON YUKON TERRITORY

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for the Minister of Justice, but since we cannot question him in this House and they will not let us in the other place to do that, I will put the question to the Prime Minister.

Has the Prime Minister received and read the telex sent to the Minister of Justice yesterday by the Council of Yukon Indians alleging that the recently expanded powers given by the Minister of Indian Affairs and Northern Development to the Yukon government were unconstitutional and illegal, and asking the Minister of Justice to refer these matters to the Supreme Court under section 55 of the Supreme Court Act, and is the Prime Minister ready to make that reference to the Supreme Court so we can settle these important legal questions quickly and not impede land claim negotiations and the building of the northern pipeline?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the hon. member should not complain to me about his leader's failure to name him to the other place.

Some hon. Members: Oh, oh!

Mr. Clark: In answer to the question he directed to me, I have not seen that telegram which was directed to the Minister of Justice. I suggest that if he has supplementary questions regarding the substance of the matter, he direct them to the Minister of Indian Affairs and Northern Development.

Mr. Allmand: Mr. Speaker, my supplementary question is for the Prime Minister. When is he going to start respecting our system of responsible government and appoint a minister

of justice in this House where the elected representatives of the Canadian people can question him? Does he not realize that the Minister of Justice, as Attorney General, has very special responsibilities that cannot be handled by an acting minister?

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, there has been a reflection cast upon the capacities of the ministers who respond in this House, a reflection which I think on reflection the hon. member will want to withdraw.

Mr. Allmand: Not at all.

Mr. Clark: There is no question at all that there is within the House a capacity for members to put questions to acting ministers in relation to those ministers who serve in the other place, in the same way as exists in relation to ministers who are absent from this House by reasons of business elsewhere. If the hon. member is telling me that he thinks it would be preferable for the Government of Canada to be constituted with inadequate representation from the province of Quebec, then that is a proposal that I reject outright.

Some hon. Members: Hear, hear!

* * *

INTERNATIONAL TRADE

DISCUSSIONS CONCERNING CHRYSLER CANADA—BENEFITS FOR CANADIAN WORKERS

Hon. E. F. Whelan (Essex-Windsor): Mr. Speaker, I am not able to question the Minister of Industry, Trade and Commerce.

An hon. Member: Why not?

Mr. Whelan: Because he is in the other place and he is from Ontario. I am not able to question the Minister of State for International Trade because he is not here today. If I may, I would like to question the Prime Minister.

During the discussions that took place among ministers and the Canadian-U.S. Chrysler officials, was there any discussion about a price-wage freeze of three years on the workers in Canada, and was there any discussion about the laws that affect the Canadian workers' benefits here in Canada?

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): Mr. Speaker, these negotiations are very deep, very serious and they are at an advanced stage. Nothing will be done here with the Canadian position until the U.S. position is finalized. The details are well known to both parties and negotiations have been going at a very positive pace, but the fundamental issue is that nothing will be said or done here until the situation in the United States is clear to us.

Mr. Whelan: Mr. Speaker, I have a supplementary question for the Minister of State for Small Businesses and Industry. I want to ask whether he will keep in mind, and remind his colleagues, that in any further discussions the workers themselves should be informed about what is going to be done either for them or to them.

Mr. Huntington: Mr. Speaker, the very concern of this government for the workers is the reason we are in these negotiations with Chrysler. This time we are going to insist that there be staying power in the Chrysler organization before we get involved in permanent commitments.

Some hon. Members: Hear, hear!

* * *

EMPLOYMENT

PLANS TO DEAL WITH LAY-OFFS IN AUTOMOTIVE INDUSTRY

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, my question is for the Minister of Employment and Immigration. If, as I hope, the $1 billion Chrysler expansion takes place in Canada with federal government assistance, no doubt there will be enough jobs in Windsor, the principal site of Chrysler Canada production, in the long run; but in the short run there is a serious unemployment situation, with new lay-offs taking place daily, so that Windsor has probably the highest rate of unemployment in the industrialized part of the country but is not eligible for assistance under the Canada Works program. May I ask the minister what plans the government has to deal with the continuing lay-offs in the automotive industry?

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, the matter of the lay-offs in the automotive industry is, of course, of great concern to this government. We are monitoring very closely the situation in Windsor and in other locations. I have said on a number of occasions in this House that Canada Manpower consultative services are available in lay-off situations which provide committees and consultative services in terms of the services that can be made available to individual workers, whether that is unemployment insurance or, more important, whether retraining opportunities are available, or work-sharing, or other programs within the purview of my particular department.

• (1450)

As the hon. member knows, there will be a full exposition of the government's employment strategy next week, first, as part of the budget debate and subsequent to that, of course, in the context of the budget debate.

Oral Questions

INTERNATIONAL TRADE

CHRYSLER CANADA—ACTION TO ENSURE VIABILITY OF CORPORATION AND MAINTAIN CANADIAN JOBS

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Prime Minister. The Minister of State for Small Businesses and Industry has said that no decision on aid to Chrysler Canada will be made until there is a decision by the United States Congress. I want to ask the Prime Minister if he will not change that attitude, in view of the fact that opinion in the Congress is sharply divided on helping Chrysler U.S. and a favourable decision announced, at least in principle, to help Chrysler Canada could well tilt the balance in the Congress in favour of helping Chrysler U.S.

This is essential in order to ensure the viability of Chrysler Canada, since it exports some 70 per cent of its production to the United States. If the Prime Minister is really interested in maintaining jobs in Canada, surely he will change his position. I ask him if he is going to do that today.

Right Hon. Joe Clark (Prime Minister): I will try to be brief in answering that question, Mr. Speaker, which is a repetition of one put yesterday. I will certainly indicate, as I did yesterday, that if an arrangement is worked out between the United States and Chrysler, we will be prepared to consider an arrangement between Canada and Chrysler. But certainly we are not going to signal our agreement to an arrangement whose details we cannot know.

Mr. Munro (Hamilton East): You must know.

Mr. Gray: A supplementary question to the Prime Minster, Mr. Speaker. Does he not realize that if there is not a favourable decision in the U.S. Congress to help Chrysler U.S., then the viability of Chrysler Canada and its affiliates, even with support from the federal government, will be very questionable? Does he not see the common sense of indicating a decision in principle now, in order to make sure that Chrysler Canada will have an outlet for production in the United States? Does he not see this obvious point?

Mr. Clark: Yes, Mr. Speaker, it is precisely that obvious point that we have been arguing, that it is not going to be possible for the Government of Canada to come to any arrangement with Chrysler until we know that there is a firm arrangement in relation to Chrysler and the United States government—to the U.S. government and the parent corporation. We have indicated in this House that if there is such an agreement, we would agree in principle to working out the details of an arrangement in Canada.

Mr. Munro (Hamilton East): That is not what you said yesterday.

[Mr. Atkey.]

ORGANIZED LABOUR

UNIONIZATION OF COASTAL FISHERMEN—GOVERNMENT POSITION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have a question for the Minister of Labour. Could he tell the House and the country where he and his officials stand with regard to the studies which I believe have been undertaken in the fishing industry for the organization of the fishermen on the east coast and the west coast into labour unions?

Hon. Lincoln M. Alexander (Minister of Labour): Mr. Speaker, this matter has been under serious consideration for some time. As I understand it, in 1977 a decision was made with respect to the collective bargaining rights of fishermen under part V of the Canada Labour Code. It was found that they did not have any, and accordingly representations were made and hearings were held with the fishermen and with the industry.

I understand there have been consultations with the provinces because of the question of jurisdiction. Interdepartmental studies have been undertaken. I hope to have a report in the very near future, when I will advise the hon. member of what action will be taken.

* * *

[*Translation*]

INTERNATIONAL TRADE

POSSIBILITY OF CLOSING BOMBARDIER PLANT IN QUEBEC—GOVERNMENT POSITION

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, in the absence of the Minister of State for International Trade, my question is directed to the Prime Minister. In view of the announcement made by the president of the Bombardier company that the "Buy America" program will compel that company to make emergency plans, close its Quebec plant and move to the United States, can the Prime Minister announce today in this House the specific steps which he intends to take to guarantee the survival and development of that important industry in Canada?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I cannot do so today. However, I will speak to the minister involved and other officials of the department to see if there are some plans and if it would be possible for me or another minister to announce them in the House or elsewhere as soon as possible.

AIR TRANSPORT

IMPLEMENTATION OF HEALD, SINCLAIR, CHOUINARD REPORT

Mr. Serge Joyal (Hochelaga-Maisonneuve): Mr. Speaker, I should like to put a question to the Minister of Transport.

On November 16, in reply to a question I put to him in the House about the steps he intends to take to shorten the delays which have caused departmental services to become bogged down, and implementing the recommendations of the Heald, Sinclair, Chouinard commission, the minister told me he expected the report of the task force around November 25 or 26. Can the minister tell us today whether or not he has received that report and, if so, whether he has taken the necessary steps to increase staff, improve training procedures and make sure that the necessary equipment is now available in order to shorten the delays in which the Gens de l'air are now trapped?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I received the report in the week of November 27 and I have accepted it. It is now the subject of a proposal which is going before cabinet. I am confident that the hon. member will be satisfied with the position we are taking. The implementation is going on. I have to tell him, though, that the speed of the implementation process is contingent upon recruitment, training and certification. Having regard to all those conditions, the schedule for implementation will be taken before cabinet in the next week or so. I shall be able to report in more detail after that date.

* * *

[*Translation*]

LABOUR DISPUTES

BELL CANADA STRIKE—PRESENTATION OF CONCILIATION REPORT—INQUIRY WHETHER STRIKE WILL BE LEGALIZED

Mr. Jacques Olivier (Longueuil): Mr. Speaker, my question is for the Minister of Labour. Is he aware that yesterday and the day before, and today in certain places in Canada, mainly in Sault Ste. Marie, some Bell Canada employees went on strike? Whether this strike is legal or not, can the minister tell us if the conciliator who has been designated, Mr. Tremblay, has already submitted to him his conciliation report and if that report has indeed been submitted to him, when does the minister intend to make the strike legal?

[*English*]

Hon. Lincoln M. Alexander (Minister of Labour): Mr. Speaker, I will not answer the question of whether I think the strike is legal or not. I think the hon. member knows that under the provisions of the Code, the Canada Labour Relations Board is the proper forum to determine whether any disruption—and I call it a disruption—is illegal.

As far as the conciliation commission report is concerned, I understand that it will be in my hands, with the necessary recommendations which I hope will be satisfactory and will lead to a just settlement, by the middle of December. At that time we hope hon. members will accept the report. I can also advise the hon. member that the company has brought before the board a procedure regarding cease and desist with respect to disruptions that are taking place right now. It is my understanding that this will be heard tomorrow.

[*Translation*]

TREMBLAY REPORT—WORKERS' RIGHT TO STRIKE WITHOUT BEING SUSPENDED

Mr. Jacques Olivier (Longueuil): Mr. Speaker, may I ask a supplementary question? I do not know if the minister misunderstood me, but I did not ask for legal advice and I would never ask a lawyer to settle a labour dispute. I am more interested in the fact that we are dealing here with employees who are mostly women and who received a 2.8 per cent wage increase back in 1977, and that nobody seems to care about them. Mr. Speaker, I want the minister to tell us if he has reached a decision regarding the implication of the Tremblay report, and whether or not he has decided to grant them the right to strike and, if so, what he intends to do to make sure that the employees who will get it can resort to it without fear of suspension by their employers.

[*English*]

Hon. Lincoln M. Alexander (Minister of Labour): I just do not understand, Mr. Speaker, why the hon. member does not understand the procedure under the collective bargaining process, and in particular part V. As I indicated to him, the collective bargaining process calls for the intervention of a conciliation commissioner. He can only do what he is allowed to do under the law; that is, when a settlement has not been reached, he can prepare a report and make recommendations for settlement. Until the report reaches my desk and until it is given to the parties involved, the hon. member knows that any contravention of the process within part V of the act calls for no disruption.

The hon. member will have to be patient. Unfortunately, it is a serious matter. I am very concerned, not only about the women involved but about the men involved and the workers in general. We have to wait until we receive the report of the conciliation commissioner, Mr. Tremblay, in terms of the recommendations and, hopefully—I say "hopefully"—the parties involved will accept the recommendations that will be put before them.

* * *

● (1500)

CONSUMER AFFAIRS

INCREASED CHARGES BY CHARTERED BANKS

Mr. David Orlikow (Winnipeg North): I have a question for the Minister of Consumer and Corporate Affairs. Given the

fact that in the last ten days or so the major chartered banks have increased their charges for bank servicing, including the charge for writing a cheque, the charge for making an entry on current accounts, the certification of cheques and the rental of safety deposit boxes, and given the fact that the chartered banks have shown all-time high profits, with increases of more than 20 per cent over the same period last year, would the minister himself, or one of his colleagues who deals more directly with the banks, make representations to the banks that they ought not to be increasing these charges when their profits are so high?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, I think that question would be more effectively, and certainly more properly, answered by the Minister of Finance.

Mr. Orlikow: Mr. Speaker, may I ask the Minister of Finance—perhaps he cannot answer today—to look at the increases in bank charges to customers which the banks have recently announced? In light of their very substantial—I do not want to use the word "exorbitant"—increase in profits, would the minister make representations to the effect that they should give some consideration to the needs of their customers?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, some banks have increased profits, and one bank we know has had reduced profits. It is very difficult to generalize. These things also go in cycles. The quarter before last their revenues were down. This quarter the revenues were up because of the spread. I will certainly communicate to the banks my desire that they charge as little as possible to their customers, and that they operate in every case on a very thin margin.

* * *

PRIVILEGE

Mr. Speaker: Order. I have several notices of questions of privilege. I have received notices from the hon. member for Outremont (Mr. Lalonde), the hon. member for Winnipeg North Centre (Mr. Knowles), the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) and the hon. member for Vancouver East (Mrs. Mitchell).

[*Translation*]

MR. LALONDE—INQUIRY WHY NATIONAL ENERGY BOARD REPORT NOT PRESENTED

Hon. Marc Lalonde (Outremont): Mr. Speaker, not only do I raise one question of privilege but, following developments that have occurred since two o'clock this afternoon and in light of a recent report concerning a press conference to be held this afternoon by the Minister of Energy, Mines and Resources (Mr. Hnatyshyn), I will have a second question of privilege. But I will submit the first one now and, with your permission, I will come back to the second one later.

[Mr. Orlikow.]

As to the first question of privilege, it relates first to the statement made in the House yesterday by the right hon. Prime Minister (Mr. Clark), as reported on page 2030 of *Hansard,* and I quote:

> To come to the last question, the National Energy Board has now, as a result of increased consumption in Canada and some other activities, come to the conclusion that there may be limited shortages this winter in Canada.

This morning, we were supposed to receive from the National Energy Board a report which was to be made public and available to all members on the oil supply situation in Canada and especially in eastern Canada during the month of November. This morning the minister informed the committee that the report would be made public only in a few days. I have solid proof that the report was indeed ready to be made public this morning, but that the board held it back because its content was at odds with the Prime Minister's statement in the House yesterday; the board decided to keep the report in order to change it, to doctor it and to make it conform to the views expressed yesterday in the House by the right hon. Prime Minister.

It seems to be, Mr. Speaker, that this is grounds for a question of privilege, because there is an indirect assault on the independence of an agency such as the National Energy Board which, because it has been attributed statements by the right hon. Prime Minister, is now forced to amend the content of its report. I do not want to hold up the work of the House unduly, Mr. Speaker. However, I draw your attention to this matter which obviously concerns the privileges of members and I ask the minister to make public immediately the exact report that was prepared by the National Energy Board, and not the version that was modified and cooked to agree with yesterday's statements by the right hon. Prime Minister.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, rarely has such a false and irresponsible accusation been made in the House of Commons by a member of Parliament, a Privy Concillor, a member well acquainted not only with the rules of the House of Commons, but also with the rules concerning the autonomy of agencies such as the National Energy Board. I can indicate to the House and to the hon. member that the accusation the member made is unfounded and totally false. No evidence was given because the hon. member has no proof and the accusation is false. I hope the hon. member can now respect the independence of the National Energy Board and have the courage to say to the House of Commons that he erred and made a false and irresponsible accusation.

[*English*]

Mr. Speaker: Order. The matter is obviously one of disagreement and not one of procedure.

MR. KNOWLES—APPRECIATION EXPRESSED TO PRIME MINISTER FOR HOSTING TESTIMONIAL DINNER FOR HON. PAUL MARTIN

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question of privilege is in a totally different vein, but it does relate to a matter concerning which I feel there should be something on the records of this House.

If I may speak as a member of a third party who can therefore be objective about it, I am sure that many members would agree with me that a word of appreciation should be expressed to the Prime Minister (Mr. Clark) for the gracious way in which he hosted a dinner last night as a testimonial to our friend, the Hon. Paul Martin.

Some hon. Members: Hear, hear!

Mr. Knowles: The generosity of spirit of the Prime Minister was something that we all appreciated. I know that our friend Paul and his friends were gratified, and to all of us it was a unique parliamentary event.

I express the hope, Mr. Speaker, that if there are records of the speeches either in written form or on tapes, they might be preserved in the National Archives or in the Library. As I say, it was a unique occasion and I felt that it should be noted on the records of *Hansard*.

Some hon. Members: Hear, hear!

MR. ALLMAND—MINISTERS NOT MEMBERS OF HOUSE OF COMMONS

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, during the question period when the Prime Minister (Mr. Clark) was answering my questions with respect to the appointment of ministers to answer questions in this House, the Prime Minister refused to acknowledge that in our system of responsible government, senior ministers—

Some hon. Members: Order.

Mr. Allmand: —and especially the Minister of Justice, the Attorney General of Canada and the senior law officer of the Crown, should be elected to sit in the House of Commons. That is our system.

It is true that it is customary to appoint ministers in the Senate to be leaders of the Senate—

Mr. Speaker: Order, please. The hon. member for Notre-Dame-de-Grâce will know that he will have to identify the nature of his question of privilege to me. If it is simply a grievance that ministers of the Crown sit outside of the House of Commons, he will know that that is a repetition of previous practices of the House, and while it may be an annoyance and a matter of commentary, it does not constitute a procedural problem in which the Chair can be expected to intervene. If he has some special nature of the matter which does bring it within the orbit of privilege, I will be glad to hear it.

Mr. Allmand: Mr. Speaker, the special aspect that I would argue strongly for is that the Minister of Justice, who is the

Attorney General of Canada, has very special responsibilities in the laying of legal actions and so on which cannot be answered for by any other minister, because he is sworn in as Attorney General and Minister of Justice. I would argue that only he and not the ministers who are designated can answer these questions. In our parliamentary system of responsible government, it is not correct for such a procedure to continue. I can understand an Acting Minister of Justice sitting in the Senate on a temporary basis, but this situation is completely against our system of responsible government. There has been an opportunity in Prince Albert and in Newfoundland for that minister to run in an election and be elected.

● (1510)

Mr. Speaker: Order, please. Again, I would remind the hon. member that he is raising a matter which he considers to be a grievance. That may be so, and it may be an annoyance upon which he may make a comment, as he has done. I cannot bring the matter within the realm of procedure. It is the right of the government, and it is in keeping with previous parliamentary practice, whether it be the Minister of Justice or, as in a previous case, the Minister of National Revenue, to have ministers who sit outside the House for a period of time. There is no necessity, in fact, that all the ministers even be members of the House of Commons or the Senate. Therefore, I am not able to act on procedural grounds on the hon. member's case.

MRS. MITCHELL—ALLEGED MISUSE OF FUNDS FOR FOREIGN AID

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, my question of privilege is with regard to the statements made by the Minister of Employment and Immigration (Mr. Atkey) this afternoon when he misrepresented the position of the New Democratic Party concerning the misuse of immigration funds for foreign aid to Kampuchea. The minister stated in this House today that my party agreed with his decision, made in collusion with the Secretary of State for External Affairs (Miss MacDonald), whereby they would take $10 million, which was originally promised as foreign aid to Kampuchea, from immigrant services that had been allocated for Vietnamese refugee programs.

We object to that because we disagree strongly with the position of the Conservative party and in particular the two ministers. We feel that there has been a misuse of funds and a breach of faith both with the United Nations and the private sponsoring groups. We feel that the Secretary of State for External Affairs should contribute the $10 million to Kampuchea, but that this—

Mr. Speaker: Order. The hon. member has been given an opportunity to indicate the areas in which she departs from the representation made by the minister today during the question period. That point has now been made by the hon. member in her intervention. I do not think that I ought to allow her to go on and give a full exposé of her party's position on this particular problem.

Point of Order—Mr. Lalonde

POINTS OF ORDER

MR. LALONDE—PROPOSED STATEMENT ON GAS EXPORTS BY MINISTER OF ENERGY, MINES AND RESOURCES

Hon. Marc Lalonde (Outremont): Mr. Speaker, my question of privilege has to do with consultations that took place yesterday between the President of the Privy Council (Mr. Baker), members of our party and the other parties in the House. It is with regard to a statement which was to be made in this House at six o'clock by the Minister of Energy, Mines and Resources (Mr. Hnatyshyn).

My party agreed to that arrangement, and now we have heard that the minister instead intends to call a press conference at the end of the day after the markets have closed in order to announce certain decisions concerning gas exports to the United States. With respect to this matter, I have a motion that I would like to introduce, because this arrangement implied that the minister would make—

Mr. Speaker: Order. How can I be asked to adjudicate on something that may or may not happen later in the day?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, perhaps I could clear up the difficulty. The hon. member is either mischievous or just plain mistaken.

Mr. Crosbie: He is a mischievous mistake.

Mr. Baker (Nepean-Carleton): Arrangements were made with my colleague, the opposition House leader, for us to revert to statements by ministers when we get to motions at six o'clock, after reverting to the tabling of documents. The Minister of Energy, Mines and Resources (Mr. Hnatyshyn) has a document which he wishes to table and upon which he wishes to make a statement. Not only have the arrangements between my friend and the hon. member for Winnipeg North Centre (Mr. Knowles) proceeded in that manner, but we indicated that we would give an advance notice of two hours to the other parties and groups which are interested in this matter.

I do not know what has possessed the hon. member, but he is completely mistaken.

Mr. Lalonde: Mr. Speaker, my point of order—

Mr. Speaker: Order, please. With regard to the ministers making statements, we have not called ministerial statements or motions. Perhaps we should wait until we reach that point before procedural arguments are raised as to whether or not anything will take place. We have not come to routine proceedings, and I cannot adjudicate on the actions of a minister during routine proceedings until we come to them.

Mr. Lalonde: Mr. Speaker, it was alleged that I was making a mischievous statement. The basis for making my statement is simply the declaration of the minister in the energy committee this morning. Members of both sides of the House were present when the minister said he had no intention of making a statement in the House today, that he had not heard anything about the matter. Members who were present at the committee can testify to that. If the government cannot get its act together, it should not be surprised when we get the wrong information.

Mr. Speaker: Order. How can I entertain argument about what a minister will do during routine proceedings when we have not come to routine proceedings?

MR. ALEXANDER—RELEASE OF RAY REPORT ON EQUAL PAY FOR WOMEN

Hon. Lincoln M. Alexander (Minister of Labour): Mr. Speaker, the hon. member for New Westminster-Coquitlam (Miss Jewett), I believe, made reference to the wage gap report which was prepared by Dr. Ratna Ray, director of the Women's Bureau—and I congratulate them on their excellent work. There may be the misconception that the report is now ready. It is not ready at this point. I am not questioning how the hon. member received the report, but it will not be ready for general distribution to the public, as I understand it, until the first week of January.

I have also been advised that we may be able to get a limited number of reports to hon. members in the very near future. I merely wanted to inform the House, before there is a great run on the department, that we will not be in a position to release the full report until the first week of January.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Pinard: Mr. Speaker, I would like to know if the government House leader has any idea what the House business will be for the next week.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I thank the hon. member for the question. Today, of course, is an allotted day to the hon. member's party. The motion is in the name of the hon. member for Blainville-Deux-Montagnes, and we look forward to it with great anticipation. Tomorrow we continue with the consideration of Bill C-20 after disposal of the motion under Standing Order 75C, of which I gave notice yesterday.

On Monday we will be moving into Committee of the Whole and, hopefully, all matters with respect to the committee stage will be disposed of at 9.45 p.m. I say hopefully because it is subject to the will of the House. On Tuesday it is my intention to continue with Bill C-20 during the afternoon. Of course, at eight o'clock in the evening of Tuesday, December 11, the Minister of Finance will be introducing his budget.

At the moment, and so I can give some notice to my friend, it is my intention to call Bill C-20 for third reading next Wednesday. I will be seeking an arrangement with the other House leaders with respect to the quick disposition of Bill C-20. It is my intention to call the main estimates on Thurs-

day, December 13. Friday, December 14, will likely be the first day of the budget debate. Of course, I will be in close consultation with the other House leaders on that matter.

As you know, Mr. Speaker, the veterans bill is on the order paper to be introduced today. The Minister of Veterans Affairs is here to do that. I would like to have a chat with the other House leaders, either formally or informally, with respect to how we might dispose of that matter before we recess for Christmas. I recognize that there is, indeed, a tight schedule between now and what would be the anticipated adjournment debate. To accommodate the work of the House and the work of all members, I want to assure them that I am quite willing to accommodate them in terms of extending the hours of the House of Commons so that their reasonable rights will be satisfied.

● (1520)

Mr. Knowles: On the point of order, Mr. Speaker, may I say how glad I am that we have reached the point at which a bill respecting veterans is on the order paper and will be introduced within the next few minutes. I might say to the government House leader that once that bill has received first reading and has been printed and we have had a chance to look at it, we shall be glad to assess the possibility of dealing with it expeditiously.

Perhaps I could take this occasion to ask the hon. gentleman about two other possible pieces of legislation. In view of the fact that a lengthy and very strong telegram has been sent to the Prime Minister within the last day or so regarding Heritage Day, and in view of the fact that the date foreseen for such a holiday is not far off—the third Monday in February—will the government consider legislation on that subject before we reach February of 1980?

There is one other question I should like to ask. This is a question which always raises my popularity in the House of Commons, but one gets used to that. In view of the fact that Mr. Alfred Hales, as a commissioner, is studying the question of the pay and other benefits that go with being a member of Parliament, has the government given any consideration to deferring the automatic pay and allowance increases in January until a report is received from Mr. Hales outlining what he thinks our situation should be?

Mr. Baker (Nepean-Carleton): With respect to Heritage Day, the government is not contemplating any legislation with respect to that proposal.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I feel I should be very candid and direct with the hon. member. With respect to the question of deferring the automatic escalation, I think it would be unwise for us to anticipate in either direction what Mr. Hales is doing, given his knowledge of parliamentary affairs. I am satisfied it would be quite improper for us—and I have considered the matter—to anticipate in any way whatsoever what his report might say. I believe it would be more appropriate to allow the commissioner to do his work; he might have certain views, as we all know, with respect to the rate of escalation, special allowances for members and a whole host of things. We have no indication of when he is going to report and I feel it would be quite inappropriate to undercut the work of the commissioner, a very distinguished Canadian whose appointment, I know, has the support of the hon. member for Winnipeg North Centre.

[*Translation*]

Mr. Pinard: I would like to have only one clarification concerning the order of business just given by the leader of the government in the House. Are we to understand that he has the firm intention of completing third reading of Bill C-20 before the debate on the budget can be allowed to start?

[*English*]

Mr. Baker (Nepean-Carleton): Well, Mr. Speaker, hope springs eternal in the human breast. I have always been a hopeful and optimistic person and I trust I have always been found to be reasonable. I indicated that I wanted to discuss the question of arranging appropriately the business of the House with respect to completing the legislative program to the extent we have given notice it should be completed with respect to Bill C-20, the property tax credit bill, and, of course, the opposition has some feelings with respect to examining the estimates of the government. I recognize that; I am prepared to allow that to happen and I am not going to hold back in any way. It is a matter we would like to discuss.

Mr. Harquail: By way of a point of order, Mr. Speaker, which might very well be a question of privilege—

Mr. Speaker: I do not want a new point to be raised. I am trying to conclude the regular Thursday question about House business.

Mr. Harquail: I seek clarification from you, sir, with respect to the work we have to do in this House arising from the question which was raised about accountability. Outside the government's right to appoint ministers of the cabinet, I should like to know from you, sir, your interpretation and ruling as to our right as members of the House, in terms of the accountability of ministers, to be able to direct questions to such ministers as the Minister of Justice and the Minister of Industry, Trade and Commerce and Minister of State for Economic Development.

Mr. Speaker: Order. The hon. member is returning to the subject raised by the hon. member for Notre-Dame-de-Grâce on which I have already ruled.

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, I have a question for the House leader. If I understood him correctly, he said that next Thursday we would start on the estimates. He is probably aware that the committee on miscellaneous estimates did vote negatively on the estimates for the Treasury Board, votes 1, 5, 10, 15 and 20. Does he intend to introduce a

motion reinstating those votes before we proceed to the general study of the estimates?

Mr. Baker (Nepean-Carleton): I am aware of what happened in the miscellaneous estimates committee and I want to assure the hon. member that the problem is very much within my contemplation. When I have resolved it I shall be speaking to the hon. gentleman and asking for his assistance.

* * *

POINT OF ORDER

MR. LALONDE—PROPOSED STATEMENT ON GAS EXPORTS BY MINISTER OF ENERGY, MINES AND RESOURCES

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, a few moments ago the hon. member for Outremont (Mr. Lalonde), in raising a question of privilege, referred to some remarks made this morning by the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) in the Standing Committee on National Resources and Public Works, and stated as a fact that the minister had indicated that neither he nor the Prime Minister (Mr. Clark) would be making a statement on the energy and gas supply report which would be coming out today. Mr. Speaker, I was at that meeting and that is most assuredly not what the Minister of Energy, Mines and Resources said. I will grant the possibility that the hon. member for Outremont is incorrect as opposed to mischievous. He frequently is incorrect. But if he is mischievous, it might well be a violation of the privileges of this House for a member to stand up and state categorically as a fact that certain information was transferred in the committee this morning whereas it certainly was not transferred.

An hon. Member: What did he say?

Mr. Andre: The question put to the Minister of Energy, Mines and Resources by the hon. member for Outremont was whether the minister would have anything to say about this question of hypothetical shortages of heating oil in eastern Canada this year, and the minister said no, he would not be making a statement on that today, nor was he aware whether the Prime Minister would be making one. That is what was said this morning and it is quite different from what the former minister inaccurately told the House.

Mr. Speaker: Order. I have no intention of prolonging an argument which relates to testimony given in a standing committee. The record there will speak for itself in any case. Whether or not the minister intends to make a statement today is the subject at issue, and I presume that will be adequately covered during routine proceedings if, once again, we can be permitted to reach them.

Mr. McKenzie: On a point of order, Mr. Speaker. To assist you to clear up this constant confusion in the House—

[Mr. Gauthier (Ottawa-Vanier).]

Mr. Speaker: Order, please. I should just like to move along to routine proceedings and committee reports. I am grateful for the offer of assistance.

Some hon. Members: Oh, oh!

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

First report of Standing Committee on External Affairs and National Defence—Mr. Munro (Esquimalt-Saanich).

Second report of Standing Committee on National Resources and Public Works—Mr. Neil.

Second report of Standing Committee on Agriculture—Mr. McKnight.

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

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GOVERNMENT EXPENDITURES

TABLING OF PAPER "THE GOVERNMENT OF CANADA TAX EXPENDITURE ACCOUNT"

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, pursuant to Standing Order 41(2), I now table in both official languages copies of budget-related paper entitled "The Government of Canada Tax Expenditure Account", the purpose of which is to make the public and this House aware of who is benefiting, and to what extent, through little known tax preferences. This is part of the process of opening up the budgetary process and letting the public know what has been happening for the last ten years.

* * *

● (1530)

POINT OF ORDER

MR. HAWKES—WITHDRAWAL OF REMARKS BY MEMBER FOR NICKEL BELT

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have been trying to get your attention to rise on a matter of order. Two days ago I made my maiden speech in this House of Commons during the private members' hour. The subject of debate was an amendment to part IV of the Canada Labour Code in a private members' bill introduced by the hon. member for Nickel Belt (Mr. Rodriguez). Prior to my participation in that debate I read the bill and sought expert advice from officials within this government as to the consequences of that bill if we were to approve it in principle and then approve its passage.

During the course of that debate I drew to the attention of the hon. member for Nickel Belt that one of the repercussions of this House's accepting that principle and that wording was a possible harmful effect on the travelling public and on the employees who work on aeroplanes, trains and ships. I draw your attention to page 2006 of *Hansard*. The hon. member for Nickel Belt rose on a point of order and said the following:

—I think the hon. member is deliberately trying to give the wrong impression to this House.

Immediately after that I responded as follows:

Mr. Speaker, I would hope that at some appropriate time the hon. member opposite would withdraw the word "deliberate". I am not sure that it fits into the traditions of this House.

I have given the hon. member 48 hours. I told him this morning that in the absence of an initiative on his part I would attempt to raise this matter on a point of order. I draw this to your attention and would like a ruling.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, on the same question of privilege, I would like to withdraw the word "deliberate" and replace it with "stupid".

Mr. Speaker: Order, please. The hon. member for Calgary West (Mr. Hawkes) intervened to seek the withdrawal of the language. The hon. member for Nickel Belt (Mr. Rodriguez) has withdrawn it, and I believe that that closes the matter procedurally.

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Nepean-Carleton): Mr. Speaker, with respect to the disagreement which occurred as to what the Minister of Energy, Mines and Resources has said, there have in fact been the discussions to which I alluded, and pursuant to the discussions and after consulting my colleagues, the other House leaders, I would like to move, with the unanimous consent of the House:

That the House revert to statements by ministers at 6 p.m. or upon return from the giving of royal assent to certain bills this day, and that the hours of the House be extended to allow members sufficient time to respond to this statement pursuant to the provisions of Standing Order 15(3).

I should inform the House that at the same time the minister will be tabling documents, and we will want to revert to that part of the day's proceedings as well.

Mr. Speaker: The House has heard the suggestion of the President of the Privy Council. Is there a disposition to give consent to put this motion and to make this order now rather than leaving it until later today? Does the minister have consent to put the motion at this time?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. In accordance with the terms just alluded to by the President of the Privy Council, is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

STATUTE LAW (MILITARY AND CIVILIAN WAR PENSIONS, COMPENSATION AND ALLOWANCES) AMENDMENT ACT, 1979

MEASURE TO AMEND

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs) moved for leave to introduce Bill C-28, to amend the Pension Act, the Compensation for Former Prisoners of War Act, the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act.

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

* * *

OFFICIAL LANGUAGES

APPOINTMENT OF SPECIAL JOINT COMMITTEE TO CONSIDER REPORTS OF COMMISSIONER

On the order: Government notices of motions:

December 6, 1979—The President of Privy Council

That a special joint committee of the Senate and of the House of Commons be appointed to consider the report of the Commissioner of Official Languages, 1978, tabled Tuesday, February 20, 1979 (Sessional Paper No. 304-1/301) and the report of the Official Languages Commissioner for 1979 once it has been tabled in the House of Commons;

That nine members of the House of Commons, to be designated at a later date, be members on the part of this House on the special joint committee;

That the committee have power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of its powers except the power to report directly to the House;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to report from time to time, to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee be empowered to retain professional, clerical and stenographic help as may be required;

That a quorum of the committee be four members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the joint chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when three members are present so long as both Houses are represented; and

That a message be sent to the Senate requesting that that House do unite with this House for the above purpose, and to select, if the Senate deems it to be advisable, members to act on the proposed special joint committee.

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

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 87, 343, 469, 480, 555, 563, 608 and 648.

[*Text*]

JUSTICE—PROJECTS IN RIMOUSKI

Question No. 87—**Mr. Allard:**

1. Since 1975, did the Department of Justice finance projects in the constituency of Rimouski and, if so (a) what were the projects (b) what was the (i) total amount (ii) amount in each case (c) what were the areas?

2. Is the department planning to do so in the near future and, if so (a) what will be the amount (b) in which areas?

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations): 1. No.

2. Not applicable.

MR. HUGH R. HART—BROCKVILLE

Question No. 343—**Mr. Cossitt:**

Did Brockville solicitor, Mr. Hugh R. Hart, receive more payments of public funds from the government than any other Brockville solicitor over the past five years and, if so, for what reasons?

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations): In so far as the Department of Justice is concerned, the reply to the first part of the question is yes. The reply to the second part of the question is: "Mr. Hart did more legal work for the government than any other Brockville solicitor over the past five years."

NATIONAL CAPITAL FUND

Question No. 469—**Mr. Herbert:**

In each of the past five years, what amount was transferred to the National Capital fund?

Hon. Erik Nielsen (Minister of Public Works): The amount transferred to the National Capital fund in each of the past five fiscal years was as follows:

1978-1979	$23,500,000
1977-1978	36,750,000
1976-1977	32,000,000
1975-1976	30,000,000
1974-1975	23,080,000

Question No. 480—**Mr. Herbert:**

As at March 31 in each of the past five years, what amount was outstanding in the accounts of Canada in respect of the National Capital fund?

[Mr. Speaker.]

Hon. Erik Nielsen (Minister of Public Works):

The balance outstanding in the accounts of Canada in respect of the National Capital fund as at March 31 of the last five fiscal years was as follows:

1978-1979	$34,500,000
1977-1978	37,750,000
1976-1977	18,000,000
1975-1976	7,000,000
1974-1975	12,000,000

SMALL BUSINESSES

Question No. 555—**Mr. Corbett:**

1. What was the number of cases the Department of Justice instigated against small businesses in the fiscal year (a) 1976-77 (b) 1977-78?

2. What was the (a) number of favourable judgements for small businesses (b) total cost on the part of the government (c) average cost per case (d) number of cases settled out of court favourable to the government?

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations): We regret we cannot answer this question as stated. Even with clarification of the terms, a reply would involve extensive research which in time and cost would be prohibitive.

FEDERALISM—PARTI QUÉBÉCOIS

Question No. 563—**Mr. Cossitt:**

Did the former Prime Minister or anyone else in the former government commission a study in regard to federalism vs. the Parti Québécois and, if so (a) on what date and specifically was it just after the 1976 electoral victory of the Parti Québécois in Quebec (b) how many government departments and agencies supplied information for the study (c) what are the names of all members of the Privy Council staff or the former Prime Minister's Office staff who were engaged in the work (d) what is the estimated total cost of the study (e) specifically, did the study claim that officials of the former government were unaware of "general cultural, social and political" matters in Quebec (f) is the report consistent with the policy of the present government and, if not, for what reason?

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations):

No. (a) to (f) Not applicable.

ONTARIO-QUEBEC BORDER—GOVERNMENT DEPARTMENTS

Question No. 608—**Mr. Cossitt:**

Did the government prior to May 22, 1979, follow a policy of moving government departments, branches, etc., across the Ottawa River and, if so, as a means to save money, did the government give consideration to proposing an amendment to the existing Ontario-Quebec border whereby the existing points of entry to Quebec would be extended across the Ottawa River in a bulging line, to encompass wherever necessary, all government buildings presently in the City of Ottawa, including Parliament Hill?

Mr. John Bosley (Parliamentary Secretary to Prime Minister): In so far as this government is concerned, it has no knowledge as to whether the previous Ministry considered a course of action which would have as a consequence the possible outcome anticipated in your question.

PHARMACEUTICAL INDUSTRY

Question No. 648—**Mr. Herbert:**

1. What is the current percentage drug royalty fee to the original patent holder under the compulsory licensing provisions in the pharmaceutical industry?

2. Has the percentage changed in the past ten years?

3. What is the comparable percentage in Great Britain?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): 1. Four per cent.

2. No.

3. There is no comparable percentage in Great Britain, since the party that corresponds roughly to the compulsory licensees under the Canadian law, is the British Government itself.

[*English*]

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

Some hon. Members: Agreed.

* * *

[*Translation*]

PETITION

UNEMPLOYMENT INSURANCE ACT—PETITION PRESENTED BY RIVIÈRE-VERTE, NEW BRUNSWICK, WORKERS

Mr. Eymard Corbin (Madawaska-Victoria): On behalf of the unemployed workers of Rivière-Verte in northwestern New Brunswick I have the honour to present a petition dealing with the adverse effects of certain provisions of the Unemployment Insurance Act which were promulgated by the new government on July 1, 1979. There are 522 names on this petition which I have examined and which appears to meet the requirements of our Standing Orders. Therefore, Mr. Speaker, I request that, after due examination by the clerk, it be referred to our Standing Committee on Labour, Manpower and Immigration.

BUSINESS OF THE HOUSE

[*English*]

Mr. Speaker: Before calling orders of the day, may I advise the House that in keeping with a practice which we have encouraged and which I think has been to the benefit of all hon. members in the past, the supply bill which will be considered by the House in the ordinary way later this day has been prepared, and it has been our recent practice to distribute it to hon. members earlier in the day in order that they might not be caught by surprise by the distribution of the bill at ten o'clock later on this evening.

I have sufficient copies of the bill, and I would encourage their distribution if the House agrees that it be distributed this afternoon.

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—UNEMPLOYMENT AND JOB-CREATION POLICY

Hon. Francis Fox (Blainville-Deux-Montagnes) moved:

That this House deplores the complete inaction of the government, after six months in office, with regard to the creation of jobs, regrets the inhumane cutbacks in the Canada Works program that have eliminated hundreds of communities across Canada that have been suffering from high levels of unemployment and condemns the government for its failure to date to bring forward a comprehensive employment strategy for the coming year.

[*English*]

Mr. Speaker: Hon. members will note that not later than 9.45 p.m. this evening, pursuant to Standing Order 32(1)(k), proceedings on this motion shall expire in accordance with that order and also with Standing Order 58(10).

[*Translation*]

Mr. Fox: Mr. Speaker, a few days ago during question period in the House, we celebrated—of course "celebrated" may not be the right word because this is certainly not cause for celebration throughout the country—let us say therefore that we noted the first six months in power of our colleagues on the other side of the House. Mr. Speaker, we would have liked on that occasion to be able to tell members opposite, and more especially the Minister of Employment and Immigration (Mr. Atkey), that they had done a good job.

Unfortunately, the only thing we have seen in the last six months has been nearly complete inaction. This is why, Mr. Speaker, after six months of this government, after six months of having the hon. Minister of Employment and Immigration on the job, we would like to tell him that he has yet to present to the House and to the Canadian people an employment strategy for the forthcoming months.

Mr. Speaker, it is not normal to wait until just before Christmas, until mid-December, until snow is coming down throughout the country, to present an employment strategy for the current year. This year is coming to an end and we are entitled to ask the minister to tell us about his plans not only for the forthcoming months, but more important, for next summer and next fall.

• (1540)

[*English*]

The minister has thrown away six months of lead time that was given to him by the previous government. He inherited a position where job creation was strong, where we led most of our trading partners in the area of job creation. The minister benefited from a situation where the rate of unemployment dropped for 14 consecutive months in this country. He inherited a situation where the economy was still strong, in spite of the fact that there were turnarounds on the horizon, turn-

arounds caused in many instances by events occurring outside our borders. The economic climate has deteriorated a great deal, and in spite of that his response has continued to be to do nothing. Since taking office the first response of the minister, whose responsibility it is to try to create employment in this country, in his first interviews on television, was to say that he thought his position within the cabinet was one of creating "jobs, jobs, jobs". These were the words he used. Since that time we have seen no concrete measures or steps but we have heard speeches and a lot of rhetoric, in spite of the fact that the economic climate has indeed changed and requires new steps to be taken to stimulate the economy and create employment in this country.

The minister knows full well that there is a recession in the United States. Surely he knows, as do his advisers, that the recession in the United States will have deeply-felt repercussions on the Canadian economy. When our major trading partner goes into a state of slow growth, it is evident that we will be trading less with them and that there will be grave repercussions in the factories, in industry and in commerce in general throughout this country with the consequent loss of jobs.

That is not the only thing, Mr. Speaker. There have also been successive increases in interest rates. The bank rate, as we all know, has now climbed to 14 per cent. Prime rates charged by the chartered banks to their best industrial customers have now climbed to 15 per cent, putting businessmen in a precarious position. Plant closures, which have been brought to the minister's attention time and time again, have begun to occur, with many of the people involved pointing directly to the high interest rates subscribed to by this government as the main cause of those closings. We also hear about unfortunate problems encountered by the employees of Chrysler in the Windsor area and the employees of ITT in northern Quebec. We hear of the problems in shipyards, and there is a general situation of slow growth in the country. But the minister, whose main responsibility it is to bring about job creation and employment opportunities in this country, does nothing.

What about the most important policy direction of this government? The most important policy direction of this government is to raise oil prices to 90 per cent of the Chicago price. We all know that while the domestic price of oil in Toronto today is around $15.63 a barrel, the Chicago price by 1985 will be around $43.46, according to figures published by the minister's colleague, the Minister of Energy, Mines and Resources (Mr. Hnatyshyn), and it will be reaching about $62.81 by 1990, which will be slightly higher than the international price.

One of the stated objectives of this government is to raise the domestic price of oil slightly above the international price, thus taking away one of the main advantages that industry, trade and commerce has in this country in dealing with competitors outside of our borders. Where does the Minister of Employment and Immigration stand on this question? We have not heard him say anything about this matter. We have not heard him take a stand against the scandalous increases in the price of oil, despite the fact that the minister knows full well that these increases will have dire consequences on our economy.

I am not quite sure whether the minister has actually examined the effect which such policies will have on employment in this country. Perhaps I could quote to him the already well-known study that has been done on the economic impact of oil prices, because the minister tells me his department does not do any studies on the economic impact on the country of changes in the interest rate or increases in the oil price; he leaves that to the Department of Finance, although I would expect him to act on that and bring forward new policies when such drastic changes in the economic picture of the country are taking place.

Let us look at what the Conservative Premier of Ontario is telling the Minister of Employment and Immigration through his colleague, the Prime Minister (Mr. Clark). He is telling him that these increases in the price of oil will have a drastic effect on the Canadian economy, particularly on the job-creation sector in Canada.

An hon. Member: What do the other nine say?

Mr. Fox: Let us stick for the moment with the Premier of Ontario. If the hon. member thinks that increases in oil prices will increase job creation in Canada, I should like him to quote the name of the economist who said that. So far as the Conservative government of Ontario is concerned, their main conclusion is that by the end of 1981 consumer prices will be 4.5 per cent higher. In the area of job creation there will be 137,000 fewer jobs, which is probably a greater destruction of jobs during the course of the possible tenure of the minister than the total number of jobs he will create in that period of time. The way things are going now, the minister should be concerned he will end up with fewer jobs by 1981 than we would have had without this. By the end of 1981 we are talking about 137,000 fewer jobs in this country. We are talking about a real gross national product of 2 per cent less, if these oil price increases are indeed brought forward by this government, than would be the case.

Let me digress for one moment to say that not only is the government talking about slowing down the economy and doing it in a purposeful fashion by increasing the price of oil, but they are also talking about taking 30 cents a gallon out of the pocket of every car owner in this country. When the Prime Minister speaks about an excise tax of 30 cents a gallon, he is also telling us he will take around $2.8 billion out of the pockets of car owners across the country, and that too will have a significant impact on job creation.

As I have said, we have heard speeches today. From the beginning of his mandate this summer, the minister has promised us a number of initiatives in the job-creation field. He spoke about youth employment. He told us he will be seeing some of these initiatives taking place in the early fall. It is almost early winter and we have yet to see them. To date the only thing he has actually done has been to go the other way. Not only has he not created jobs; he has decided, in a cold

blooded fashion, to decrease the amount of money available in this country for job-creation purposes. His response to date has been to cut back on the Canada Works program and make cutbacks in the LEDA program.

The minister will tell me that what he is interested in doing is creating permanent jobs, and I agree with him. I too am interested in creating permanent jobs. But what the minister is saying is that he can do away with some of this temporary job creation, and what I am telling the minister is that in a country like Canada where there is a cyclical slowdown in the economy, what he is doing really is telling people that they will be on unemployment insurance or welfare during the winter months instead of being able to benefit from programs such as Canada Works. Instead of being able to fulfil strong local community objectives and needs, they will be collecting unemployment insurance cheques, in spite of the fact that these people would much rather work.

I do not want to insist only on increased use of the Canada Works program because I am reminded that our own employment strategy a year ago included a number of initiatives which, from reading the minister's speeches, I see he will try to wrap up and put a ribbon on, perhaps because it is Christmas and time to deliver a new package to the Canadian public. When I look at the employment strategy which was brought down in September of 1978 by the Hon. Bud Cullen, I see that already at that time there was under way an employment tax credit program of $106 million. I see also that there was a summer youth employment program of $116 million, there were year-round youth employment measures of $109.7 million, there was a JET program in existence at the time, there was the Canada Works program and a skilled training program of $101.5 million. In this sense I hope the minister will be continuing the initiatives of his predecessor in the skilled training area because I really think this is one of the most important areas with which we have to be involved in the years to come.

I have with me a copy of the sixteenth annual review of the Economic Council of Canada. One of their recommendations touches upon labour market policies. It hits home in one of the most important areas of job creation in Canada, and that is shortages of skilled manpower. It is one thing to create jobs in the immediate future, and it is one thing to try and create temporary jobs to get over periods of high unemployment. But it is another thing to deal with skilled shortages, something to which the previous government allocated substantial funds. I hope the minister will continue with that thrust.

● (1550)

I should like to quote from the sixteenth annual review of the Economic Council of Canada entitled: "Two Cheers for the Eighties" at page 87, which reads as follows:

> It is apparent that as we enter the 1980s, skilled shortages . . . will get worse. This has major implications for occupational forecasting and training programs. Clearly, appropriate treatment of labour market imbalances depends crucially on accurate and timely diagnosis. A critical review is needed of the capabilities of Canadian government and industry in forecasting the demand and supply of occupational skills, translating these into skill-training requirements, and mounting effective training programs.

One of the major recommendations of the council was that the federal government, in conjunction with the provinces, should reassess the present programs with a view to tailoring them more efficiently for labour market needs of the 1980s.

The minister made a speech in front of the Canadian Club in Toronto. He talked about critical skill training programs. I applaud that type of remark because I think in that regard he is indeed on the right track. But instead of cutting back his job-creation programs, if he is going to transfer funds to other areas of his department I trust that he will cease the practice he has been involved in since the beginning of the year of transferring funds to purposes other than job-creation purposes, and that he will think in terms of transferring them to this type of program.

This brings me to the Canada Works program which is mentioned quite specifically in the motion. In that regard not only is the minister not content to decrease the amount of money put into the Canada Works program this year by something over $40 million, but also he talks of eliminating the program completely next year. Perhaps moneys can be used in a better way, but the minister has yet to tell us what that better way is. It is really incumbent upon him, before eliminating programs in such a complete and drastic fashion, to tell us what he is going to do with the program and where he is going to spend the money. It would be a good idea if now and then he told Parliament what he was going to do or what he has in mind, instead of telling the Canadian Club in Toronto or other service clubs across the country. But at the moment the minister refuses to answer questions put to him by members of Parliament. He keeps on putting us off by telling us that all of his answers will be in the budget, the budget which has been put back a number of times over the past few weeks. We end up with a situation where we have no answers given to us by the minister, and the only way we can find out what is on his mind, if anything, is by reading the speeches he makes outside this House.

The minister takes a great deal of consolation from the fact that 98 per cent of his Canada Works funds this year will be spent in Quebec and the maritime provinces, with a few dollars dropped off in British Columbia, the Yukon and the Northwest Territories. I should like to go over the list with the minister. I should like to compare what was done last year for a whole series of communities in Canada under the Canada Works program. In Newfoundland last year the amount was $17.1 million. The minister has increased it slightly by bringing this amount up to $19.6 million. Taking 10 per cent away for inflation, we are at about the same situation as last year. Prince Edward Island last year had $3.1 million. This year it will be $3.7 million. Nova Sotia last year had $11 million and will have $11 million this year, a decrease in real terms of about 10 per cent. New Brunswick last year had $15.7 million and New Brunswick this year will have $15.1 million, another decrease of about 10 per cent in real terms.

Dealing with Quebec, I should like to quote from a communiqué which was released by the minister's colleague. But first, let me point out that:

[*Translation*]

In Quebec, this year, in relation to the Canada Works program, last year the government had $62.3 million available for all Quebec constituencies. This year, the new Conservative government cancels the program in 33 constituencies—

Mr. Savard: Shame!

Mr. Fox:

—and reduces by $14 million Quebec's allocation, without any provision for the eroded value of money due to inflation.

So the Minister of Supply and Services (Mr. La Salle) stated in his press release, and I quote:

Mr. La Salle expressed his satisfaction with Mr. Atkey's announcement—

of a reduction in the order of $14 million, and if I add another $4 million because of inflation, he expressed his satisfaction at the $18 million reduction, his satisfaction at the disentitlement of 33 constituencies with a high unemployment rate—

An hon. Member: Shame!

Mr. Fox:

—his satisfaction that next year he is completely eliminating the Canada Works program not only in Quebec but across Canada, he expressed his satisfaction—

Mr. Olivier: Horrendous!

Mr. Fox: On this side of the House, this gives us no satisfaction.

An hon. Member: Wait and see what his constituents will have to say!

[*English*]

Mr. Darling: Read the Ontario figures.

Mr. Fox: I will read the Ontario figures at the suggestion of my colleague on the other side of the House. They are very embarrassing. It is very embarrassing for those good members of Parliament who were elected in the province of Ontario. It is very embarrassing to those people who went from door to door during the last campaign telling people what type of job-creation programs they would be offering.

Some hon. Members: Right on.

Mr. Fox: It is very embarrassing. Last year the province of Ontario received from the previous Liberal government moneys under the Canada Works program for communities across Ontario where there were high levels of unemployment and in which there were many valid social objectives to be met. They received $22 million from the Liberal government.

Some hon. Members: Shame, shame.

Mr. Fox: This year those same northern communities across Ontario, those same eastern and southern communities as well, which used these funds for valid local purposes and for valid social objectives, are receiving nothing. Last year $22 million was given to municipalities and groups across the province of Ontario. The new government has taken that $22 million away from them completely and has left nothing in its place.

What have they done in Manitoba? Last year Manitoba received from the Liberal government $9.4 million under Canada Works. What is it receiving under the guidance of the new Minister of Employment and Immigration? It is receiving nothing.

An hon. Member: Zero.

Mr. Fox: What is happening to the communities in northern Manitoba? What is happening to the ridings represented by members of Parliament who have undoubtedly brought their points of view to bear? I challenge the Minister of Employment and Immigration to tell me that there is no Conservative member of Parliament from Ontario or Manitoba who has not registered his strong dissent with the minister over the elimination of their provinces from the application of that program.

Some hon. Members: Oh, oh!

Mr. Fox: It is the same thing in the province of Alberta which received $5 million last year and will receive nothing this year.

But let me mention also the great largesse of this government toward the people of the Yukon. This year the Yukon will be receiving something like $99,000 from this program. Last year it was ten times that amount. The Northwest Territories is receiving an amount which is almost an insult, but of course we are used to seeing insults bandied about by the present Minister of Employment and Immigration who treated in a cavalier fashion all those young Canadians presently working in one of the programs sponsored by his department. He was quoted in one of the Toronto newspapers as referring to them as "middle-class people who are looking for a job to spend a year on their own". I challenge him to come into my riding and see some of the things being done by these kids at Camp Bouchard in the city of Blainville.

To get back to the Northwest Territories, this year the government, which is interested in the north, is handing out $39,000 to the Northwest Territories under the Canada Works program. To my mind that is an insult. I am sure the people there would have preferred to receive nothing, rather than have the piddling sum of $39,000 thrown at them. Last year the amount of $2.8 million was spent by the previous government in the Northwest Territories.

[*Translation*]

In other words, Mr. Speaker, this is—

Mr. Olivier: The minister of state for unemployment development!

Mr. Fox: —the present situation. Six months of inaction, six months during which the minister had time to develop policies for the new economic conditions we are going through. Rather than formulate new policies, he has been content to this day to come up with programs we introduced last year. They are excellent programs, but because they were designed last year, they are not relevant to the new economic conditions.

The minister ignored the fact that there is a recession in the United States and that under his government we are subject to the highest interest rates in our history. He totally ignored the fact that with his energy policy and his decision to increase oil prices, he is going to create, according to even his Conservative friends in Ontario and the Ontario premier himself, 137,000 more unemployed by 1981, and this is his policy, Mr. Speaker.

And now, in conclusion, Mr. Speaker, I want to suggest to the minister two or three approaches. In my opinion, if those policies are to be consistent, they must aim at two or three objectives. There is the temporary job creation. Whether you like it or not, in our country, temporary job-creation will always be necessary to make it through the hard winter months, unless, as the minister proposes, we force people on to unemployment insurance all through the winter. We should see to it instead, Mr. Speaker, that these people are productive in our society. Now, mention is made of temporary job-creation during the difficult months, of permanent job creation, of course, and more important, manpower training, the training of skilled workers, since we know that the reservoir of skilled workers we had in the past no longer exists. We cannot depend any more on immigration to meet our needs for skilled workers. We must train those workers in our own country.

And what is most shocking is to realize, every year in September or at graduation time, that CEGEP, secondary level and university students have been trained for jobs that no longer exist. And I wish to ask the Minister of Employment and Immigration to set up the mechanisms required to put an end to that situation. These matters obviously come under provincial jurisdiction, but if the Minister of Employment and Immigration really wants to promote a national manpower policy, he must see to it that those young people will not undertake years and years of studies that lead to a dead end.

• (1600)

[*English*]

The minister was telling the Canadian Club in Toronto that there are going to be a number of openings for skilled workers because of the pipeline construction to come. These are new developments that are coming about. I think it is incumbent upon the minister to see to it that we cease training people in this country for jobs that do not exist and that we make a concerted effort to see to it that skilled training meets the requirements and the needs of industry.

As members of Parliament we have all had constituents come to our office and tell us about the fact that their children have gone to school for a number of years and there is nothing for them at the end of that schooling period. I tell the minister that up until now the type of system we have had in place does not sufficiently take into account the over-all employment needs of the country. I am not saying it is his fault, and I am not sure it is anyone's fault. It is one thing to have manpower needs in one province and deciding what the manpower needs are in that province, but it is quite another thing to consider the needs right across the country. That is not the proper way to consider the problem. The proper way is to look at what the national manpower needs are right across the country. Looking at the manpower needs of one province is perhaps the way to prepare people for jobs in that province, but that closes frontiers in relation to jobs in other provinces.

[*Translation*]

Mr. Speaker, in conclusion, I would urge the minister to reconsider past decisions. The position taken by the minister today to eliminate entirely the Canada Works program, when he has absolutely no alternative to offer that idea of forcing people on unemployment is absurd. And I also caution the minister against the temptation to which he will undoubtedly be subjected, that is to take all existing programs within his department, to arrange them in a certain way and present them to us in a new wrapping during the Christmas season. That is not good enough.

We think there are several excellent programs within that department. We feel those programs could be rearranged, must be assessed in depth and can be somewhat reoriented. But we think the present attitude of the minister who reduces the funds earmarked for job creation and resubmits nearly everything that exists within his department in a new wrapping is not good enough. It is an approach we condemn as well as his attitude today in this area, since taking over that department on June 4 last.

[*English*]

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, in looking at this motion I notice its central theme is that the government is supposed to have taken more action than it has to create the jobs that Canadians need. I would like to suggest to hon. members opposite that there is a central fallacy in the whole philosophy of the opposition's approach to job creation.

[*Translation*]

Mr. Olivier: I want to apologize to the minister for my intervention. Whe he started his speech, we did not have the translation, and I wanted very much to understand the beginning. So I am sorry for interrupting him. I do not know whether the translation is available now, but we did not have it when he started his speech.

Mr. Atkey: There is no problem, Mr. Speaker, I will repeat my speech over again.

[*English*]

This is a motion, Mr. Speaker, that has as its fundamental premise the notion that the government somehow must do more in the creation of jobs in Canada. I would suggest there is a fundamental fallacy in that approach of members of the opposition, because in the real world it is not the government that creates real, long-term, continuing jobs in Canada. It is the private sector which creates the real goods and services that sell in the real world.

Some hon. Members: Hear, hear!

Mr. Atkey: Governments do not create the productive goods and resources in our society. Governments are merely organizing vehicles. It is the private sector, the manufacturers, the industrial strength of Ontario, Quebec, the western provinces and the Atlantic provinces, that create the real jobs which are going to last.

What government can do, what government should do, and what this government will do, is to set the right climate for the creation of jobs by the private sector. Government can supplement the job creation of the private sector, or government can provide incentives to the private sector to create jobs, but I emphasize and I repeat—and I cannot do this strongly enough—that it is not the government that creates the real, lasting jobs in our society.

Some hon. Members: Hear, hear!

Mr. Atkey: Let us look at the record of those persons opposite who formed the government, including the hon. member who just spoke. That government had a golden opportunity when it came into office in July 1974 with a very substantial majority—well I remember. Let us look at the record. When that government was elected there were 490,000 persons unemployed in Canada. That was in 1974. The seasonally adjusted unemployment rate was 5.1 per cent. That was their beginning point and they had an opportunity then. Let us look at the record when the government was defeated in May of this year. We note that the seasonally adjusted figure indicated that 853,000 persons were unemployed and there was an unemployment rate of 7.7 per cent. That is some record—unemployment up in that five-year period, with that golden opportunity, by 2.6 per cent. The absolute number of unemployed is up by some 463,000 people. We know who these people are, Mr. Speaker. The women and the disadvantaged constitute the majority of that 463,000 increase suffered at the hands of the previous government.

• (1610)

There is a lesson in those numbers, Mr. Speaker. The short-term palliatives introduced by the previous government with their fancy acronyms—Canada Works, Young Canada Works, JET, JES, LIP, the Summer Job Corps—the year-round Job Corps, together they did not succeed in reducing unemployment but rather assisted in increasing it. If a multiplicity of ill-co-ordinated, short-term, stop-gap creations was the way to cure unemployment, then the numbers should have gone down rather than up. The fundamental problems that the previous government failed to deal with have come back to haunt them in their search for band-aids.

Now hon. members opposite are saying, "Let's have more of the same. Let's have more of JET, JES, LIP, Canada Works, and all those short-term make-work projects." Those projects did not leave any lasting jobs for the young people of this country, Mr. Speaker. There is a record of continued failure, and the people of Canada let the party opposite know about it on May 22.

[Mr. Atkey.]

Some hon. Members: Hear, hear!

Mr. Atkey: A basic aim of this government is to stimulate long-term economic development and provide adequate incentives to the private sector which would expand and provide full-time and continuing jobs for more Canadians, and particularly young Canadians.

We have to create a climate of confidence in the country in order to achieve this, Mr. Speaker. We have to assure businessmen that the private sector can grow, that they can expand their labour force and that their community, their province, their country, is a good place in which to invest. We have to ensure that government assists the expansion in a variety of constructive ways. We have to ensure that the groups in our society which are the hardest hit by unemployment are those that benefit most by that expansion.

Direct government job creation has a role to play but it cannot be the primary means of creating jobs in Canada. It should not be the main vehicle in which a government puts its trust and its funds, because it is wasteful.

The hon. member who just spoke asks what the government has been doing for six months. That party would have people believe that the government has done very little and accomplished less. Nothing is further from the truth, Mr. Speaker. Let me put on record some facts that may be of cold comfort to hon. members opposite.

An hon. Member: That will not take long.

Mr. Atkey: Since this government took office, seasonally adjusted employment has risen by 232,000.

Some hon. Members: Hear, hear!

Mr. Atkey: What is more important, however, is that the unemployment rate, which was 7.9 per cent under the Liberal government on May 22, has fallen to 7.4 per cent, a drop of .5 per cent. The record of the last six months shows that the figure that really counts, which is the number of people not in the work force, has improved. It has not deteriorated, as was suggested.

I am an honest man, Mr. Speaker. That improvement was not merely the result of direct government job creation, nor was it a result of all the activities of this government since June 4.

Mr. Fox: That is true.

Mr. Atkey: Since June 4 we have had an improved climate for business in Canada. This is shown by record levels of investment in manufacturing. We do have large portions of the country which enjoy a considerable degree of prosperity. We have record high labour earnings, and we have a developing sense of partnership in the economic progress and the future of our country.

This improved climate of confidence and of trust is not something that just happened. It was not spun out of thin air. It happened because a new government, determined to change

things, had let the people of Canada, its partners—the unions, the provinces, the private sector—know that it is looking to them to participate in economic growth. The federal government has never stated that it alone is able to solve all the job-creation problems.

In the course of the coming budget, Mr. Speaker, my colleague the Minister of Finance (Mr. Crosbie) will set out the fundamental directions which Canada must take to live and thrive in an energy-scarce world. He will outline the measures we must take to begin to bring our deficit down rather than up, and some of the measures we plan to take to stimulate the private sector, particularly for youth.

As early as October 16, the hon. member for Blainville-Deux-Montagnes (Mr. Fox) asked me in this House when I was going to bring forward my employment strategy. I told him then and on a number of subsequent occasions in this House, in committee and privately, that the details of the government's employment strategy would be set forth in the context of the budget, first in general terms by my colleague the Minister of Finance, and then in greater detail in the course of the budget debate. Unless the hon. member has been away or has been ill or something, he will realize that the budget has been set for next Tuesday, December 11. I think he is aware that, in the normal course, the budget debate follows the budget. Within the next week, therefore, the full employment strategy of the government is going to be set out in this House. There has never been any doubt about that.

I would therefore ask him why a motion couched in these terms is brought before the House at this time, when he knows that if he had waited five days he would have seen the full detail of what he wants?

Mr. Olivier: It is too late.

Mr. Atkey: Hon. members opposite are very concerned about what they are going to hear next Tuesday night. They are concerned about the budget debate. They are concerned that an employment strategy will be put forward that relies on the private sector and gives it some incentive to create the long-term jobs which the previous government was unable or unwilling to create in their five years of opportunity.

Some hon. Members: Hear, hear!

Mr. Atkey: I am sure the hon. member opposite knows that we have not been proceeding in a vacuum during this six-month period of planning. He knows that there is in force and operating in the field among the some 25,000 employees across Canada an employment strategy for 1979-80. That program runs, for the most part, through to the end of March, 1980. He should know that, because for a period he sat in cabinet with colleagues who created portions of that employment strategy. I appreciate that he was absent for a few months.

Mr. Alexander: He is still short.

Mr. Atkey: He realizes, of course, that there are operating programs. If we were to take his motion seriously, it would constitute a direct and frontal attack on the programs of his own government.

Some hon. Members: Hear, hear!

Mr. Atkey: Let me tell the hon. member some of the ongoing programs during this so-called period of "inaction" that he is referring to. I mentioned Young Canada Works. I have some reservations about that program. Nevertheless, Mr. Speaker, there were 6,262 projects this past summer with a total commitment of over $54 million and some 33,000 jobs. That is since this government took office.

I am sure he has heard about the Local Employment Assistance Program. It was started on a very ineffectual basis by the previous government but this government has expanded it by some $30 million to service the communities that need it most—that is, the native communities of Canada. They have responded to it in a positive way and in very large numbers. I am sure he is well aware of the grants of half a million dollars each to Guysborough county and Nanaimo under the LEDA program. These programs are creating jobs in those communities which were hard hit by unemployment.

I am sure the hon. member is also aware of the employment tax program. I am sure he knows that one because we have certainly taken some lessons from it. It created 58,000 jobs in the private sector across Canada in a year and a half, about 36,000 of them in the last year. It is a program that happens to be working. It has as its basic and principal philosophy the use of tax incentives to the private sector to create permanent jobs in our society.

• (1620)

I am sure the hon. member has heard of the JES program. It was operating this past summer. There were about 5,000 jobs thereby available during the summer, which is not a bad record for a new government coming into office to make a program work. Then there was the critical trade skills training program which had some difficulties. We are going to expand this program. It will give Canadians the skills they will need in the future.

Of course, the hon. member has heard of many of the other programs as well. I am not going to go through the record. There was a summer youth employment program which operated in June, July and August under the new government. Was the hon. member aware of the 293,000 cumulative placements in the public and private sector for summer jobs under that program operating under this government? The hon. member did not mention those. To have mentioned those in the context of his motion would have been to attack some of the basic programs of his government, the government which he supported, and he knew that.

I expect to have an opportunity, I hope very shortly, to introduce legislation in this House which will help give effect to a major new youth employment program which is to begin this winter.

Some hon. Members: Hear, hear!

Mr. Atkey: As I have already indicated, it will be a program to increase the ability of the private sector to employ young people who make up nearly half of our unemployed in Canada. We will also be putting forward plans to assist the non-profit voluntary sector. In other areas this group has shown a tremendous degree of skill and tenacity as displayed in the refugee program. The same voluntary sector will have an opportunity to hire young people to carry out environmental and other important community needs projects under the national youth service corps. Finally, I will be taking measures in the very near future to strengthen our training programs to help the private sector eliminate the bottleneck in overcoming the skill shortages which, frankly, are a legacy from the previous government.

One thing I want to assure all members is that we will be achieving more jobs, and I will say it three times—jobs, jobs, jobs at less cost, cost, cost.

Our programs are not going to fritter away the funds on jobs that are here today and gone tomorrow, like the will o' the wisp in the middle of the night. We are going to replace the employment impact of the former hodge-podge of Liberal programs with a smaller number of programs, better designed to do the job. In particular they will be designed to stimulate the creation of profitable and continuing jobs in the private sector for our unemployed young people. The way in which we have gone about the reorientation of Canada Works, which the hon. member spent a portion of his time discussing today, is a good example of the sort of approach that I have in mind. I am the first to admit that in previous periods there were isolated instances where Canada Works had its successes. But it has been an unnecessarily expensive and wasteful way of trying to create artificial jobs for Canadians.

What Canadians want is not jobs that average 30 weeks, which is the experience under Canada Works. They want jobs that last, not jobs that disappear with the government funds that supported and created them in the first place or created dependency upon provincial or municipal governments. Canadians want solid, long-term job creation, not the kind that disappears and leads people right back to unemployment insurance. We will get rid of that vicious cycle of government job creation back to UI and then back to government job creation. That is a vicious cycle, Mr. Speaker, which destroys the very creative soul of our young people in Canada.

Some hon. Members: Hear, hear!

Mr. Atkey: The opposition seems to ask why the program was not in place the day we took office. Where was your program on June 4, they ask. They know perfectly well why it was not in place.

Mr. Fox: This is December 6, six months later.

Mr. Atkey: Hon. members know why it will be in place next week. Hon. members will know why it took six months to put it together. One cannot streamline and rationalize overnight a large hodge-podge of old programs, and a few sensible ones I confess. To turn programs around and point them in the right direction takes time, thought and planning.

I want to pay a particular tribute to officials in the Canada Employment Immigration Commission for their willingness to innovate and to respond to a philosophical direction that will put this country back in the right direction.

The program was not put together overnight, but it is put together. The important thing is that it will be done right.

An hon. Member: That will be a change.

Mr. Atkey: That is why we decided rather early on in Canada Employment and Immigration that we had no choice but to go ahead with some of the plans of the previous government, particularly to mount a further Canada Works program, on a limited basis albeit. We knew that it would not be possible to have major new youth programs operating right away, although we were comforted by the fact that there were some youth programs operating then, some effectively and some ineffectively. We decided to use the plans of the previous government as a temporary bridging device from the old to the new.

I am happy to be able to say, however, that we simply did not repeat the old Canada Works program with all its unnecessary expenditures and abuses. We deliberately chose to restrict the temporary and final phase of Canada Works to those parts of the country with the highest unemployment, the highest labour surplus rates. Hon. members opposite know that. They know the areas of greatest need. It is no secret that the constituencies of greatest need and highest unemployment are not represented by members supporting the government. Nevertheless, the money was put where the people needed it the most.

All constituencies with a labour surplus rate of over 9 per cent are receiving Canada Works funds. Any constituency with unemployment rates below that rate are receiving no funds at all. I hardly need point out that this is a very different practice from that of the previous government. In earlier phases of Canada Works large areas of the country which had relatively low unemployment rates nevertheless received funds to stimulate a temporary job creation.

Saskatchewan and Alberta had seasonally adjusted unemployment rates of 4.1 and 3.9 respectively, yet they still received substantial funding under the arrangements of the Liberal government. This was not only unnecessary, it was wasteful and in many instances it was pernicious. The city of Edmonton—I have nothing against Edmonton; I am very fond of that city—had an unemployment rate of less than 3 per cent. It received $600,000 in Canada Works funds under the Liberal government from 1978 to 1979. It is extremely difficult to understand why in an area where labour is in short supply the previous government would insist upon stimulating the demand for labour. It is pushing where one should be pulling. That is exactly what the previous government did. In many areas of the country where unemployment was either moderate or low the previous government used Canada Works

funds in a way that increased labour shortages rather than reduced unemployment.

Mr. Fox: Table the study.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. The Chair has been very lenient in allowing the conversations that are going back and forth between members on both sides of the House. They have not been directed to the Chair. If hon. members wish to carry on these conversations in a jestful manner, there is space provided behind the chamber. I suggest they do it out there. I ask that the remarks of the hon. minister be directed to the Chair. Let us have order in the House, please.

● (1630)

Mr. Alexander: Well said, sir.

Some hon. Members: Hear, hear!

Mr. Atkey: Mr. Speaker, I will endeavour to address my remarks to you. What the previous government was doing in its Canada Works program was engaging in the kind of wasteful, unfocused and inappropriate expenditures of funds which no government, looking at the labour market demands of the 1980s, should ever tolerate. As I said, this government will not squander the funds in that manner. We have too great a responsibility to the people of Canada, who elected a responsible government—which means a fiscally responsible government—not to squander funds in that fashion.

Instead of spending Canada Works funds in the low unemployment areas of the country, we have used them to increase the funds available for the creation of medium-term and long-term employment of, for example, native people. The LEAP program, to which I have already made reference, has increased its budget this year by about one-quarter to a level of nearly $50 million. This money will create long-term, permanent jobs for native people in areas where they need them the most. Of course, those native people have suffered for a great many years from a lack of long-term economic development and high unemployment rates. It is a very serious situation and we will come to grips with it directly.

I think that the House and the country will agree that this money is better and more productively spent in that fashion than if it were used to increase labour shortages in Calgary, Edmonton, Regina and many other parts of the country where labour shortages actually exist. I must add that the restriction of Canada Works to the high unemployment areas of Canada and the use of Canada Works funds to assist the long-term native development under LEAP is a course of action which is heartily concurred in by all provincial governments from coast to coast.

I asked members of the provincial governments directly in July, November and December what their view of Canada Works is. Now, I can say that without exception the provincial governments have indicated to us that because of its ineffectiveness, moving toward a phasing out of Canada Works is a step in the right direction. They have, as have the members on this side, no love of short-term, stop-gap, make-work type projects which create dependency on provincial and municipal governments and leave no long-term benefits.

It is significant that despite the suggestion of inhumane cutbacks from hon. members opposite, I have received very few complaints from the communities or individuals who are allegedly subjected to this inhumane treatment. Ordinary people know that Canada Works was not an effective program. They know that it makes little sense to create artificial jobs like these, particularly in areas where jobs often cannot even be filled. I suspect that the opposition will soon come to realize this as well.

I must make reference to the fact that the greatest number of complaints I get about the Canada Works program and its cutback are from some of the hon. members opposite who have been accustomed to the fact that they have had a so-called right of appearing to dispense local patronage in their constituencies. Somehow with the cutback, that right of dispensation of local patronage is no longer there.

Indeed, I am constrained to make reference to one hon. member who just yesterday was saying to me that he needed a Canada Works project in his riding to keep open the almost 1,000 miles of snowmobile trails which the tourists use to service the commercial hotels in his region. I asked the hon. member why he needed the snowmobile trails open, and he said that it was good for the business of the hotel operators. I asked him, if no Canada Works is available next year, what he intended to do. He said that the provincial government would pick it up. I then asked him why the keeping of the snowmobile trails open must be subsidized by the federal government. He replied that it had always been done that way. That was his answer, and he went on to say that this would be the fourth time around. Without naming the hon. member, I can assure him that there will not be a fourth time around on that sort of make-work project.

It is the intention of this government to build a real economic partnership with the private sector in the provinces. It is well known now that in January there will be a national economic development conference which, I hope, will be a key step in the building of that partnership. Much of the success of the measures which we will be undertaking will depend on collaboration and support from the provinces, employers and union leaders. It is fallacious to suppose that the federal government can, just by spending money in isolation, generate the economic growth and employment development which Canada must have in the 1980s. To repeat, "partnership" means a climate of mutual confidence, confidence on the part of the private sector that the goal of government is to encourage, not to interfere merely for the sake of doing so. It means confidence on the part of the government that the private sector can and will make the most of the opportunities available to provide Canadians with the goods, services and jobs that we need and can absorb.

This is not, and it must never be, a matter of mere blind ideology. Rather, it involves a certain political commitment and faith in the essential rightness of our pluralistic and

private enterprise system and a political commitment on the part of the government to encourage, rather than stifle, the creativity of private business in Canada. I fully realize that after years in which the prevailing climate was one of mutual suspicion and mistrust—certainly in the last 11 years—it may take some time for a new climate to prevail. It may take more than the six months we have had.

Mr. Fox: Or the six months you have got.

Mr. Atkey: There is no doubt that this is our goal, and it is a goal that we will attain. We have already gone some distance to repair the tears in the fabric of Canadian society. I look forward next week to outlining in this chamber the youth employment program of this government. This program is just not for this winter but for the long-term future as well. We are now approaching the peak in the youth labour force, which will come around 1982, perhaps 1983. In that sense it is a shorter, medium-term problem, not a long-term problem.

Extremely high and rising youth unemployment rates have made it plain that we must take measures now to help the young people. In the mid 1980s I believe that the problem may be somewhat different. In fact, it is an economic and social imperative in Canada that if we do not get jobs for or train our young people for the skills that they will need, we will merely be creating another generation to live on unemployment insurance. This government does not intend to do that.

The Acting Speaker (Mr. McCain): Order. I regret to advise the hon. member that his time has expired. He can only continue with the unanimous consent of the House. Does the hon. member have unanimous consent?

Mr. Knowles: Provided he takes only a couple of minutes. There are too many members who want to speak today.

Mr. Atkey: Mr. Speaker, I will be very brief. I did want to mention, in my two minutes that I can utilize in this context, another serious problem, and that is the problem of unemployment among women. This government, as was indicated by the Secretary of State (Mr. MacDonald) and myself during question period today, is committed to reducing the female unemployment rate in Canada. We are committed to reducing job segregation with the ultimate aim of eliminating it altogether, and we are committed to lowering the wage gap between men and women, again with the eventual aim of getting rid of it.

I also want to mention the commitment of myself and this government to affirmative action in a promotional sense on a federal contract compliance program on a much greater and effective basis than that attempted or realized by the previous government. I want to reaffirm the commitment of this government to establish pilot projects in our Canada employment centres for improved service to female clients. I want to make reference to the restoration of the Liberal budget cut in the Outreach program and to giving higher priority to women as a target group for Outreach projects in various communities.

I want to talk about, develop and implement policies relating to employer exploitation of domestic workers here in Canada on work permits. As minister responsible for immigration as well as employment, I have the power and authority to implement such programs. I want to make available for women who are training in non-traditional occupations the facilities of support services, such as daycare centres, to enable them to go into that non-traditional sort of work.

● (1640)

I want a model training program for women on mothers allowance in the life skill-training program for native women to be developed. This is all with a view to giving women an opportunity to enter into the work force and participate on a full basis.

If I can end on a more futuristic note, the problem of the next two or three years is youth employment. This government will meet that challenge in co-operation and in partnership with the private sector. In longer terms, perhaps, an equally if not more serious problem is women's unemployment. That is not going to disappear in two or three years, because women are in the work force, Mr. Speaker. Women are in the work force to stay. This government will create the climate, create the framework and create the programs which will allow more women to participate effectively and equally in Canada's work force. I look forward to developing and implementing those programs.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. McCain): The hon. member for Winnipeg North (Mr. Orlikow). The hon. member for Longueuil (Mr. Olivier) on a point of order.

[*Translation*]

Mr. Olivier: Mr. Speaker, I rise on a point of order. I apologize, Mr. Speaker, I thought you had recognized the hon. member for Winnipeg North Centre (Mr. Knowles), and as I had not seen him rise, I thought I had risen before him. That is all I wanted to say.

[*English*]

The Acting Speaker (Mr. McCain): Order, please. I recognized the hon. member for Winnipeg North.

Mr. David Orlikow (Winnipeg North): Thank you, Mr. Speaker. Had the motion moved today by the hon. member for Blainville-Deux-Montagnes (Mr. Fox) been slated to come to a vote tonight, members of the New Democratic Party would have voted for the motion. But I say to the hon. member for Blainville-Deux-Montagnes that we would have done that in spite of his speech and not because of his speech.

Whenever I listen to Liberal speakers, Mr. Speaker, I am again amazed, and increasingly so, by the arrogance and gall of Liberal members of Parliament. The hon. member attacked the government—the Conservative government—for a number of reasons, and for each reason for which he attacked the Conservative government, he was attacking them, in fact, for continuing policies which were implemented and continued by

Liberal governments through all the years I have been in this Parliament.

The hon. member attacked the Conservative government because it had no employment strategy. Well, I say to him that his government, which was in office from 1963 to 1979, had no employment strategy. I would like to put on the record the fact that in 1970 when the present Leader of the Official Opposition (Mr. Trudeau) was prime minister we had in this country 420,000 unemployed and the rate of unemployment was 5.2 per cent. Eight years later, in 1978, we had nearly one million unemployed and the rate of unemployment was over 8 per cent. Mr. Speaker, that is what the Liberal government had in the way of an employment strategy.

The member attacked the Conservative government because interest rates have gone up. The record is clear. Whenever in recent years interest rates went up in the United States, the governor of the Bank of Canada recommended an increase in the bank interest rate in Canada and the Liberal government acquiesced in and approved that increase. What has the Conservative government done? It has done precisely the same thing; it has followed the advice of the governor of the Bank of Canada and increased interest rates in the same way as when the Liberals formed the government.

The member attacked the government opposite because it is permitting oil prices in Canada to move toward world prices. Well, of course, the Conservative government is pledged to increase oil prices in Canada at a faster rate than they were increasing under the Liberal government. But the objective is precisely the same. I see the hon. member shaking his head. This is not the time, Mr. Speaker, but we could put on record the statements made on more than one occasion by the former Liberal minister of energy, mines and resources in which he said the objective of the Liberal government was to move oil prices to where they would reach 90 per cent of the Chicago price. The hon. gentleman can shake his head, but at the right time we will set the record clear.

The member criticized the present government because there is a shortage of skilled workers. Well, Mr. Speaker, there is a shortage of skilled workers in this country. In my province of Manitoba, just last week Hudson Bay Mining and Smelting, which operates a number of mines in Manitoba, applied to the department of manpower for permission to bring in a substantial number of skilled workers from outside Canada because they could not fill their needs from within Canada. That has happened in virtually every other province in this country. Under Liberal governments we have been spending hundreds of millions of dollars each year on manpower training, yet despite the fact that we had a million unemployed we have not been able to fill the jobs in this country which call for skilled people. That is to a large extent the responsibility of the mistaken, misguided policies of the department of manpower under a Liberal government.

Let me begin by saying that unemployment is a very serious problem. The Minister of Manpower and Immigration (Mr. Atkey) who spoke a few minutes ago was proud of the fact that unemployment has gone down in recent months. That is true, it has gone down in recent months, but the fact is that in October the number of unemployed went up for the first time in a number of months and there were 843,000 unemployed. In October the rate went up to 7.4 per cent. Mr. Speaker, surely the minister is aware of the fact that the United States, not only our neighbour but our biggest customer and biggest supplier, is now into a recession, one which looks as if it might be a major recession. That being the case, I think the minister and the government are making a major error in assuming that the programs which they and the former government have initiated are likely to have any serious effect on the increasing unemployment we shall see in the coming year.

Mr. Speaker, our party believes this country should aim for full employment. When we talk about full employment, we are not talking about a rate of 7 per cent or 8 per cent which some of the so-called experts—the economists in universities, in government and in private industry, all of whom have pretty good, secure jobs—are trying to explain means full employment? When we talk about employment, we are talking about full employment as described some years ago by the Economic Council, among other organizations. Full employment in Canada, Mr. Speaker, is 4 per cent, not 8 per cent or 7 per cent as some economists are now saying.

• (1650)

We have not been anywhere near that rate for a long time. What does that mean? The difference between full employment—that is, an unemployment rate of 4 per cent—and the 8 per cent to 8.5 per cent unemployment we have had in recent years means that in this country we have lost in each of those years in the neighbourhood of $5 billion worth of production. That means that federal, provincial and municipal governments have lost in the neighbourhood of $1.5 billion in taxation. That is the result of the failure of Liberal and Conservative governments to have as an objective and to put into effect a policy and a program of full employment.

In beginning his remarks the minister said that his government believes that the major responsibility for providing employment rests with the private sector and that it is the private sector which must provide real and permanent jobs. Nobody in this House would question that in a theoretical way. Whether the present Conservative government believes more in private enterprise than did the Liberal government is not important.

We live in a mixed economy. Large sectors of the Canadian economy were established and operated by Liberal and Conservative governments. I do not want to list them all, but I can think of the electric power systems which are publicly owned and operated in virtually all our provinces. I can think of the telephone systems in the three prairie provinces which are publicly owned and operated. I can think of Air Canada, the CNR and a host of others. That is not going to change under any government, including an NDP government, so the minister is correct when he says that the main responsibility for providing jobs rests with the private sector.

In order for the private sector to provide jobs it has to have the right climate. I suggest that it did not have the right climate under the Liberal government and that it does not have the right climate under this Conservative government. Interest rates have increased sharply in the few months during which the Conservatives have been in power. High interest rates are a disaster. For whom? For the small businessman, because large corporations do not have to depend as much on banks as do small businesses. Large corporations have internal funds. They can go to their multinational headquarters. They can go to their deferred income tax accounts, which now range in the billions of dollars.

In the last few months I have met many small businessmen who have told me about the high cost of keeping inventory with interest rates at 15 per cent or 16 per cent. Many of the people to whom they sell are slow in paying their bills because they have not sold their merchandise, and that is killing business.

With the exception of Italy, we have the highest rate of unemployment of any of the western industrialized countries, and the reason for that is the failure of both Liberal and Conservative governments to develop an industrial strategy. That failure has led to the deterioration of our manufacturing industries and the inability of Canadian manufacturers to compete with other corporations in Canada or on world markets. The microphones which are in front of me and every member of Parliament were built in Austria, a country which has about a quarter of the population of this country, yet it is able to produce these microphones and sell them in Canada obviously cheaper than any Canadian manufacturer can. That says something about our position with regard to manufacturing.

A large part of the reason for our difficulty is the stranglehold which multinational corporations have in many of the vital sectors of manufacturing. In the automobile industry, in chemicals, in the rubber industry—to mention just three examples—multinational corporations have virtual control. Multinationals have no responsibility to Canada as a country. They have responsibility only to their shareholders to produce the largest profits possible. I do not blame them, I blame ourselves. I blame our governments for not developing an industrial strategy to meet the needs of the Canadian people for jobs.

Given the slowdown in the economy, which is worldwide, and given the double jeopardy of the cutbacks in government activity by this government, we are going to see a sharp increase in unemployment in the next year. We are going to see that, as I said, because this Conservative government does not—nor did the Liberal government—accept the principle that it is the responsibility of governments to see that people in Canada who want to work will have the opportunity to get work.

We were critical of many of the aspects and features of the job-creation programs brought into effect when the Liberal party formed the government of this country. Some of the criticisms made by the present Minister of Employment and Immigration and by his colleagues when they were in opposition were justified because those job-creation programs were ad hoc programs. They were put together to meet situations which the then government had not anticipated and with which it tried to deal through a whole patchwork of programs. We made these criticisms when those programs were in effect. We welcome any concrete, workable improvements, but I say to the minister that, given the fact that unemployment has increased and is going to increase even more, the cutbacks in job-creation funding implemented by his government will have a disastrous effect on the unemployed in this country.

I know that the minister has not agreed with me on earlier occasions when I said that the cutbacks amounted to about $75 million, but they are very substantial cutbacks. If they are not $75 million, they are at least $50 million. The smaller amount which is now available through Canada Works programs in those provinces in which the Canada Works program is still operating—and those are the provinces east of Ontario—and the increased LEAP funding which, when taken together with the Canada Works programs which are funded for this year and the coming year, amount to substantially less than what was available last year and the year before, is not good enough. The fact is that there is not enough money in total. The minister and his department has decided that provincial unemployment rates in Ontario, Manitoba, Saskatchewan, Alberta and British Columbia were lower than the 8 per cent which I think they said was the floor over which they would provide Canada Works programs. The minister should know that, even if that were true, in each of those provinces there are areas and groups of people among whom the rate of unemployment is very high. In my province, the rate of unemployment among the native people is very high, ranging from, in some reserves, 80 per cent to 90 per cent and at some times in the year to a situation in the city of Winnipeg where the unemployment rate for native people is very high while the over-all rate, as the minister knows, is relatively low. Yet the minister cut off the Canada Works funding, and I say to the minister that the LEAP funds provided for the province of Manitoba are far short of what is required to meet the needs of the native people.

• (1700)

My colleague from Newfoundland tells me that while the Canada Works funding has not been reduced directly in his constituency, funds which were available previously through the department of fisheries and which were used to supplement the Canada Works programs for improving harbours and wharves have been cut back this year. My colleague the hon. member for Skeena (Mr. Fulton)—and his is a constituency with a very large native population—tells me that last year $3 million was available but this year only $500,000 is available.

I say to the minister that I have tried to make it my business to be in touch with leaders of the native communities in my own province and across the country, the leaders of any native organization, whether it be the Manitoba Indian Brotherhood or the Manitoba Metis Federation—and one could go across the country listing the various organizations—and I have not

met one who has not felt and does not feel that the funding of employment programs or job-creation programs for these people is, to say the least, insufficient.

We are facing a very difficult time. Unemployment is not going to disappear, it is going to get worse. The length of time in which the people of Canada were prepared to accept the arguments of the present government that whatever their problems are is the fault of the former government has run out. The polls taken by Gallup recently which indicated that the support for the government has dropped to 28 per cent is a clear indication that the people of Canada do not accept the arguments of the present government that it is following correct policies and that it is doing all that can be done. The Liberal government which was defeated in May of this year was defeated because the people of Canada felt that the government was not dealing with their problems.

The government was elected because it promised to follow different policies. What the people of Canada are finding is that the present Conservative government is following precisely the same policies as the former Liberal government. They are indicating their disapproval. They did so in two byelections and they did so as indicated by the Gallup poll.

I urge the minister and the government to take the problem of unemployment seriously and to face up to the fact that this country and the world are facing difficult times. I urge the minister and the government to stop believing in the principle—

The Acting Speaker (Mr. McCain): I regret to interrupt the hon. member but his allotted time has expired. He can continue only with unanimous accord. Is there unanimous agreement to allow the hon. member to continue?

Some hon. Members: Two minutes.

The Acting Speaker (Mr. McCain): The hon. member may continue briefly.

Mr. Orlikow: I urge the minister and the government to drop the simplistic notion that the private sector of the economy, if it is unshackled, will get this country moving, that it will by itself provide all the jobs which are required. That was the prescription tried in the 1930s by another Conservative government headed by Mr. R. B. Bennett. That policy was an abysmal failure and I hope that the present Conservative government has learned something, that it will adopt policies and give some government leadership so that we can get this country moving and start reducing the number of unemployed, which we have not done now for a number of years.

The Acting Speaker (Mr. McCain): Order, please. The hon. member for Roberval (Mr. Gauthier).

Mr. Lefebvre: Mr. Speaker, I rise on a point of order. Under Standing Order 29, I move that the hon. member for Longueuil (Mr. Olivier) be now heard.

The Acting Speaker (Mr. McCain): Could the Chair have the motion in writing, please.

Employment Strategy

Mr. Knowles: Mr. Speaker, I rise on a point of order. Since our friends of the Social Credit party are likely to get only one speaker today, why should we take 20 or 30 minutes to vote on this issue? I wonder if my friend would not consider withdrawing his motion.

[*Translation*]

Mr. Olivier: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. McCain): The hon. member for Longueuil on a point of order.

Mr. Olivier: Mr. Speaker, I merely want to remind the previous speaker that he knows the standing orders quite well. The motion under consideration is not debatable and he has just spoken merely to take up the time of the House.

[*English*]

The Acting Speaker (Mr. McCain): The House has heard the motion of the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre). Is it the pleasure of the House to adopt the motion? All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

The Acting Speaker (Mr. McCain): In my opinion the yeas have it. The hon. member for Longueuil has the floor.

[*Translation*]

Mr. Jacques Olivier (Longueuil): Mr. Speaker, I wish to thank you for having so closely considered the motion which has just been passed. I think that once and for all, when the official opposition has an allotted day, we should know if it is really for the official opposition or for the other parties which will have their own allotted day to deal with motions and perhaps continue to support the government. We do not want this, we want to show during allotted days that as far as job creation is concerned the only result we can see, if we really try to get a general idea, the only tangible result we find is that it is already too late, that there has been no job creation in the country; on the contrary, unemployment went up again in October. Our socialist friends tried to show that we in the opposition were responsible for the creation of jobs, that we were responsible for the government.

I do not know what they are aiming at, Mr. Speaker, but we realize that this group of intellectuals who have practically never worked and have always maintained that they were in favour of the workers are merely interested in their votes. They are the people who want to win on all counts and who most of the time suggest extreme solutions which they know to be ineffective. They already know it. In that sense, Mr. Speaker, I wonder sometimes what they are doing here. If they are here

strictly to talk, I have not yet seen any constructive achievements. We are asking them to support us in the job-creation process. The hon. member for Blainville-Deux-Montagnes (Mr. Fox) showed very well that, as far as job creation is concerned, the minister has not been able to name one project of his own.

● (1710)

Mr. Speaker, they keep telling us that they did not have time, the session has just started. Mr. Speaker, as far as I know, they were elected more than six months ago. They have had over six months to look into the situation. What is most funny is that, if I remember well, before the election they had set up a famous take-over committee to prepare for the transition if they ever won the election.

Mr. Alexander: Wait till you see our budget.

Mr. Olivier: They won the election, Mr. Speaker. If the Minister of Labour (Mr. Alexander) wants to speak, if he wants to deal with labour problems and strikes, if he really wants to deal with the problem of Bell Canada employees who only got a 2.5 raise since 1977, he should look after his business rather than shout across the House. He is now becoming, by his answers in this House, the greatest dodger we ever had as Minister of Labour. He should concentrate on learning about his department, on opening files and reading them.

Mr. Speaker, I will come back to the creation of non-employment. He is called the minister of employment. I wonder why, but he is called the minister of employment. I would call him the minister of unemployment creation. One could call him a lot more things than that. He was unable to show what he had done to try and solve the problem of unemployment. The hon. member for Blainville-Deux-Montagnes showed quite clearly that by successive and dangerous increases in energy prices, by the bargaining between the Prime Minister and the Conservative premiers who decided to overtax Canadians, to allow oil companies not to pay taxes—Shell Canada made a profit of $400 million last year and did not pay a single cent in taxes. After that, they tell us they are going to create jobs with private enterprise.

Mr. Speaker, we are here to represent small businesses and all Canadian workers. Unlike the Progressive Conservative party, we shall never agree to be identified with the multinationals that are called big finance. You need only see how their party hires the members of its executive to realize that their best friends are not strangers to Imperial Oil. They are often very close to them.

Mr. Alexander: Shame!

Mr. Olivier: The Minister of Labour shouts: shame! I agree with him but he should admit it publicly. He should have the courage to rise and say: Shame on my party for always being on the side of multinationals. But he lacks courage. If the Minister of Labour lets me continue in peace I shall do the same for him. He should deal with the problems in his own department.

We have been told that jobs have been created but they were unable to tell us how many were created. I hope the parliamentary secretary will answer that question. Mr. Speaker, unemployment has increased in October. They did not say much on that subject. The minister himself asked leave to go beyond his allotted time. We accepted. Why? Because after 30 minutes he had yet to say one word about female manpower.

Mr. Speaker, the Minister of Employment and Immigration (Mr. Atkey) has not said a word about women workers in Canada even though they are being exploited. Members on this side decided to give him an opportunity to speak because we are interested in knowing what will happen to these underprivileged people. We only have to look at small manufacturers to see how these people are working for minimum wages, 10 and 12 hours a day, because there is no labour minister responsible enough to present legislation to help them to regroup and defend themselves.

Mr. Speaker, a few weeks ago I asked the following question of the Minister of Finance (Mr. Crosbie):

> Do you not find that minimum wages of $2.90 an hour in Canada are somewhat indecent and do you not think that you could increase them somewhat?

His only answer was to say that he would deal with this in his budget. The government is lucky to have a budget to bring down in the near future because whenever we ask them very specific questions, Mr. Speaker, they reply that we must wait for the budget.

Unfortunately, Mr. Speaker, it will be too late on December 11 to create employment for this winter; it will be too late for the unemployed of Matane, of the Beauce region, of Montreal, of Roberval and of Quebec City. Mr. Speaker, members opposite do not seem to be taking seriously the issue of job-creation. They talk about creating a peaceful climate for private enterprise, and then they tell us an employment strategy cannot be developed by the government, job creation should not be the priority of a government. This is shocking, Mr. Speaker.

We know very well that without a mixed economy, some people will be exploited in an overly capitalistic system. Mr. Speaker, the minister has come back. He said that he had created employment. What has he done for the ITT-Rayonier company? What has he done for Redpath Sugars? What has he done for the Montreal *Star*? Three thousand jobs have been lost! He did not speak about this, Mr. Speaker.

I know of two companies in LaSalle that closed down. Kenworth laid people off, but no reference is made to that. References are to big business' nice problems. This is what

pleases them. Their people work for high finance exclusively, the multinationals. They understand each other, that is their problem. Mr. Speaker, there were 49,000 more unemployed in October than in September, and they tell us they created jobs. This is something I do not understand. In a very long time this is the first hike in the unemployment rate. The previous government succeeded in maintaining a low rate of unemployment. Under this Progressive Conservative government, we now have a 10 per cent rate in Quebec.

An hon. Member: They will remember that!

Mr. Olivier: Turning to the temporary job-creation programs, the minister this afternoon announced the end of those programs.

An hon. Member: Right!

Mr. Olivier: It is clear to him that they will disappear.

An hon. Member: No.

An hon. Member: They will teach him in no time.

Mr. Olivier: I wonder if he has been living in California, I wonder if he knows this country, this northern country with hard winters. Since the winter season is more difficult, we need a temporary job program.

An hon. Member: Even the minister of employment agrees.

An hon. Member: His is against snowmobiles.

Mr. Olivier: They succeeded in killing the program's credibility, the Canada Works program. And how did they do this? They said: Wherever there is less than 9 per cent unemployed, there will be no Canada Works program.

An hon. Member: When you are unemployed you do not need to eat.

Mr. Olivier: They maintain that 7 per cent, 8 per cent, 8.5 per cent unemployment is acceptable in our society. Mr. Speaker, in an affluent society such as this, suggestions that a 7 per cent or 8 per cent unemployment rate is acceptable are simply shameful.

I suggest that the minister should reconsider his approach. It is easy for him to say fine things, just like a university professor. Again, Mr. Speaker, these are people who never had to work with their hands. Their lives have always been easy. I am not blaming them for that, but they should not impose additional burdens on the shoulders of those who leave their homes at six o'clock in the morning and return at five o'clock in the evening, earning some $200 a week. These hon. members could not care less. They are not concerned about how they will cope with higher gas prices. Do they know that a worker who earns $2.90 an hour, the minimum wage which the Progressive Conservative party refuses to raise, may have to buy two gallons of gas to get to work? Do they know that he may have been working for two hours already even before getting to his job? This kind of thing is not acceptable.

What is this youth program? Mr. Speaker, the hon. member for Louis-Hébert (Mr. Dawson) has been urging the government for several months to adopt a clear policy on the creation of jobs for our young people. Our party critic on youth has demonstrated often, also in committees, that the government is not concerned about the future, and our youth is our future.

Mr. Speaker, this government seems just as surprised as Canadians were to find itself in power. It is just as if its members had woken up one day holding the power and not knowing what to do with it. Mr. Speaker, they have been at it for six and a half months and they are still studying. I recall the member for Sherbrooke (Mr. Pelletier) saying they were a government of students. I reckon students are a more intelligent bunch than this government. If those in power were actually students of economics and finance from anywhere in Canada they would have done things a hundred times better than them, Mr. Speaker. A hundred times better would not be so difficult, I can tell you.

Mr. Speaker, I would like to get gack to the very obvious reluctance of the government to protect working women. The Minister of Labour, the man who should care about that situation, should realize how working women are being exploited and how small and big enterprises exploit them.

I think, Mr. Speaker, that in 1979, almost 1980, it is unacceptable for a woman who often brings food to the household to live in a system which does not produce the number of jobs needed because of the lack of an employment policy. This lack of policy is difficult to understand. If the price of gas is soon raised to $2.25 a gallon it will have repercussions throughout the economy, it will boost the profits of companies by hundreds of millions of dollars, it will generate inflation. Inflation reduces employment, thereby creating more unemployment, and in addition, this government decided to introduce legislation cutting the present unemployment benefits to solve the problem of the unemployed. Well, it looks as though this government has made its choice: the rich in our society should dominate, they should be in control and the poor should listen, they should follow, they should always say yes. Their policy is something like that, Mr. Speaker.

Mr. Speaker, I would have liked the minister to announce that there would be new programs for youth this winter, that the Canada Works program would remain.

I should like to stress here, Mr. Speaker, the partisan way in which they intend to create jobs. They decided that a constituency would need to have a 9 per cent unemployment rate to be eligible for Canada Works projects. Mr. Speaker, Longueuil has a population of 130,000. Prince Edward Island has 118,000 and they have four federal members of Parliament

and, I believe, 30 provincial members. Longueuil is home to about 85,000 votes. They have decided it would be based on a percentage. So suppose you have 130,000 people in a given constituency and 30,000 in another . This means, to use round figures, 10 per cent of 130,000 unemployed. Well, even if there were 13,000 in our constituency, because they are numerous, they are not eligible for a Canada Works project.

If they think there are fewer unemployed but the percentage is a little higher, then they are entitled to one of these projects, Mr. Speaker. These are the selective programs of the Progressive Conservative government. And this is the partisanship shown by the Minister of Public Works (Mr. Nielsen) and especially by the Minister of Supply and Services (Mr. La Salle) who is now the one who makes the decisions in Quebec. It is the hon. member for Joliette who decides, Mr. Speaker, who in Quebec will have funds for a Canada Works project. The applicant must prove he is a Conservative before he gets the grant. I suggest this is shameful for our Parliament. It is a shame to this Parliament, Mr. Speaker, to make partisan politics at the expense of the unemployed, at the expense of women, and it is outrageous, Mr. Speaker, not to have any policy for working women, for young people and for the unemployed.

• (1720)

[*English*]

Mr. Alexander: With the consent of the House, would be hon. member allow one short question? I wonder whether he could advise the House if his particular constituency is involved with Canada Works, and to what extent in terms of dollars. I just wanted to know whether he had been excluded or included.

[*Translation*]

Mr. Olivier: Mr. Speaker, I am glad to inform the hon. member that I have as many projects as there are Progressive Conservatives. I have none.

Mr. C.-A. Gauthier (Roberval): Thank you, Mr. Speaker. I will try to be brief, and I want to thank all my friends from Quebec, the Liberals, for that dirty trick this afternoon. Only guys from Quebec could do that, and I apologize to the people for them. Besides, if I had been asked I would have gracefully given him the floor. I am very happy to have the opportunity to speak on this opposition motion. I also want to congratulate the hon. member for Blainville-Deux-Montagnes (Mr. Fox) for introducing the motion which reads as follows:

That this House deplores the complete inaction of the government, after six months in office, with regard to the creation of jobs, regrets the inhumane cutbacks in the Canada Works program that have eliminated hundreds of communities across Canada.

We must say to the people, Mr. Speaker, that this opposition motion is of course another opportunity for us to criticize the government and urge it to propose policies which are more in keeping with the needs of the times. In these discussions, as in all others, we of the Social Credit Party of Canada always try to be as constructive as possible because our motto is not to criticize for the sake of criticizing. We rely on concrete proposals, faced as we are with the lack of decisiveness shown by those responsible for our financial situation and who have always been the policymakers in Canada.

• (1730)

When we read the motion, we realize that it insists on job creation. Here the two old parties show what they really stand for, the belief they still have in the full employment thesis, while we believe in guaranteed income for all. The Liberals, who are only slower socialist unionists than the New Democratic Party or sometimes reformed socialists, since the former prime minister was once a socialist, still hang on to the full employment theory. They have not yet been able to attune themselves to progress in all sectors.

And I wonder, Mr. Speaker, whether the present government will finally revolutionize the old ideas, because Tories are said to be extremely conservative, to launch into real social reforms which will allow us to catch up on the extraordinary scientific, industrial, mechanical and even electronic evolution, so that we can achieve a humanized economic system in which each and every Canadian will benefit from our tremendous wealth.

We are living in the electronic age, I would even say the space age; yet from the social and human point of view we are 50 years behind the times. One hundred years or even fifty years ago people said right and left that one had to work to make a living; that was understandable in those days, Mr. Speaker, since the cottage industry was the basic industry and production depended on the actual number of craftsmen.

But today, now that the machine has replaced the artisan, forcing over 60 per cent of the regular labour force into unemployment, while production increased at the rate of 10, 20 and 50 times its former volume, you will agree with me that we can no longer speak the same language as our great grandfathers and even our grandfathers when we speak of full employment. And when we shout at the government, as the Liberals and the NDPs are now doing, criticizing it for not creating jobs, we are becoming increasingly ridiculous because we know, from all those years of experience we have spent here, that the jobs the government created in industry were for the most part temporary. And permanent jobs only confirm this fact. All those temporary jobs did was to modernize the industries and create new lay-offs instead of new permanent jobs. I limit myself strictly to industrial employment, deliberately overlooking employment in the service industries, because the latter always mean a new levy against the taxpayers.

We should stop talking about full employment once and for all and work hard to bring in the best possible system of

guaranteed annual income not only for all those who have been fired and replaced by machines, but also for all consumers who have no job and no income based on their production or even on their over-production or the super production capacity of our country.

What do we need to produce today? Is it machinery? Manpower? It is not machinery since it can produce three or four times more than humans. It is not the manpower either since we have over one million unemployed and even more people on social welfare. Could it be consumers, Mr. Speaker? Yet so many families cannot even afford essential food products like milk because it is too expensive. Food costs too much for them. The only thing wrong is the distribution which for most consumers is still based on the percentage of jobs. The logic of this crazy system of ours is quite simple: you don't work so you are entitled to unemployment insurance for a few weeks, but after that, nothing. Production cannot be bought without employment. The only solution that our economists could find was to force quotas on producers and fine them if they ever dared exceeding these quotas. We have that in agriculture. We witnessed and we are still witnessing the most glaring abuses of our times.

While infants and children were denied the milk they needed because their parents were too poor to buy it, farmers were forced to spill the milk of their cows down the drain. I really mean "forced", for if these producers took that milk to the dairy plant they were fined in addition to losing all their production. For instance, if they had $500 worth of milk, they were fined $500 and their production was seized and sold on the market. They were fined for their milk surplus. Such unbelievable contradictions occur because no government so far had the intelligence or the "free" will to create a system that would bring this super production to the consumer who has no access to it simply because he was replaced by a machine. For years we have been looking for means to help the worker in his daily work, and now that we have found some, the most victimized is the worker.

Today, Mr. Speaker, the official opposition is still serving us the same salad, full employment, always employment, many jobs in order to eat, in order to provide a decent living for all Canadians. It is as preposterous as ever.

Mr. Speaker, I cannot believe that there are not enough intellectuals in the opposition to suggest a distribution system which could operate concurrently with our modern production system. It is not enough to condemn the government's inaction. We have to suggest as soon as possible to this government remedial measures designed to deal with this unacceptable situation for all the Canadian people. Moreover, having been in power for six months, the government has not done much to set the economy afloat and to urge investors to create new jobs, and I repeat, urge.

I was quite pleased to hear the minister this afternoon. I personally agree with him that the government can only create temporary jobs. I have always thought so, because necessarily permanent and well-paid jobs are always created by private enterprise. Today the Prime Minister reminds me of a captain who inherited an old damaged boat years ago and which he is stubbornly trying to lead safely into port with a big hole of $12 billion in its hull. I wonder whether he will reach the shore before March 31, 1980.

After all, Mr. Speaker, the Canadian public must be told that we are still living with the estimates and liabilities of the former government. There is no need to worry. The estimates for the fiscal year 1979-1980 which began on April 1, 1979 will apply until March 31 of next year. Therefore, we must manage within the current fiscal year ending on March 31. Now, the present government is trying to adapt. The first projections which the Liberals made in April 1979 were of course for the full fiscal year, and I think that the present government is trying to make the necessary adjustments due to the circumstances and current events.

That is why I mentioned a while ago the ship which is going through difficult times. It is much easier to abandon ship and tell the crew: Well, take over, it is your turn to try. Listening to the speeches a while ago, I felt it was exactly like that. The former government is blaming the new one for what it failed to do and should have done. But if we blame the present government, we must be fair and praise its efforts over the past six months in the area of consumer protection. To mention only the last two bills, I point out the measure extending the spouse's allowance at the pensioner's death, and Bill C-20 being considered by the Committee of the Whole, which, in addition to creating new jobs, will bring about a reform advocated by members of the Social Credit party of Canada for the past 20 years and allow the deduction of mortgage interest paid by the head of family and home owner. We have been asking for that for the past 20 years. It is not perfect. The Liberals said: You should have given everything and made it universal. Yet, this is a start. The door is now open. That is one way of reducing interest on single family dwellings, and in so doing, creating employment by encouraging young people to become home owners without having to spend 30 years working for big finance.

The Liberals will maintain that they too encouraged housing construction, and even that they helped the average Canadian to own his home, thus creating new jobs. I say to that, Mr. Speaker, that the Liberals helped first the owners of multiple unit residential buildings; and since they can avail themselves of all kinds of tax deductions on their properties, so that the money they borrowed cost them almost nothing, thanks to the deductions. As for the average owners, the former government helped them to get into debt for 25 or 30 years and at the rates of interest we know. Just think of it, the rates of interest run up to 15 per cent! Small owners were helped into debt, which means that big finance was helped out first and foremost.

Today, those small owners find themselves on a dead end street because of the increase in interest rates. That is why Bill C-20 is so timely. And what does the government do, Mr. Speaker? Well, it tells us about finding employment for 105,000 young people from now until the end of March, 1981. It talks about the 44,000 agreements reached with employers right across Canada, which have enabled them to create over 57,000 jobs. To our mind, the Progressive Conservatives do not seem to be efficient enough. They keep talking about tomorrow, while the Liberals spoke of nothing but yesterday and while the unemployed stay with the same problem, that of being self-sufficient with regard to job shortages. Now, about the Canada Works program, this is what we read, and I quote:

—the cutbacks . . . that have eliminated hundreds of communities in Canada—

I was somewhat surprised to find that in the motion.

● (1740)

[*English*]

The Acting Speaker (Mr. McCain): Order. I regret to advise the hon. member that his time has expired. He can continue only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

[*Translation*]

Mr. Gauthier (Roberval): In conclusion, Mr. Speaker, I thank the Liberals very much. For once, they are going to learn to be polite.

In fact, I was a little surprised to find again—I say it again because of the shouting, but it will calm down—I was a little surprised to find that again in the motion. In fact, as far as the Canada Works projects are concerned, I had the impression there was no difference compared to previous years in my constituency. When I compare with other hon. members, I think that Roberval received its fair share of the pie. Of course, I should have liked, like all my colleagues, to see a much higher total amount, although it is a million more than last year. I should have preferred to see all 156 projects submitted by the people of Roberval approved. If I put myself in the position of the promoters of those projects, I am convinced they all consider their projects acceptable and very urgent. But if there are some criteria to be met, if I consider the local unemployment level compared to the amount allocated by the government to each constituency, it is all right.

The purpose of those projects is still to provide seasonal work for unemployed people who are on the labour market so they can at least accumulate additional stamps to extend their future benefits. Of course, those projects will have to bring permanent benefit to all those municipalities where they are carried out. That is why I encourage and thank the minister who this afternoon gave us some idea of the rearrangement he wanted to make in Canada Works projects. He wants to do more to support private enterprise, as he said, because the real jobs, the permanent jobs, are in the private sector and he can be sure we will be behind him on this side and we will try to provide more permanent jobs in Canada.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-17, to amend the statute law relating to income tax and to amend the Canada Pension Plan, and Bill C-18, to amend the Customs Tariff and to make certain amendments to the New Zealand Trade Agreement Act, 1932, the Australian Trade Agreement Act, 1960 and the Union of South Africa Trade Agreement Act, 1932, without amendment.

THE ROYAL ASSENT

[*Translation*]

Mr. Speaker: I have the honour to inform the House that a communication has been received which is as follows:

December 6, 1979

Sir,

I have the honour to inform you that the Honourable Roland A. Ritchie, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 6th day of December, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

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

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

● (1800)

[*Translation*]

And being returned:

Mr. Speaker: Order. I have the honour to inform the House that when the House went up to the Senate chamber to attend His Excellency the Deputy Governor General, His Excellency

was pleased to give, in Her Majesty's name, royal assent to the following bills:

Bill C-17, an act to amend the statute law relating to income tax and to amend the Canada Pension Plan.—Chap. 5.

Bill C-18, an act to amend the Customs Tariff and to make certain amendments to the New Zealand Trade Agreement Act, 1932, the Australian Trade Agreement Act, 1960 and the Union of South Africa Trade Agreement Act, 1932.—Chap. 6.

Bill S-10, an act to confirm the authority of the Federal District Commission to have acquired certain lands.—Chap. 7.

[*English*]

Pursuant to order made earlier this day the House will now revert to the tabling of documents and statements on motions.

ROUTINE PROCEEDINGS

[*English*]

ENERGY

TABLING OF NATIONAL ENERGY BOARD REPORT

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, under part VI of the National Energy Board Act I should like to table, in both official languages, a copy of the National Energy Board's reasons for decisions pertaining to various applications for the export of natural gas.

GOVERNMENT POLICY RESPECTING NATURAL GAS

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, I wish to make a statement to the House on the government's appraisal of our natural gas situation and on the principal elements of our policy for this important source of energy, including the question of additional exports.

First, I want to talk about the place of natural gas in our energy strategy.

Gas is a Canadian success story. We have a favourable endowment which is responding well to the development efforts of the petroleum industry. It is one of the keys to energy self-sufficiency for our country.

● (1810)

The extent of the resource base in southern Canada has recently been re-evaluated by provincial and national regulatory bodies. Their findings indicate that remaining-recoverable reserves of gas in western Canada are of the order of 72 trillion cubic feet, about one third more than earlier estimates.

Exploration activity in the Beaufort Sea, the Arctic Islands and off our east coast continues to turn up encouraging gas discoveries. Of these, the finds in the Sable Island area offer some of the best opportunities for early development.

As was indicated at the first ministers' conference in November, it is the government's intention to create the conditions for natural gas to be available to more Canadians right across the country. Our priority must be to make maximum use of what we have in relative abundance. Every gallon of oil substituted by the use of natural gas contributes to our energy independence.

As the Prime Minister (Mr. Clark) indicated following his discussions with Premier Lougheed last week, we are working towards an agreement with Alberta on an incentive price for natural gas. Alberta has already introduced legislation to facilitate the implementation of marketing incentives for new sales of gas.

This will enable gas distributors to expand markets by helping to support the costs of extending service and bring about conversion from other fuels. The gas transmission and distribution industry is responding with ambitious plans for the geographical expansion of markets in Quebec, the maritime provinces and British Columbia.

The substitution of gas for oil fuels in areas of Canada supplied with indigenous oil can help "stretch" our dwindling supplies of conventional crude oil while we get on with the job of developing the oil sands and heavy oils from which the bulk of our western supply may have to come in the 1990s.

[*Translation*]

Gas has an especially important role to play in provinces which are actually or prospectively dependent on costly and insecure sources of overseas oil. The government is determined to reduce this dependence and to secure for Canadians living in these areas a stable and reliable supply of domestic petroleum energy.

The greatest opportunity is presented in the province of Quebec. There, by 1990, additional gas sales could be equivalent to 80,000 barrels daily of oil. Taken together with efforts which the province is making to develop its own hydroelectric resources, this can make an important contribution to achievement of our national self-sufficiency goal.

[*English*]

We will work closely with the provincial governments and the gas distributors to ensure that there is a rapid but orderly conversion to natural gas. I want to extend this undertaking especially to Ontario, whose government has requested an integrated effort to obtain maximum substitution within the physical limitations of the industry.

The federal government believes that very substantial domestic gas market expansion will be accomplished in the next decade as a result of incentive pricing and industry's planning for pipeline expansion.

There is an abundant supply for existing users. Consumers in areas already serviced can switch to gas as quickly as equipment and labour will allow. And the needs of future new

users are assured by the size of our resource base, the vigour of its development and the vigilance of our regulatory authorities.

Now, as to the matter of additional exports in the circumstances I have outlined, the government is fully prepared to see the export of those quantities which are surplus to our foreseeable needs for use in Canada. Such exports stimulate exploration, and success could mean more oil as well as gas, and make a valuable contribution to our trade balance.

The export of natural gas is subject to licence of the National Energy Board and approval by the governor in council. The board must be satisfied that the quantity to be exported is surplus to reasonably foreseeable requirements for use in Canada and that the export price is just and reasonable in the public interest.

The National Energy Board, which enjoys the government's complete confidence in carrying out the task entrusted to it by Parliament, has now determined that we have a significant exportable surplus of natural gas. Consequently the board is prepared to issue licences for a total of 3.75 trillion cubic feet.

The board in February, 1979, decided to apply three new tests to applications for additional gas exports. The amount of gas which the board is now prepared to license is very much within the most stringent of these, the "current deliverability test". This means that the surplus to be exported has actually been found and developed. It is not dependent on future discoveries.

The board received applications for the export of 8.8 trillion cubic feet for terms of up to 15 years. The board found it could approve the full amount of applied-for exports only through 1984, with reduced levels through 1987, and no new exports after 1987. The government agrees with the board's findings and will allow the licensing of these exports to proceed.

Some hon. Members: Hear, hear!

Mr. Caccia: Shame on you!

Mr. Hnatyshyn: The government is satisfied that future Canadian requirements have been appropriately assessed and that the new exports are surplus to these requirements. These exports are short-term in nature and will be of substantial economic benefit to Canada. At today's export price, they are worth $13.2 billion dollars U.S.

I want now to touch on some of the other implications of this decision. Almost half of the new exports are for Pan-Alberta and will assist the pre-build of the Alaskan natural gas pipeline. In approving the Pan-Alberta exports, the board imposed the requirement that exports be delivered only through pre-built sections of the Foothills pipeline. It further conditioned approval on the understanding that the construction of pre-built facilities will proceed expeditiously for completion of the western leg by November, 1980, and the eastern leg by 1981. Should this not take place it would be the intent of the board to conduct a review of these licences.

Thus it will be up to the sponsors of the Alaska natural gas pipeline to respond with firm commitments for the entire pipeline. The board's decision clears up any ambiguities that may have existed and thus should give impetus to the completion of the whole system.

The other half of the new exports will be shared by other exporters and these can begin almost immediately after United States approvals are obtained. The Pan-Alberta exports already have conditional approvals from U.S. authorities.

Many Canadians, I know, would be uneasy in today's oil situation about increased exports of any form of energy. However, the government is satisfied that ample provision has been made for expanded Canadian needs for gas, and that the price to be received is fair and just to us. Given the circumstances it would be hard to justify withholding these supplies from our neighbour. As the Prime Minister has said, we are not immune to economic problems faced by our trading partners as a result of oil supply problems. It is in our own interest to help reduce these.

Canada has a great opportunity to move towards energy self-sufficiency. Its achievement will in no small way depend on the wise use of our natural gas resources. This government is responding fully to this challenge.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Marc Lalonde (Outremont): Mr. Speaker. I thank the minister for having sent us a copy of his statement. I regret, however, that contrary to our understanding with the President of the Privy Council (Mr. Baker) we did not get it before five o'clock and while we were assured that we would be given two hours this afternoon, it was 5.35 p.m. by the time we received the documents which were tabled.

Mr. Clark: It is better than in the past.

Mr. Lalonde: You will understand, Mr. Speaker, that it is difficult to read such a voluminous document in 35 minutes. This is why our comments should be interpreted in that context and we hope that we will have the opportunity to reconsider this very important matter. Just the same I would like to congratulate sincerely the minister for the quality of his French and for his effort when he made his statement. Let us deal now with the subject matter of the paper.

• (1820)

[*English*]

I think that today we had another unbelievable statement from this government. I think this statement will be one that Canada will live to regret and that may go down in the history as one of the greatest sellouts we have seen.

To begin with, the government has its priorities all wrong. We are threatened with a shortage of oil in this country. I see members on the other side laughing at the situation. There are many people in Canada today, in eastern Canada in particular, who are not laughing at the situation, who are not joking as are these guys on the other side.

This government has its priorities all wrong. We are threatened with a shortage of oil in Canada, and in eastern Canada in particular, as has been admitted by both the Prime Minister (Mr. Clark) and the Minister of Energy, Mines and Resources (Mr. Hnatyshyn). The government has been fiddling for the last few months with huge price increases in oil and gas in the form of direct or disguised taxes, and we are faced with the situation where eastern Canada, the Atlantic provinces, need more natural gas and need a gas pipeline to take gas to the homes and to the industries there.

What we have today is a general statement about the domestic situation, a number of platitudes that we have heard before, and then, to resolve that dramatic and tragic domestic situation, we have an announcement that we will sell 3.7 trillion cubic feet of gas to the United States. That certainly is a clear indication that this government has its priorities all wrong.

There is one good thing in this statement, and that is at the beginning where it tells us that gas is a Canadian success story and its speaks pretty eloquently about the great things that have been done in Canada. I should like to remind the minister that these things have not taken place by themselves. They have taken place through legislation that had been put forward by this government when it was in office—

Some hon. Members: Hear, hear!

Mr. Lalonde: —often over filibusters by the opposition.

The minister spoke about the discoveries in the Beaufort Sea, the Arctic islands and off the east coast of Canada. I should like to remind the minister that most of those discoveries have been done either with or by Petro-Canada over the last three and a half years—

Some hon. Members: Hear, hear!

Mr. Lalonde: —and that Petro-Canada today is the second largest gas producer in this country.

Mr. Andre: So is Pacific Pete.

Mr. Lalonde: In terms of the non-renewable resources in this country, gas is the largest non-polluting resource we have and the easiest and cheapest to transport across the country. Therefore, we should be extremely careful and cautious when we talk about exports. We should think in terms of the necessity of conserving it for future generations and of the future needs of our country. The worst thing we could do is to export gas for a fast buck or in order to support a faltering dollar, because then it will mean that down the line we will have to supply our Canadian needs with more expensive and more polluting resources, such as coal for instance. We have to be very cautious about relying upon illusory, short-term gains.

Some hon. Members: Oh, oh!

Mr. Lalonde: Mr. Speaker, I would remind hon. members that we listened with politeness and courtesy to the minister. I would hope they would extend the same courtesy to this side.

Mr. Pinard: They are not taking this seriously.

Mr. Lalonde: And I hope they will take this question seriously, because it is very serious.

So in the short term we may increase the value of our dollar but we might very well diminish the competitiveness of our farmers, fishermen, and our manufacturing sector, by artificially propping up the dollar in the short term and finding ourselves less competitive in the world.

Therefore, if we have to have a bias, our bias as Canadians should be against any gas exports outside Canada. But let us assume that it might be possible to export surplus gas at this time. That should take place only on the basis of an overriding national interest, and only with the guarantee that Canada is getting the maximum advantage out of such a deal. In particular, no long-term commitments should be made.

In the past we know that, on the basis of information that has proven erroneous subsequently, Canada has exported gas and oil which now we wish had not been exported and had remained in Canada. It is therefore important that we approach the question of exports with utmost caution. Obviously that applies to gas in particular. It does not apply to oil since we do not have a surplus of oil, even though the Prime Minister last January made a generous offer to Japan of a non-existent oil surplus during his famous world tour.

So far as the statement of the minister is concerned, we note the vagueness of the statement about the building and completion of the pipeline which is essential. It leaves open the door to delays in the pipeline construction by extending the authorization of exports over a period of seven years and the possibility of reviewing the authorization after exports have started, therefore authorizing exports before the commitment for the building of the line has been made.

There is no word in this statement regarding swaps, and nothing about the eastern Canadian situation, the building of the Quebec and Maritime pipeline, and the possibility of exports to the northeastern states. In our view, exports of natural gas to the United States should be authorized only on the basis of, first of all, an ironclad commitment regarding the building of the whole Alaska gas pipeline. Everything has to be signed, sealed and delivered, particularly the financing plan and the financing guarantees, before we start exporting one cubic foot of gas out of this country to the United States.

Second, there must be an arrangement for swaps in this agreement with the United States so that down the line, if Canada were to need natural gas, we would be in a position to obtain natural gas from the Alaska gas pipeline which we might need in exchange for the gas we are now providing to the Americans. That would be the second point.

The third point is with regard to revenues arising out of gas exports to the United States. They should be used to ensure the initiation and completion of the Quebec and Maritime gas pipeline so that eastern Canada would be fully served in terms of gas service and so that people in the maritimes and eastern Quebec would be assured of getting natural gas at a reasonable price.

Fourth, I find it unbelievable that the minister says it is up to the sponsors of the pipeline to come up with firm commitments for the entire pipeline, leaving out the United States government in this matter. Negotiations have taken place on this matter under the previous government with the U.S. government, and we should have a commitment from the U.S. government in this respect, as well as from private industry. Experience should have shown us that we should not be satisfied with relying only on the sponsors of the Alaska natural gas pipeline for the future building of the whole pipeline.

An hon. Member: Why not?

Mr. Lalonde: The government opposite is even ready to privatize the whole of the country and to give it to the United States companies, without even dealing with the U.S. government.

Some hon. Members: Oh, oh!

Mr. Lalonde: The last point concerns the fact that we have a commitment for seven years on this sale. Our preference, based on discussions that have taken place with the industry and the community in general, has been for five-year agreements on exports. We are surprised that the government has been considering seven-year agreements.

Because of all these factors which are not referred to in this document and which, in our view, are fundamental to the export of such large quantities of gas, we believe that the government does not have sufficient guarantees from the United States authorities and from the U.S. purchasers of gas to protect our security in the future.

This statement is completely unacceptable to us as the opposition, as I am sure it is to the people of Canada. It does nothing on the building of the entire Alaska pipeline. It does nothing on the question of the Quebec and Maritime gas pipeline. It does nothing on the question of swaps. For these reasons we are very distressed and very dissatisfied with this report.

● (1830)

[*Translation*]

In conclusion, I should like to make it clear that the opposition is deeply dissatisfied with this statement announcing the sale of a huge quantity of natural gas to the United States without getting in exchange any guarantees that Canada's natural gas supply will be secure or that eastern Canada, and more particularly eastern Quebec, will be in a position to get natural gas at a competitive price in the foreseeable future. In our opinion, once again the government has got its priorities all wrong. While we are threatened with a gas and heating oil shortage in eastern Canada, the government announces today a big natural gas sale to the U.S. without having dealt with the crisis and without having provided any answers to the domestic problems of vital interest and concern to the Canadian people.

[Mr. Lalonde.]

[*English*]

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, on behalf of the New Democratic Party I want to say at the outset that we are unalterably opposed to this decision to export more natural gas to the United States. We consider this export decision shocking and irresponsible.

I find it utterly incredible that in one breath the Prime Minister (Mr. Clark) is stating the real possibility of imminent fuel shortages, and in the other breath, his Minister of Energy, Mines and Resources (Mr. Hnatyshyn), is approving future and greater exports of natural gas to the United States. Surely any responsible government, aware of the precarious fuel supply situation we are in this winter, would look toward the future of the energy security of Canada and keep those domestic natural gas supplies here in Canada for future use by Canadians.

In a nutshell, it appears to me that the government has put the earning of some fast bucks, and reducing our trade deficit through these exports, ahead of the long-term energy security of Canadians. I think really what has happened here is that the Minister of Finance (Mr. Crosbie) is making energy policy. The Minister of Finance is concerned about the government's deficit and the state of the trade balance. He is looking toward the next election and taking the easy way out by approving these natural gas exports. We are giving away our trump card; we are selling out our birthright. It is incredibly shortsighted, given the domestic and international energy supply situation, that this government, on the eve of an energy crisis, would be approving these massive exports of natural gas to the United States.

Before I get into the critique of why I think this should not take place, I want to address a few comments to what I consider the utter duplicity and hypocrisy of the spokesman of the Liberal party. It was only last February when the National Energy Board, in a preliminary report, was talking about possible exports of two trillion cubic feet, that not one member of the Liberal party, then the government, rose in opposition to such a concept. Yet we hear tonight from the spokesman of the Liberal party that they have done a flip-flop and are opposed to this export. Indeed, the former minister of finance, in his last budget, was supportive of natural gas exports. I can only conclude that the Liberals are utterly devoid of any intellectual honesty.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Symes: On the matter of why the government is approving these exports, it said that it bases its decisions on the recommendations of that reputable agency, in the eyes of the Minister of Energy, Mines and Resources, the National Energy Board.

Every Canadian knows that the credibility of the National Energy Board is shot. Its track record at predicting supplies of energy in this country is as bad as the private oil industry itself. Only in 1971 we were told that we had over 900 years of

supply of natural gas. Then, as late as 1975, the National Energy Board predicted that we would be running short by 1985. Then, of course, when the push was on by the industry for a Mackenzie Valley pipeline, the NEB reduced its prediction and said that we would have a shortfall in 1983. Now we are told that we have a surplus and we can export.

In light of that dismal record of prediction by the NEB, surely the government should be proceeding with caution. The NEB admits that domestic gas demand will outstrip production in just 12 years. Of course this is using a new formula which reduces the estimates of reserves for our future needs.

Even the minister's own department, the Department of Energy, Mines and Resources, cautions against allowing exports of natural gas. They are saying that we should be more conservative in our surplus estimates; if we are to err, it should be on the side of safety.

Surely we have a brilliant opportunity here, by retaining these gas supplies, to substitute natural gas for oil in this country. I thought that was one of the key elements of this government's policy which would move us toward energy self-sufficiency, that is, natural gas substitution. Yet when we hear from the applicants for the pipeline to eastern Canada, the Q & M pipeline, their prediction indicates that they foresee a demand of two trillion cubic feet in excess of what the National Energy Board predicts for eastern Canada. In light of this government's commitment to substitute gas for oil, in light of the company's own projections of demands in eastern Canada, surely the government should not approve these exports. Indeed we have an opportunity as well to be developing a petro-chemical industry in eastern Canada, if we retain these reserves here for us.

I should like to quote for the minister from the 1979 policy paper which was put out by his department. It reads as follows:

> The security of supply argument for retaining gas in Canada for domestic consumers provides a persuasive counter-argument to the proposals for rapid expansion of exports.

It appears to me the Tories have decided that it is more important to export gas to enable Californians to heat their swimming pools, than to enable Canadians to heat their homes in the years ahead. I consider that utterly shameful for a government which claims to represent the Canadian interest.

My leader predicted last week that the government would approve this gas export which represents a 50 per cent increase over current levels. I can only conclude that this government's energy policy is jeopardizing Canada's long-term energy security, by selling off inexpensive gas now in Alberta, in return for imposing on Canada in the future expensive Arctic and far northern gas, which will be at least four times the price of this gas that we will be exporting to the United States.

Their talk of self-sufficiency is a sham; their actions belie their promises. In this approval of natural gas exports, we see where the Tories really are in terms of an energy policy. It is nothing less than a continuation of the Liberal policy of selling out our natural resources. It is one step closer to a continental energy policy. It is nothing short of treachery for future generations of Canadians.

Some hon. Members: Hear, hear!

Mr. Caccia: Mr. Speaker, I should like to ask a question of the minister. I should like to know from him whether, in the export sale he announced tonight, he intends also to include in the bargain for export his mother and his father, his grandmother and his grandfather, his daughter and his son, his granddaughter and his grandson; all the children, sons and daughters—

Some hon. Members: Order, order!

Mr. Caccia: —and all the grandsons and granddaughters of the 23 million Canadians whose heritage he is supposed to protect? Will he answer this question, please?

• (1840)

Mr. Hnatyshyn: Mr. Speaker, in response to the question, I can only say that I feel very sorry for the hon. member for Davenport (Mr. Caccia) representing, as he does, the flip-flop position that the Liberal party has taken in respect of the matter of exports. I have to agree with my friend across the way, the hon. member for Sault Ste. Marie (Mr. Symes), that there is no political morality in the Liberal party today and they are prepared to take any position in opposition to a progressive step. What I want to say to the hon. member is simply this. This opportunity for Canadians to expand their energy potential is a challenge which this government will accept, and a challenge which this government will carry out. I want to tell the hon. member that his position—

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: Perhaps he would like to be quiet and just listen to my answer. I listened to his question.

An hon. Member: Then answer the question.

Mr. Hnatyshyn: I say that the position is quite clear. This particular export application is one that is acceptable in relation to the foreseeable demand in Canada even with the extensive expansion that we anticipate in Canada under this particular government. The hon. member is misleading the House when he suggests anything else. He is simply not basing his case on fact. The fact is that we are looking ahead to future generations, unlike the previous government which did not plan and did not in any sort of context have an energy policy. We have a national energy policy which involves very great expansion, indeed, in terms of natural gas across this country. This particular application is very supportive of that objective.

The two points the hon. member for Outremont (Mr. Lalonde) mentioned, suggested that in fact this export was somehow not supportive of the Alaska natural gas pipeline. He is completely wrong. If he will look at the statement I made today, and study it carefully, he will see the condition upon which the Pan-Alberta application has been approved. It is

conditional upon the pipeline going through to completion. He simply has no basis of fact in that regard. The second aspect is that he suggests it does nothing in respect of providing natural gas to—

Mr. Speaker: Order, please. The minister is, of course, volunteering more information than he has been asked to provide, for which I am sure he is to be commended, but I think I have to confine him to answering the questions that have been asked.

Mr. McRae: Mr. Speaker, I find this additional export permit a very, very dangerous thing. It disturbs me a great deal. I am very much concerned about a document we received this spring in June, or somewhere about that time, which had reference to the 25-A1 formula. That formula involves 25-years' prediction, taking next year's demand, and that took us in terms of natural gas only to 1992-93, which is about 12 or 13 years. That is where the supply and demand line crossed. I just wonder what has happened in the course of three or four months that makes it possible for us to export additional amounts of gas, given only 12 or 13 years' supply and not 25 years. This is a very misleading figure. We think that 25 years means 25 years of assured supply when it means only 12 years of assured supply, particularly if those figures this spring were correct. I would like to know what the difference is now.

Mr. Hnatyshyn: Mr. Speaker, the hon. member is wrong. The National Energy Board is not basing its recommendation on the formula which the hon. member has presented to the House. The fact is that this is one of the tests used by the National Energy Board. That board uses the most conservative estimate with regard to the actual reserves we have on hand, and the availability, not on the basis of demand down the road, but on the basis of our reserves we can put our hands on. The fact is that, in anticipation, the Energy Board has looked ahead to the foreseeable future, not only to the existing demand for natural gas here in Canada, but also to the expanded use that is contemplated by our particular policy. That represents a very substantial conversion to natural gas.

The policy we enunciated in the course of our energy package is one that is going to change consuming patterns in Canada in respect of natural gas very substantially. The policy is forward looking and it will in fact expand gas markets in Canada. The National Energy Board makes it very clear, through statistics, that all those assessments that have been put forward do contemplate our future demand.

Mr. McRae: Mr. Speaker, because this is extremely disturbing, I want to make sure that the figures we were given in June, and I guess they were put together during 1978 and early 1979, no longer obtain, and that the 25-year formula will not end up with the lines crossing in 1992, but that we have a lot more gas than that and we will have a new set of figures that will show the crossover point well on into the next century. Is that what the minister is saying?

Mr. Hnatyshyn: Mr. Speaker, what I am saying is that the National Energy Board has updated its information regarding the availability of natural gas in Canada. In fact there has been substantial natural gas proven over and above that indicated in the last report. I am satisfied that—

An hon. Member: For how many years?

Mr. Hnatyshyn: What I am saying is that on the 25 times basis the hon. member refers to, we have sufficient additional supplies and these facts have been taken into account. We have additional known reserves in western Canada quite apart from the discoveries to which the hon. member for Outremont refers. On the basis of this we are only allowing a short-term export for four years, after which there is a diminishing of the amount of export that will be allowed. I think the facts presented by the National Energy Board substantiate the validity of this particular decision.

Mr. Evans: Mr. Speaker, I am a bit disturbed by what I am hearing from the minister. I have seen the document that was published early last summer which showed the crossover of demand and supply in 1992-93. The minister is telling us that in the last nine months there has been such a substantial increase in known and proven reserves that the demand supply no longer crosses over in 1992-93. I would ask him, if that is the case, precisely where does the new revised demand supply condition cross over; is it the year 2000, or the year 2010? Where does this happen?

I do not think it is good enough for the minister to stand up and say that we have new estimates now, new known reserves which are going to take us way down the line and things will be fine for future generations of Canadians. That is simply not good enough. I would like to have the minister—

An hon. Member: Why don't you ask a question?

Mr. Evans: Had we had this statement more than half an hour before this event we probably could, but I would like the minister to tell us the answer—

Mr. Speaker: Order, please.

Mr. Hnatyshyn: Mr. Speaker, I can only reiterate that if the hon. member will look at the report and the statistics that are there, he will see that they have been revised.

An hon. Member: Tell us now.

Mr. Hnatyshyn: Mr. Speaker, if the hon. member wants to hear the answer I am prepared to give it to him.

An hon. Member: I want to hear it.

Mr. Hnatyshyn: Does the hon. member want to hear the answer? What I am saying is that the National Energy Board projections have been updated. They have in fact extended the time when the supply demand crossover occurs, and this is contained in the report itself. On the basis of these export applications, I am suggesting we have more than sufficient evidence that these particular export licences are in the national interest of Canada, and provide a number of initiatives for

even further expansion and development of our natural gas supply throughout Canada, not just in the western part.

Mr. Evans: Mr. Speaker, the minister has obviously read the report; at least I assume he has read it. If he has read it, I would like him to tell us right here and now, not to go and read the report, but exactly in what year that demand supply condition in fact occurs or finds itself going negative. I would like him to tell us that this massive conversion program he will be stimulating in eastern Canada will not end up in a situation in which we have all these Canadians converting, and then five to eight or ten years from now we will not have the gas. I want to hear an answer to the first question: when exactly does this happen?

• (1850)

Second, will the conversion program that the minister is going to bring forward, and with which I agree, have any effect on those figures he is going to give us now?

Mr. Hnatyshyn: Mr. Speaker, I do not have a copy of the table of statistics available to me at the present time.

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: Obviously the information is in the report which will be made available to the hon. member. I can tell him, however, that we accept the assessment of the National Energy Board, which takes into account massive conversions to natural gas over the next ten years. This will be induced by the policies we are bringing forward for incentive gas prices.

I do not know what the hon. member wants me to do. I can provide him with the statistics he asked for, after the adjournment of the House.

Mr. Orlikow: Mr. Speaker, I should like to ask the minister several questions. Have any studies been done by the National Energy Board or the Department of Industry, Trade and Commerce regarding the development of a petrochemical industry in western Canada, using our gas? This would provide large numbers of jobs in a high technology industry, rather than exporting this large amount of supposedly surplus natural gas, as the minister has announced.

Mr. Hnatyshyn: Mr. Speaker, I reject the premise of the question, that somehow the two are mutually exclusive. Naturally, we are investigating this aspect of the matter, both in the Department of Industry, Trade and Commerce and my own department.

I reiterate that all the factors are taken into consideration. These export applications and the licences to be granted, are ones which are in surplus to the foreseeable Canadian needs. I reiterate that, but if the hon. member does not want to accept it, that is his problem. The facts are quite clear. It is going to be a great stimulus to Canadian industry in terms of additional exploration and development. This is a very positive step being taken by this government to ensure the development of natural gas and oil across Canada, in western Canada, and throughout the frontier region.

Mr. Orlikow: Mr. Speaker, section 3 of the Northern Pipeline Act states very clearly that the minister and the National Energy Board must be satisfied that financing has been obtained for the whole pipeline, not just the pipeline from Alberta Gas to the U.S. border, but the pipeline from Alaska down. When our cheap gas is gone, there will then be a substitute from Alaska.

In the Northern Pipeline Committee, the Hon. Mitchell Sharp suggested the possibility of the government changing this condition. On November 22, the Minister of Industry, Trade and Commerce (Mr. de Cotret) stated that he is only now in the process of determining the specific criteria to satisfy the government.

What assurances do Canadians have that the whole pipeline from Alberta down will be built so that, at some point, when we have sold our cheap Alberta gas to the United States, there will, in fact, be a gas line from Alaska to supply our needs when present gas sources in Alberta have been used up?

Mr. Hnatyshyn: Mr. Speaker, in my statement I pointed out that the particular application from Pan-Alberta, takes into account the government's concern with providing impetus for the completion and financing of the Alaska gas pipeline. The application and licences granted in Alberta are conditional upon that project going ahead. We in Canada have to demonstrate that we support the project and that it will go ahead. And in this particular application the licences were granted on the basis that the project will go ahead. As far as this particular matter is concerned, we are taking steps to support completion of that pipeline on schedule.

Mr. de Corneille: Mr. Speaker, I am sure it will be understood that the opposition would be regarded as irresponsible at a time when increasing problems have been noted in the petroleum supply situation, if it did not question the government's action. For months we have asked about the supply situation and have been told that it is tight and getting tighter. We can see shortages ahead, Mr. Speaker. We would be remiss if we did not question the basis of the information that is given to us about natural gas.

We do not know the date of the crossover, and it is not only that which is at stake, but also the cost. We are aware of the fact that out of tight lock formations you can get more gas but, of course, it becomes more expensive. There are two parallel questions here—the cost of gas and the amount that is supplied. At a certain point it would be possible to get very expensive gas and say the reserves are there. Can the minister give us the basis for the statement that 72 trillion cubic feet are available? Does this mean gas that is easily available, or is it gas that requires tight lock formation and so on?

Mr. Hnatyshyn: Mr. Speaker, the 72 trillion cubic feet referred to is proven reserves, accessible and available for exploitation in Canada. The question of supply of petroleum products and the question of export of surplus are two different matters altogether. In this application, all domestic requirements are taken into account with respect to the expan-

sion of use of natural gas. This is surplus to domestic needs and is clearly demonstrated by the proven, deliverable reserves that we have. The reserves I spoke about in western Canada are exclusive of other discoveries and ultimate reserves in frontier areas, offshore or the east coast.

In regard to the application, we are saying that it is not going to affect the supply we have in Canada in any way. It is surplus to the anticipated expansion of natural gas throughout Canada—to Vancouver Island, to Quebec, to the maritimes, and the expansion of natural gas in the province of Ontario. We have sufficient reserves to go ahead, on the basis of the statistics I have given to the House.

Mr. Speaker: Order, please. I do not propose to allow hon. members a second round of questioning. I think I should conclude the questioning with a supplementary from the hon. member for Eglinton-Lawrence (Mr. de Corneille), the hon. member for Outremont (Mr. Lalonde), and I thought I saw the hon. member for Mission-Port Moody (Mr. Rose).

Mr. Caccia: Mr. Speaker, I did not get a supplementary.

Mr. Speaker: When the hon. member for Davenport (Mr. Caccia) put his question, I did not think it was deserving of a supplementary, and I do not think he should have a chance to persuade me otherwise now.

I think I should conclude the questioning with a supplementary from the hon. member for Eglinton-Lawrence, a question by the hon. member for Outremont, and then the hon. member for Mission-Port Moody. That ought to be a fair distribution.

Mr. de Corneille: I should like to know what kind of formula is proposed for the price we will charge the United States. Second, is the minister prepared to consider building in the concept of swaps?

Mr. Hnatyshyn: The price is under constant review by the National Energy Board, Mr. Speaker. At the present time the going price is $3.45 per thousand cubic feet. This will be reviewed in light of the equivalent cost of energy in the United States. I have asked the NEB to look into the process of more quickly reflecting increasing and changing costs for natural gas, and setting a price so that there will be more sensitivity to changes on the international scene and in the United States.

These licences are for the short term. They are explicit for a four-year period and will diminish substantially over the last three years, to 1987. There is great benefit. It will bring new activity in terms of exploration and development in Canada. It will have a substantial economic benefit to Canada. In the over-all picture it is a forward move as far as we are concerned, one which will bring terrific benefits in terms of economic development in Canada in the development of our resources for our national energy self-sufficiency objective.

● (1900)

Mr. Lalonde: Mr. Speaker, I have one question which will be followed by a supplementary.

[Mr. Hnatyshyn.]

First, the decision that has been announced today is a decision by the government, not by the National Energy Board. It is not good enough to rely on the Energy Board. The cabinet and the minister have made the decision.

I find it incredible that the minister seems to refuse to tell us, in the estimation of the government, when the demand for gas will be less than the supply of gas. That appears to me so fundamental to a decision to export gas that it should be elementary. My simple question to the minister is this: please tell us, is it the year 2009, 2010 or 1992, as we heard in June? Surely there is a date. Please tell us when, in the estimation of the government which made the decision—and the minister who made the decision—on what basis was it made? What year are we going to start running short of gas?

Mr. Hnatyshyn: Mr. Speaker, I am sure the hon. member did not want to mislead the House. The year of the crossover on the present estimates is 1997.

Mr. Lalonde: Mr. Speaker, that will be extremely important in the future debate. It certainly indicates the decision that has been announced today is even more incorrect than anyone could anticipate.

My supplementary question to the minister is this. He knows that the previous government indicated to the United States that no authorization for any gas exports would take place unless we had an iron-clad commitment to build the whole pipeline, and second, unless we had the possibility for swaps. It meant in effect the possibility of getting back, in the future, from the Alaskan fields an equivalent amount of gas that would have been sold to the Americans in the next few years to help them out of their present crisis. This would fully preserve Canadian security of supply down the line and make sure that even though we were willing to help our American friends in the short term, we would be in a position to be fully protected down the line. Why has the minister not kept to those basic conditions that had been put by the previous government?

Mr. Hnatyshyn: Mr. Speaker, the simple answer is that I am not announcing the final step in terms of the Alaska natural gas pipeline. I am talking in terms of export licences. The specific question here is with respect to the Pan-Alberta application, is that it is conditional upon the whole line going ahead. It is conditional upon that. It is one element with respect to the negotiations that are going ahead. It is one signal with respect to the negotiations that are going on about the Alaska natural gas pipeline. I reiterate the fact that I am not here to announce another project.

Mr. Rose: Mr. Speaker, as a regulatory body, I think the National Energy Board is about as politically independent or is as impervious to government influences as is the CTC or the CRTC because their ability to predict the future indicates they try to view it through a very cloudy crystal ball at best.

The main gas producers, except perhaps for Petro-Canada, are foreign owned. At least some of the additional revenues—I believe the figure was $13 billion—flowing to these companies

will end up as dividends to shareholders and create a problem in terms of balance of payment deficits, because they will be flowing out of the country. I ask the minister whether any calculations have been done as to the extent of these, because obviously there will be this cash outflow, and whether there has been any consideration of how this will affect our balance of payments deficit? How much of the $13 billion revenue will come to Canada, and how much will go out on the basis of windfall profits to multinationals?

If I have an opportunity to ask a supplementary, I will go further, but it seems to me there are two or three questions wrapped up in the one above. Only four?

Mr. Hnatyshyn: Mr. Speaker, there is very substantial Canadian-owned participation in the natural gas industry. The hon. member just does not want to acknowledge that, but that is in fact the case. It is a substantial one and there is a substantial economic benefit coming to Canada. There will be revenues generated, taxation and revenues available to the Government of Canada in order to carry out our national energy policy. It is quite clear that with respect to any transaction that goes on one could get involved in deciding, I suppose, how much money we will possibly see leave the country in future.

In terms of the exploration by the natural gas industry, and in terms of the investment, that it has reinvested that has been made evident by some recent statistics I have tabled in this House. I am confident the lion's share of this money will be reinvested. Profits realized will be invested and in fact there is a substantial and important Canadian ingredient in the industry that is going to be affected by this decision and will enhance Canada's future and prosperity.

Mr. Speaker: Order. It being after six o'clock, I do now leave the chair till eight o'clock this evening.

At 7.08 p.m. the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—UNEMPLOYMENT AND JOB-CREATION POLICY

The House resumed consideration of the motion of Hon. Francis Fox (Blainville-Deux-Montagnes):

That this House deplores the complete inaction of the government, after six months in office, with regard to the creation of jobs, regrets the inhumane cutbacks in the Canada Works program that have eliminated hundreds of communities across Canada that have been suffering from high levels of unemployment and condemns the government for its failure to date to bring forward a comprehensive employment strategy for the coming year.

Mr. Paul McCrossan (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, it is a pleasure to speak today on this motion because I think nothing could better illustrate the differences between the new government and the old government in our approaches to solving the unemployment problems in our country. Canada is a rich country with virtually unlimited potential, yet we have seen over the last three years one of the highest rates of unemployment in the western world.

This unemployment is particularly concentrated among our young people. At the same time as we have seen this heavy unemployment develop among our young, we have also seen industries on which our growth should be based curtailed because of a lack of skilled workers, workers which we have, too often, had to import from other countries. How could the previous government see this situation of our young people being deprived of their future develop and not attack the real problem? I do not want to suggest that the previous government was not spending money on job creation—far from it. At times they almost threw money at the problem.

However, I do want to emphasize that the vast amounts of money spent served in large measure solely to increase the deficit, rather than to develop permanent opportunities for our unemployed or to build infrastructures such as harbours on which our future wealth could be based. We all remember the previous government's attempt at addressing the serious problem of our young people through the Opportunities for Youth Program. This was a very Christian program. The government's approach was right from the Bible—if youth wanted money, the government told them, "Ask, and it shall be given you, seek and ye shall find, knock, and it shall be opened unto you." Unfortunately, the government found not that the "meek shall inherit the earth", but that the wily will find out how to get the money.

● (2010)

Well, Mr. Speaker, the previous government had better plans than that one. The motion today refers to "inhumane cutbacks in Canada Works programs" and refers to the suffering caused in many areas of the country through our government's actions in not extending the programs next year in all areas of the country.

Last year the total budget for Canada Works was approximately $175 million. Money was spent in all provinces regardless of how prosperous those provinces were. In addition, the budget for Young Canada Works was $62 million.

Let me deal with Young Canada Works for a moment. It would be useful to review the plan and what it was supposed to do. The objective of the program was to reduce student unemployment through useful work experience, by providing financial resources to fund projects whose objectives or method of operation contribute to the benefit of non-participants in the

following ways—stimulate job creation in the private sector, identifying permanent employment opportunities, providing services, or improving the environment.

As I said, every area of the country and every riding in the country received money for Young Canada Works last year. York-Scarborough was no exception. I was told last year that $50,000 would be spent in York-Scarborough on Young Canada Works. That money would be spent solely because there were enough submissions for the money. I would like to review just how the money was spent in my riding, because I think we have to look at just how inhumane the cutbacks could be, and how much suffering would be caused if the money were not spent the same way next year.

There were eight projects approved in York-Scarborough. The number one priority project was called "Save our streams". This was a group of three students who wished to encourage other groups to "adopt" a stream in York-Scarborough. Just where does "adopting" a stream fit in our long-term economic plans? Well, the stream might be sick and, if so, this project on which $5,500 was spent would prepare an extensive bibliography on streams and how to rehabilitate them. As the application notes, "Considerable time would be involved in compiling a bibliography but it would be extremely helpful to anyone interested in such topics". I do not for a moment want to suggest that the young Canadians who took part in this project ripped the people of Canada off, but I do find it incredible that under the previous government $50,000 had to be spent in York-Scarborough and that the most worth-while project the previous government could find to spend it on was "to adopt" a stream.

The second priority project approved in York-Scarborough was called "Creative Learning Experience". This program, which cost $7,000, was to provide arts and crafts, gymnastics, cookouts, carnivals, day trips and daily swim lessons to children with learning disabilities.

The third priority project, costing $8,100, related to Metis and non-status Indians in York-Scarborough. Now, my riding is the largest riding in the country in terms of population and has a large ethnic mix. We have significant Italian, Greek, Chinese, East Indian populations. In fact we probably have someone in York-Scarborough from every place in the world. However, I must admit I was surprised when I learned of the existence of a Metis and Non-Status Indian Association in my riding, and even more amazed when they applied for a grant to "research and document available information on the marketing of native handicrafts and souvenirs". Mr. Speaker, I accept this as a serious project, but I think you will agree it is a little far from the mainstream of economic life in Metropolitan Toronto.

The fourth project was called "Summer Outreach". It was designed to train library staff in story-telling for children, as well as to put on puppet shows for children.

The fifth project was called "Joie de Théatre". It received $8,400. These six students proposed to improvise a bilingual play according to the style of the Commedia del Arte, a 16th Century improvisational mode of theatre in Europe. The play to be created and performed would "utilize the characters, the exuberant gesture and the humour of the Commedia del Arte in a series of scenarios which deal with the French and English cultures in Canada. The scenarios will be used to acquaint French and English speakers with one another's culture. Audiences will learn colloquialisms as well." I think that means they will swear at each other.

The sixth project was called "Accent on First Base". As I recall from watching Abbott and Costello, "Who's on first, what's on second, and I don't know who is on third." These three students received $6,200 to hand out questionnaires to day-care centres across Metropolitan Toronto. The questionnaires were given to staff, parents and children. Parents would be asked to describe what type of activity they would like their children to participate in. Children would tell their favourite activity. After the survey, the data would be collected, analysed, and categorized within a manual.

The seventh priority project for $6,400 was entitled "Safety in Action", involving four students who would try to increase knowledge of water safety, life-saving and first-aid, through conducting assemblies and workshops in schools, camps, etc.

Finally, Mr. Speaker, my eighth priority project involving three people for $2,900 was to "Discovery Centre '79" and was to enable mentally retarded young people "to be physically active, to socialize, to learn, to explore and generally to have a good time during their summer holidays."

That was how the $50,000 was spent in my riding last year. The projects met the objectives. They reduced summer unemployment. They provided work experience. They provided financial resources, and all of the projects could contribute to the benefit of non-participants. Mr. Speaker, the motion before us today suggests that we are inhumane in cutting back on the funds for projects like these. It further suggests that we will cause suffering by not continuing these job-creation programs.

I wish to stress that I did not edit the list. I outlined every single worth-while project that was approved in my riding. Is this the way we should be spending our money to solve Canada's unemployment problems? Is this the best use we can make of $62 million across the country? Members in the opposition are nodding their heads. They contend it is. The position of the official opposition is that in spite of the fact that the unemployment rate in York-Scarborough is 2 per cent, money must be spent on job-creation programs of this type.

The approach of the government is to get the money out into the areas of the country where jobs are scarce and where much more worth-while projects can be found. What our country needs is projects which employ people. To build for the future of Canada we feel we need to concentrate our efforts in areas of most need.

So far I have spoken about Young Canada Works. Let me now turn to our analysis of the Canada Works Program. In spite of the fact that unemployment was only 2 per cent, the minimum amount which could be allocated to York-Scarbor-

ough was $150,000 under the old rules. In July we announced that the Canada Works Program would be discontinued after the fourth and final phase, and would, in that final phase, be limited to those areas of the country with particularly severe seasonal unemployment problems. The decision to discontinue Canada Works after phase IV reflects the determination of the government to move toward an approach which will result in increased long-term employment in the private sector.

Members who have been involved with the Canada Works program over the last few years, know full well that the short-term employment created by Canada Works and other similar programs has not met longer-term needs. We need more than a band-aid approach to stimulate economic development in Canada.

Programs such as Canada Works were known to a great many people as make-work programs. They provided people with jobs for short periods of time; but they were jobs that were not meaningful. Unemployed Canadians do not want make-work programs; they want economically meaningful jobs that will allow them to make a real commitment to the Canadian economy.

One of the uses to which employment development programs should be put is to provide job experience that can be usefully transferred to other jobs. However, what happened with Canada Works in some cases is that people went from work on a Canada Works program to unemployment insurance, and then to work on another Canada Works program. We want to stop that kind of cycle and provide opportunities for people to move on to rewarding jobs in the private sector.

In some cases, Canada Works did provide communities with lasting benefits in terms of new or upgraded facilities such as tourist, harbour, or recreational facilities. However, it did not provide for projects which have contributed to longer-term economic development. Canada Works proved inadequate to combat structural, long-term unemployment. Canada Works was found particularly inadequate to support the long-term economic development our native people urgently required. It is for this reason that, when the decision to cancel Canada Works was made, it was also decided to make considerably increased moneys available to native communities through the Local Employment Assistance Program, or LEAP.

● (2020)

LEAP is a permanent program which provides long-term funding—for a one-year start-up phase plus three years of operation—for projects. These projects either assist in the development of an enterprise which will provide ongoing employment for project participants, or serve as a method of preparing people for regular jobs by giving them the opportunity to learn social and work skills in a supportive environment.

This fiscal year across Canada native communities are receiving $38.4 million through LEAP and Canada Works. In addition, during this year of transition from Canada Works to LEAP and in recognition of the fact that good, long-term proposals for economic development take time to prepare, the LEAP criteria have been modified, for native communities, to allow LEAP allocations to be used during this transitional period to fund short-term activities where they relate to the long-term economic development of the native community.

Canada Works projects did result, in some cases, in permanent jobs. However, these were exceptions, for Canada Works had an extensive array of checks and regulations to ensure that people did not do anything which would earn a profit or create needs. Sometimes Canada Works projects did create needs, some of which had to be met by provincial or municipal levels of government which, quite frankly, were not too pleased to take over projects which the federal government had started and then abandoned. However, in other cases the requirements not to create needs meant that long-term, economically viable jobs which provided real goods and services were rare.

This government is committed to the creation of enough jobs to ensure a satisfactory level of economic growth to allow Canadians to make their own distinctive contributions to society. We know that if we want real jobs that will provide us with economic growth potential, we must look to the private sector.

Our task as a government is to bring forth initiatives which will encourage the creation of those jobs and encourage the private sector to play its full role in developing new employment opportunities. To that end we will, in next week's budget, be proposing incentives for private employers to provide up to 105,000 jobs for young people. In addition, we will provide youth with training they need to meet the needs of Canadian industry and establish a national youth service corps.

The national youth service corps will differ from the employment development initiatives of the past in that it will be targeted to those young people who most require help in finding work.

This government is committed to directing the money available for employment development to those areas where it is most needed and where it will do the most good. As hon. members know, we are examining the concept of universality in our social programs, and the same idea extends to our employment development programs. Youth unemployment is a problem of vast proportions in Canada, but certainly not every person between the ages of 15 and 24 needs our help. We will limit programs like the national youth service corps to those young people who can most benefit from them.

During the first three phases, Canada Works created 107,000 short-term jobs at a cost of approximately $510 million. We think we can use the money available for employment development to create real jobs in the private sector which will last and lead to the creation of still more jobs. In that way we hope to invest our money more wisely than has been done in the past.

Finally, I would like to underline the fact that my own riding did not receive an allocation for the final phase of Canada Works as a result of our government's decision, and I can see the reason why.

We need more than a band-aid approach to stimulate economic activity. We need more than simply throwing money

at problems. We need to compare the alternatives and choose the best ones to use our scarce resources. We need to ask piercing questions. How does spending money to "adopt" a stream compare with spending money to train a tool and die maker? Our government is determined to increase the level of our critical skills training. Already legislation is before the House to provide greater flexibility with adult occupational training. How important is it to learn what games parents want their children to play compared with providing tax credits to stimulate permanent employment in the private sector?

While all of the projects approved in my riding had some value, these are days of scarce resources, days in which the people of Canada expect us to cut down on the prodigious levels of government spending embarked on by the Liberal government.

The people of Canada believe in Canada. Our young people want to realize the potential of Canada. We owe it to them to spend their money as if it were our own, and that means we must put it where it will be of most use.

The opposition claims that the cutting back of these types of programs is inhumane and causes suffering in Canada. I contend that not allocating our scarce resources in the most effective way to create jobs which Canadians want, deserve and need, would indeed be inhumane and cause far more suffering.

Mr. Gilbert Parent (Welland): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Parent: I thank my colleagues on all sides of the House.

This afternoon the minister made the statement that the programs he advances will work in the next six months. It has taken us six months to come this far, and what the motion states very clearly is that there has been inaction. That is to say, this new government has not moved us any way except to go with the programs which we initiated early in our mandate, programs which seemingly were pretty good for the time because there was a decline in unemployment, until this last month. If we are to believe what the minister says, in the sixth month of any kind of program we are going to have some kind of a result. Now that we have had this government for six months, we see that we are already going downhill.

The hon. member for Winnipeg North (Mr. Orlikow) also spoke this afternoon and made all kinds of criticisms, but it seemed that he took up most of his time talking about the programs the Liberals had brought in and not at all discussing the programs which are to be forthcoming from this government. It seems to me that the only solution he had was the age-old solution of letting government take it all over, letting the government do it all, and letting the people just sit back and not worry. Well, that is not the answer of the Liberal party and, unlike the hon. member for York-Scarborough (Mr. McCrossan) who just spoke, we happen to believe in the decisions of the people of Canada. In other words, we are not afraid to take money, put it into the hands of the citizens, and let them decide in their own communities what is best for them. It is a matter of trusting them, and we do indeed trust the people in our constituencies and the people of Canada.

Some hon. Members: Hear, hear!

Mr. Parent: I maintain that the Canada Works program was good for Canada and is good for Canada—

Mr. Fox: And will be.

Mr. Parent: —because it creates the short-term jobs which we are looking for. In the words of my colleague, the hon. member for Blainville-Deux-Montagnes (Mr. Fox), earlier this afternoon, the Phase IV program as announced by the minister was a disappointment to the unemployed of the country, but it is also an indication to virtually thousands of people throughout the whole of Canada that their federal government no longer wishes to work with them in reducing local unemployment while meeting their community needs.

An hon. Member: Shame!

Mr. Parent: Once again, this is a reflection of a change in philosophy. The Conservative party is known as the party of the flip-flop. It has changed so much and in so many ways that it is even doing political somersaults.

An hon. Member: Look at the polls.

Mr. Parent: This is brought out time and time again by the esteem with which the people of Canada now hold it, as was brought out earlier this week.

• (2030)

We know that the U.S. economy faces a serious slowdown and that the Conference Board in Canada predicts an extremely low rate of growth. The federal government seems to be pursuing policies which will enhance neither growth nor employment. Witness the high interest rates, the cancellation of the movement of government agencies to areas of slow growth, and the over-all reduction in allocations.

Perhaps the hon. member for York-Scarborough, who spoke earlier, has reason to believe that these people "adopted" a stream. I think we must take a look at some of those programs. He seems to imply that the eight programs that were allocated in his riding under the Young Canada Works were really of no use at all. What he is saying is that the young people in his community received no worth-while benefits or experience from the programs which they had decided upon and which they pursued. All he could do was make fun of them and say, "They really cannot make up their minds, so let us make up their minds for them."

Things have changed a great deal, because before we used to have the people of the community getting together in what we called a minister's advisory board. Members of Parliament would choose people in their community, people who had invested their efforts and their talents working for the communities. We asked them, "Where do you think we should be

putting our moneys? Where do you think we should be investing the moneys of Canada and the talents of Canada?" We got these people together to give us their opinions and we said, "Yes, we will try this because we believe in you, and we believe you can help us make the decisions."

But now this has changed a little bit in the short four months. Now we have cutbacks in the phase IV program. I stand to be corrected by anyone in the House who has pertinent information on this, but I understand that now these ministers' advisory boards no longer exist. What happens is that we have the defeated Tory candidates, in the lucky areas in Canada which were able to get money, advising ministers as to the programs that should come in and who should benefit from them. What about the elected members of Parliament in these areas? I say to you, Mr. Speaker, that once we bypass these members of Parliament who were elected to be the spokesmen of the people, we are hop-scotching over the legitimate authority to which these people should be coming for information.

Let me tell the hon. member for York-Scarborough, who told us about these programs, that I happen to believe that the moneys from Canada Works can and should be used to develop the skills that the community is going to need. Let me tell you about one of the projects which took place in my riding and which I discussed as recently as last week with Mr. Bill Miller, chairman of my minister's advisory board. It was a program under which bricklayers were trained, and the money came from the Canada Works program. We have information that of the 28 young men whom we trained under this bricklayers program, 92 per cent have jobs today. What I am saying to you is that the Canada Works projects are good for Canada if they are used in the right way. If they cannot be used in the right way by members opposite, why should we be penalized as well as the rest of Canada, we who take our obligations seriously and who want to make these programs work in all of Canada?

Mr. Fox: They will have to increase the budget of the Minister of National Health and Welfare (Mr. Crombie).

Mr. Parent: I was going over the figures and I saw that in October of 1977 under the Canada Works program in St. Catharines, which I represented in the last Parliament, 39 jobs were created. In August of 1978, under the Canada Works program 33 jobs were created. Before the phase IV came in, in March of 1979, in our area under the Canada Works program 148 jobs were created for these young men and women who needed these jobs and this experience.

Mr. Atkey: At what cost?

Mr. Parent: When we look at the cost of getting experience for these people, at the cost of giving them a chance to learn to do things, we are looking at not only the short-term but, we hope, the long-term benefits which they will obtain from having developed skills and the long-term benefits for Canada, because we will develop the skills of these people thus helping them to take their place in our society.

Some hon. Members: Hear, hear!

Mr. Parent: I suggest that perhaps the minister does not exactly understand what the Canada Works program was to be all about. Witness the fact that it was this very minister, who is sitting in the House now, who cut back phase IV from $140 million by $40 million, so indeed we do not have the money to carry on the programs and thus create jobs for Canadians who live in pockets of high unemployment.

I questioned the Prime Minister (Mr. Clark) the other day on the government's plan to help the unemployed across Canada. He said in effect that all that would appear in the budget. I praise God that the budget is coming out at long last, after this government has been in office for six months. This government and its ministers had been chomping at the bit to assume power, but now that they have it we have to wait six whole months so that the ideas which were supposedly germinating in their heads for 16 years could come to the fore.

What happens is that there is some cross-up between ministers so that they are not too sure as to where they should be going. It should be noted that in his speech of November 26, the minister said he was going to create a youth employment agency—I do not know if that is the exact term. I am sure he is aware that it was the Liberal government which had created programs for students under the Canada employment centres, the Young Canada Works programs, the Youth Job Corps, and the Native Internship program. These were all in place, and they created thousands of jobs for our young Canadians across Canada.

The minister cannot have it both ways. In one voice he is criticizing what the past government has done, and in the other he says, "Now we are going to expand it." Boy, that is some great idea! He takes the ideas which are in place, he criticizes them, and now he says they are so good that he will continue with them and expand them. It seems that this party has the reverse of the Midas touch. In other words, everything good they touch turns to bad rather than to gold.

[*Translation*]

And now, Mr. Speaker, I must say that only six provinces and two territories got some of the money that was allocated for the entire country. Ontario has received nothing, and neither did Manitoba, Saskatchewan nor Alberta, Mr. Speaker. And to think that six or seven months ago, the Minister of Labour (Mr. Alexander) said in this House that we, in the Niagara peninsula, had a 14.6 per cent unemployment rate.

[*English*]

After the election, all of a sudden, this figure which was bandied about by the hon. member for Niagara Falls (Mr. Froese), who is in the House now, by the hon. member for Erie (Mr. Fretz), and by the present member for St. Catharines (Mr. Reid), concerning the rate of unemployment in the Niagara Peninsula, has proven incorrect. They spoke of 14.4 per cent unemployment in that area. Yet when I made inquiries at the minister's department some two months after the May 22 election, the figure that I got for my riding in Welland was 5.9 per cent. A miracle happened! All of a sudden,

because of the May 22 election, the unemployment figure dropped. I said to them, "You know, that figure must be wrong. It is too good to be true." So I called Statistics Canada and, do you know, Mr. Speaker, the figure I got for my riding in Welland was 6.9 per cent.

● (2040)

Now, what am I to make of that? Am I to make of it that it was an honest mistake by the candidates who were running in that area? Am I to surmise that perhaps they indeed knew we in the Niagara Peninsula, who had been governed by the Liberal government, were not doing so badly after all? The figures will speak for themselves.

Mr. Fretz: They are your figures.

Mr. Parent: We know that we are doing well in Ontario, even where there are pockets of high unemployment. I refer my comments specifically to the hon. member for Erie who is sitting here tonight: in Fort Erie there was unemployment in that particular town of up to 20 per cent for the last four years. I would stand to be corrected, because the hon. member for Erie is here right now. But this area was overlooked. Of course it was overlooked, "because these people do not deserve the same benefits as they do all across Canada!" In that particular area they said that the unemployment figure was not high enough and that they would bypass it.

An hon. Member: Shame!

Mr. Parent: There was another program, the job experience training program. I compliment the minister because of what he stated in his speech in Toronto. I cannot quote from it directly, but the idea was that he believed permanent long-term jobs had to be created through private industry. I agree with him. I think that is a valid point.

Mr. Atkey: You did nothing about it.

Mr. Parent: As a matter of fact we did a great deal about it. We were the ones who brought in the job experience training program. They are the ones who are now going to get on our coat tails and say, "We are now going to expand that". Now they will say that they are creating jobs for young men and women between the ages of 15 and 24. Well, what was the JET program? It was a co-operative effort between government and business. It was to train young people to be able to get into the work force, to get experience, and to take their places as productive members of our society. We had a program in place for job experience training. We paid up to $2 per hour in subsidies to the industries that wanted to take in these young people, teach them, and show them a trade. Now what do we get? We get this "great" sum by this government that was all involved and worried about the people of Canada. What will they give people in small business? It will be $1.25 an hour!

What we had was something that was working and was workable. For example, in the large urban areas of Toronto, Montreal and Vancouver, we had subsidies of $1.50 an hour to the employer up to 26 weeks. In the areas outside of these centres, it was $1.75. In areas such as the Gaspé and the Atlantic region, there was up to a $2 subsidy, because these were areas where indeed money must be put to get people working again. At least that would give them the dignity of work; they would know their worth and feel it as Canadians who are contributing to our society. It is very, very important that we keep that point in mind.

Earlier the hon. member for York-Scarborough said that it was the fault of the previous government that there was such high unemployment. Tonight the minister said that we did nothing while we were in power. I point out to him, and I point out to Mr. Speaker, with all respect, that 280,000 jobs were created between February, 1977, and February, 1978. Yet the minister sits there and says that we did nothing about it.

The number of Canadians who were working Canadians between 1974 and 1978 rose by 825,000. We are the ones who provided the atmosphere so that these people could take their places in society. I say to the House that Canada had the highest job-creation rate of any western nation, bar none.

Mr. Atkey: Tell us about the unemployment rate.

Mr. Parent: I suggest that it was the programs we put in place; that is what is called performance. We did not wait for six months to bring programs forward so that young Canadians could take their places and become productive members of society.

Some hon. Members: Hear, hear!

Mr. Fonse Faour (Humber-Port au Port-St. Barbe): Mr. Speaker, it gives me a great deal of pleasure to participate in this debate this evening on the motion of the hon. member for Blainville-Deux-Montagnes (Mr. Fox) which deplores the inaction of the government on employment strategies and efforts to create jobs. In part it reads as follows:

—regrets the inhumane cutbacks in the Canada Works program that have eliminated hundreds of communities across Canada—

I question whether the hon. member is really serious in presenting this motion. It appears to me, if we are to take his motion seriously, that it constitutes an attack on the programs of his own party. The make-work or job-creation programs in place right now were the brain children of many programs brought forward by the Liberal government when it was in power. If he has any complaints about the fundamental basis of those particular job-creation programs, he has to look to the philosophical basis of those programs instituted by his own party.

For years we looked to the Liberal party for an employment strategy to take care of the serious unemployment problems in many areas of the country. We looked for programs which would create long-term jobs, long-term employment, and jobs which would not be dead end ones paying starvation wages. But we really did not find them, certainly not from the point of view of my part of the country. In my riding all the jobs which were created were dead end ones, because no matter what

experience individuals obtained working on these particular jobs, there was no other employment to go to afterwards.

There was a continuing cycle of dependency on Canada Works programs in one part of the year, and unemployment insurance in another part of the year. My constituents are quite perceptive in this because they saw that all Canada Works programs did for them was provide a little bit of income to tide them over to the time when they could collect unemployment insurance afterwards. Nobody recognized these dead end jobs as anything other than a glorified form of welfare.

I have a little quote which demonstrates the cynicism of some people in Newfoundland about particular make-work or job-creation programs. It was quoted in the report of the People's Commission on Unemployment which was released last year. They quote from a submission from a town called Roddickton, which is not in my riding, as follows:

Job creation is like ice cream work—melts away when the good weather comes.

That has been the order of the day for the last dozen or so years. All we had from the Liberal government was ice cream work, work that melts away when the good weather comes. Between 1971 and 1978 almost $114 million was spent in the province of Newfoundland on make-work or job-creation programs. It created almost 50,000 part-time or short-term jobs, for a total of 4,100 projects. That was fine for the time, but when those projects were finished it left the province of Newfoundland in precisely the same position as it was before. To give a little bit of credit, that is not quite true as there were some good projects.

● (2050)

In fact I found it quite interesting to listen to the hon. member for York-Scarborough (Mr. McCrossan) on the one hand talk about how terrible and wasteful the projects were, and the hon. member for Welland (Mr. Parent) on the other hand talking about how wonderful the projects were. I suspect the truth is somewhere in between. Some of the projects were excellent.

In my own riding many communities got harbour facilities, wharves, breakwaters, and community halls through the Canada Works program. Many other programs were just total waste, and everyone in every community in my riding has a story about the type of waste that occurred.

This motion today demonstrates a tremendous cynicism on the part of the Liberals who present this criticism of a program that they themselves instituted. It is a program that provides really nothing for the unemployed people in high unemployment regions of the country.

To his credit, and this is about the only bouquet I will give the minister this evening, the minister has seen the deficiencies of Canada Works and has said he is going to replace it in the coming fiscal year. He has seen the need for a replacement for Canada Works, and I will deal with this from the perspective of my own riding, as a basic need for decent jobs of a permanent nature. One of the difficulties in respect of Canada Works jobs is the starvation wages they offer, and these wage levels are not uniform across the country. Because the wages were tied to minimum wages in each province, the wages paid in my province of Newfoundland were the lowest in the country, and starvation wages at that. In real terms the wages paid under the old LIP program were higher.

There was a tremendous amount of waste in many of the projects that were presented. Many were work projects that did nothing more than make work, and there were no new additions in communities. They were simply an excuse to bring more money into the community for very temporary periods of time.

The serious problem with the whole concept of make-work programs is that they create a dependency cycle among individuals and communities for this type of annually injected but needed money. As a result, it becomes almost impossible for people in communities to survive in any other way as there are not other jobs in particular areas and they are forced to accept the type of dead-end, short-term jobs that these programs provide.

However, in the absence of any alternative it is irresponsible and cruel to take from many ridings and many areas of this country the only employment opportunities for many individuals. It has been said by the minister that it is more efficient to concentrate these efforts in areas of high unemployment. That makes sense, but what it does not recognize is that there are pockets of high unemployment in areas of this country that still need some sort of additional government input to tide the people over difficult times.

The cutbacks the minister instituted this year in the absence of an alternative program for particular areas with high unemployment rates, became a very cruel and irresponsible move on his part. The whole cutback program of the government in the last few months really belies its commitment to an employment strategy. The cutbacks in my province from the federal government perspective and from the perspective of the provincial government, both Tory governments, compounded the problems of administering Canada Works programs. Many of the projects, again referring to my own riding, only had funds provided by Canada Works for part of the job or the needed facility, such as a harbour facility.

The cutbacks in the small craft harbour budget under the Department of Fisheries and Oceans has meant that many projects are left high and dry, with no possibility of getting off the ground this year or in any other year. This points to another serious difficulty in the whole Canada Works program.

Over the last few years provincial and federal departments have seen in the Canada Works program an excuse to cop out of their own responsibility to provide wharf facilities and harbour facilities and other things under the federal Department of Fisheries. They have said, "let Canada Works do it," and that has led to very tragic and very expensive results. Some of these projects could not be done adequately under the constraints of the Canada Works program.

There was one case, again in my own riding, of a project that was instituted before I became the member for the riding. A breakwater and wharf were under construction with the use of labour-intensive methods under Canada Works, when what was really required was heavy equipment and machinery to do the thing properly. Since it could not be done properly with human labour, the job was not sturdy enough to withstand the ice in the winter, and when the ice left in the spring there was nothing left of the harbour facility. What this did was force these particular communities into using a vehicle for the creation of certain facilities that was totally inappropriate to the facilities themselves.

I referred earlier to the decision of the department to cut out areas with low unemployment rates, and I said that was a good idea in theory. Let me refer in particular to the riding of a colleague of mine, the hon. member for Churchill (Mr. Murphy). His riding in Manitoba has an unemployment rate of something in the order of 75 per cent because the riding has a large native population which is excluded from the true unemployment figures. We have seen this concept of hidden unemployment all across the country. What happens is that people know there are no jobs so they stop reporting to the manpower offices.

Statistics Canada figures do not include chronic unemployment areas and, worse still, a riding such as Churchill is in a double bind because not only have they been cut off from works programs, they have also been cut off or have had programs through Indian Affairs frozen, for example, the Indian Economic Development Fund, and only emergency funding is now avaiblable. The cutback program of the government has given that particular riding a double whammy.

Let me now refer to the minister's commitment in relation to a real employment strategy in Canada to help the unemployed people who live in various regions of the country. He has made a commitment to do this through the private sector. Many times hon. members on the other side of the House have criticized us for what is termed our blind adherence to ideology. They have an ideology as well, privatization, and that blinds them to the realities in certain areas of the country where the private sector and the market economy have totally failed to alleviate real chronic unemployment problems.

To cut off make-work programs and turn the solutions to the unemployment problem over to the private sector, in my part of the country is to turn it over to a non-existent entity. Those on that side want privatization. I say that is blind adherence to a mindless ideology that just does not make sense when viewed in the context of particular areas of the country. The entire Atlantic region has been held by this government, as it was by former governments, through their adherence to an ideology which maintains a high rate of unemployment in the area without offering any means to improve conditions.

● (2100)

I should like to refer to the minister's final remarks this afternoon when he announced the government's commitment to alleviating unemployment among women. He said that programs will be announced within the next few months which will alleviate the problem. I should like to examine the record of the last six months so that we may know what to expect in the future.

The Liberal government cut $3 million from the Outreach program when they left office; then the Tories promised to reinstate the funds. According to the minister, $1.3 million will be reinstated in this fiscal year and $1.7 million in the next fiscal year. This year $300,000 to $400,000 of the $1.3 million will be allocated to women's Outreach programs. Although this statement was made last September, none of the funding has been disbursed to this point.

The government's only real response to the unemployed people of this country was to cut back on unemployment insurance benefits. That was their only—they would say positive but I would say negative—response to unemployment problems. Last year the Liberals raised the eligibility requirements for part-time workers and seasonal workers. The majority of these are women. The specific regulations that would have brought those changes into effect were not enacted by the Liberal government, but were by the Tories when they came into power. At the time the minister said he was committed to putting into effect what the Liberals had done, but I would remind him that as minister he has the power to make changes and he could have changed it in June or July.

The government's commitment to affirmative action has been sadly lacking. This program, instituted by the former government, and in place for two and one-half years, is based on the voluntary agreement of the private sector to institute such programs. But these programs lack teeth, Mr. Speaker. Figures issued this week show that the income gap between men and women has increased, yet just today the Secretary of State (Mr. MacDonald) announced that he was not prepared to put teeth into the affirmative action program but would continue to evaluate the work of the voluntary sector.

Mr. Atkey: Give it a chance.

Mr. Faour: Well, Mr. Speaker, it has not worked in three years. In that time the gap has widened and the position of women, relative to the over-all labour force, has become worse. Yet there is no commitment from the government that it will improve the situation.

The most telling thing is what the government has done in its own shop. The public service has become the target of cutbacks, and 60,000 jobs will be cut, 35,000 of them in the "controlled" public service. A disproportionate number of these jobs will involve women, since a major method of cutting back will be by attrition. Women in the public service are historically more mobile and leave their jobs more frequently than men. As a result, the proportion of women in the public service will drop, but the government refuses to commit itself to reversing that trend.

Buried in the government's campaign promises last spring was a pledge to provide day care in government buildings, but no initiative has been taken on this. I think most hon. members would agree that if women are to achieve equal status in the

public service, or in any other sector, day care is a necessary adjunct to the working environment.

The motion before us today deals with the need for an employment strategy, job-creation programs, and the failure of the government to do anything about these things. I maintain that both the former Liberal government and now the Conservative government have totally failed the people of Canada. All that has been provided are dead-end jobs in these make-work programs—jobs that lead nowhere and jobs that have elicited cynicism on the part of the unemployed, and which do nothing to solve the underlying cause of unemployment.

On page 87 of the report of the People's Commission on Unemployment there appears the following statement:

Job-creation programs can be seen as attempts by the government to keep people committed to the economic and political system, when in fact the high levels of unemployment are telling people that the system does not work, at least as far as their own interests are concerned.

I should say this report was prepared after hearing from hundreds of unemployed people in Newfoundland. That quotation tells us that the people of Newfoundland in particular, and I suspect people all across the country, recognize that the job-creation program is a sham. It is an effort on the part of each government to cop out of its serious responsibilities without making a serious attempt to alleviate the unemployment problems in many parts of the country.

The hon. member for Welland referred to the some 280,000 jobs that were created by the Liberal government from February, 1977, to 1978, but he did not tell us that most of them were dead-end jobs which came about through these job-creation programs. Governments have used these programs as an excuse for not providing proper economic development.

I see my time is just about up, Mr. Speaker. I wish to thank the House for its indulgence.

● (2110)

[*Translation*]

Mr. Richard Janelle (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I am very pleased to take part in this important debate on an opposition motion. Tonight I should like to dwell on one aspect of the motion: the creation of temporary jobs. The creation of temporary jobs that the government continues to finance in the eastern part of the country, under the Canada Works program, is an effort with a tremendous impact. We could certainly talk about individual achievements that allowed communities to get many recreational facilities, services and all kinds of buildings Canadians will keep enjoying. Over this past year the Canada Works program provided jobs to about 33,935 unemployed, mostly in Quebec and in the maritime provinces. It makes it possible for an impressive number of workers, out of work for some reason, to stay on the labour market, to keep their knowledge or expertise, or to acquire new ones.

In view of the present rate of unemployment, which is especially high in Quebec and in the maritimes, job-creation programs such as the Canada Works program serve a particular purpose, that of giving workers who are temporarily out of work or in between jobs the opportunity of using their expertise for the benefit of the community on projects subsidized by the federal government. It is important to note, however, that this job-creation program, whose role remains very important in Quebec and in the Atlantic provinces, cannot be considered an effective tool against structural unemployment. A program such as the Canada Works program can only lower cyclical or seasonal unemployment. This program is for workers who are temporarily out of work or for those who want to get some experience in a particular field over a few months, which can help them land a permanent job afterwards.

A program such as the Canada Works program also helps community groups undertake certain projects which, without government assistance, would never get started. In a number of communities throughout Quebec, for instance, Canada Works projects have helped improve the welfare of some members of the community or the community as a whole. For instance, in my riding of Lotbinière, this year, the Canada Works program provided work to about 80 persons who will now be able to help their community. Of course, last year the subsidy was much higher in my riding but at that time the rate of unemployment was also much higher than it is now.

Permanent jobs were created which gave people a chance to find employment; this will eventually be much more profitable than the temporary jobs created by Canada Works programs. That is the type of program the government is putting forward. In addition, the diversity of those projects calls for a wide array of skills. Sometimes those temporary jobs may also lead to permanent employment.

As we all surely know, the Canada Works program subsidizes projects in areas where the unemployment rate is particularly high, where the need for help is the greatest. That is why there are no projects this year in some cities such as Calgary or Edmonton, while there are in Rimouski, Gaspé and Bathurst. Mr. Speaker, it is this ability to relieve unemployment in those areas which have special need for assistance that makes the Canada Works program worth while.

The projects we subsidize in Rimouski, in the province of Quebec, meet the specific needs of that city in terms of employment. We do not subsidize projects that use workers in areas where there are job opportunities. So, by granting Rimouski, for instance, $73,000 for a cultural centre, we are sure that the project will hire local workers who will be employed until such time as a permanent job becomes available. We keep encouraging workers to look for a permanent job while working on a Canada Works project.

Faced with a particularly high rate of unemployment among the young workers of Canada, and especially those of Quebec and the maritime provinces, the Canada Works program very often reaches a double objective, preventing their going through a long period of unemployment and sometimes provid-

ing them with their first important jobs. So for the young people who are looking for their first jobs, the waiting period before finding permanent jobs is tempered, and they keep their hopes and motivations.

Mr. Speaker, I prefer by far seeing our young graduates from the various community colleges work on the construction of a system of cross country ski trails while waiting for permanent jobs than wasting their time standing on street corners.

Mr. Dawson: The hon. member should talk to his minister, for he said the opposite this afternoon.

Mr. Janelle: My minister is listening. Some of the activities within a Canada Works project may even lead to the development of tourist attractions which may eventually be a source of still more jobs. I think we all know—

Mr. Dawson: I am sorry.

Mr. Janelle: Mr. Speaker, I think it is very difficult to continue. I think we all know a project funded by Canada Works whose immediate result was the development of a sports centre, or a library which continues to provide permanent employment to several people, let alone the people who continue to benefit from community services set up or developed under the Canada Works program.

Having said that, Mr. Speaker, it is clear that the Canada Works program, in spite of its merits and its successes, could not last forever in a role that only serves to correct the problem of unemployment on a partial or temporary basis. Indeed, Mr. Speaker, the government in power showed yesterday that it has already started to solve the problems of unemployment when the Minister of Regional Economic Expansion (Mr. MacKay) announced in Montreal the DREE grant program in a special area of Montreal. The program brings several major amendments to the former special area of Montreal and satellite cities, those cities that among other things will be able in all industrial sectors without exception to be eligible for the DREE program, and that will really create new jobs. Indeed, it is important to know that the area of application will be extended to include from now on the ridings of Vaudreuil, Soulanges and Huntington, as well as the non-designated part of the Outaouais area. My friends opposite were asking me earlier if that would create employment if DREE is to be called upon to fund over 500 projects in the four years planned for this new program. Those projects should generate investments of nearly $500 million and allow for the creation of over 32,000 direct and indirect jobs. That is constructive.

This government also looked for practical, new and appropriate solutions suited to the needs and circumstances. It is precisely the reason why a new policy of job creation was established by this government in the last few months and why its content will be revealed in the budget speech, in a few days.

[Mr. Janelle.]

An hon. Member: On what date?

Mr. Janelle: If my hon. friend does not know this, perhaps he should read newspapers now and then. I think during his time with the government in power the hon. member for Verdun (Mr. Savard) should perhaps have endeavoured to do something for the Montreal area and, for the special areas in the Outaouais region, instead of criticizing the present government which has to make up for the errors made by them for 16 years.

• (2120)

Such policies on the part of this government will better meet the needs of all areas of the country because it must be emphasized that they were developed after full consultation with provincial authorities. They will be part of a comprehensive strategy to promote and stimulate the job-creation efforts of both private enterprise and other government levels. Mr. Speaker, I believe that these facts will have provided a few answers to hon. members opposite concerning this part of the motion now under consideration.

Mr. Deputy Speaker: The hon. member for Îles-de-la-Madeleine.

An hon. Member: Bonaventure-Îles-de-la-Madeleine, Mr. Speaker. We must certainly not forget Bonaventure.

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I was somewhat surprised at the speech made by our colleague from Lotbinière. When I was listening to him, I wondered on behalf of whom he was speaking. After being elected under the Social Credit banner in Lotbinière at the last election, he has become a defector to the side of the Progressive Conservative party—

An hon. Member: A "turn-coat".

Mr. Bujold: A "turn-coat" as we say where I come from, and when he crossed the floor of the House—in fact, he did not cross the floor, he simply moved down two or three places—the whole executive of the Social Credit association in his riding resigned. Therefore, who is he representing now? Does he speak for himself or only on behalf of the government? What is even more surprising, Mr. Speaker, is the fact that the hon. member for Lotbinière was extolling the virtues—

Mr. Janelle: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Parliamentary Secretary to the Minister of Regional Economic Expansion on a point of order.

Mr. Janelle: Mr. Speaker, I wonder whether the hon. member is speaking on the motion introduced by his party today or whether he is indulging in petty politics.

Mr. Olivier: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Longueuil on a point of order.

Mr. Olivier: Mr. Speaker, the question just put by the parliamentary secretary is extremely important. I strictly refer you to his speech in which he dealt almost exclusively with DREE, ignoring the main motion and what it means. Throughout his speech he never realized that the motion was on the Canada Works program. And now he wants to tell us how we should deal with this motion. Mr. Speaker, I think he did not even take the time to read the motion. He does not even know the first paragraph of the motion.

Mr. Deputy Speaker: Since I feel that two negatives do not make an affirmative, I shall recognize the hon. member for Bonaventure-Îles-de-la-Madeleine.

Mr. Bujold: I thank you, Mr. Speaker. I was going to quote the flattering remarks made by our colleague from Lotbinière about the Canada Works program. While listening to him, we wondered whether he was on the right side of the House and whether he should not be on this side—

An hon. Member: We do not want him!

Mr. Bujold: —but particularly when I heard his colleagues applaud when he contradicted most of their speeches this afternoon and spoke against the Canada Works program. Mr. Speaker, either the simultaneous translation is not working well or the government members did not understand anything. I saw the Minister of Employment and Immigration (Mr. Atkey) looking at him during all his speech and I think that he left because he was too embarrassed to listen until the end.

Having said this, Mr. Speaker, I would now like to speak on the motion introduced by the hon. member for Blainville-Deux-Montagnes (Mr. Fox) and raise two very important issues, one of which is job training. This job-training program is extremely important, especially in outlying areas, in areas remote from large urban centres such as most areas in Quebec and eastern Canada. I do not think one should distinguish in the matter of job training with regard to the various social classes between the 15 to 24 age group, the 25 and over age group, and women as well. All these groups have an equal importance, Mr. Speaker. That is why I think we must warn the Minister of Employment and Immigration against a passage of the speech he delivered here in Ottawa last November 22. I quote:

> According to demographers, the post-war demographic explosion ended around 1960. And while in the first half of the 1980s we will have to deal with young people wanting to find a place for themselves on the labour market, the situation will reverse itself afterwards. The further we will go into the decade, the more the age pyramid will change: young workers will no longer be the majority but rather middle-age workers.

Mr. Speaker, the minister will have to be extremely careful with this kind of statement, because in our area, in eastern Canada and more particularly in eastern Quebec, in the Gaspé Peninsula, the middle age population is in dire need of this vocational training. Let us not wait the mid 1980s to meet the needs of these workers. They are the ones who, in our area, did not have the chance to make advanced studies and to attain a high level of education in order to compete in labour markets where manpower is more restrictive. They have to be content with being part of a second-grade labour force which always gets the jobs that provide hardly any employment security. Further, they have to accept lower salaries and fringe benefits. Finally, they have almost no promotion opportunities. That is why, Mr. Speaker, occupational training is extremely important to people in that social stratum.

While workers were facing a very serious problem, having only 52 weeks of occupational training, the minister brought Bill C-8 back to the House in an attempt to change that and extend the training period to over 52 weeks. We will have the opportunity to talk about this again when the House considers the bill. But I would like to give some figures which are very important and which show the urgent necessity for that occupational training and its deep significance for the people who live in large urban areas. For instance, in the riding of Bonaventure-Îles-de-la-Madeleine alone 1,636 jobs have been created in institutions under this program from December 1, 1977 to December 1, 1979. This means the minister will have to make a tremendous effort to invest in this program, and I hope that on Tuesday next, on December 11, the budget will give us more details and bring us more money. However, I would like to quote once more from the speech made by the minister on November 20:

> The government will also put the accent on its work-training programs, both in industry and in technical schools.

As I said, the minister is pursuing the previous government's manpower training policy. But nothing new is introduced in the area of occupational training. On this subject, I would like to take a few minutes to describe the importance of manpower training for our region and most of eastern Canada, where there is a growing trend to create small and medium industries. This specific area of manpower training can help the people gain experience during those weeks where they can be paid jointly by the government and by industry. I am aware that the Quebec government also has a responsibility in this area to evaluate the kind of training it must give and to establish the six-week period in which industries can be paid. I also believe, as the minister emphasized this afternoon and as can be seen, that it is the thrust of the new government to help private industry. I think this is a case where the government really can do something to allow industry to develop in areas where it could hardly do so without government help.

To this effect, Mr. Speaker, I would also like to quote a few rather revealing figures concerning the Gaspé Peninsula and in particular the Bonaventure-Îles-de-la-Madeleine riding. During that same period, from December 1st, 1977, to December 1st, 1979, 780 jobs were created under the industrial

training program. This means, Mr. Speaker, that in a region where there is an incredible resurgence of vitality, this part of the program is extremely important. I say to the Minister of Employment and Immigration that I hope there will be something in next week's budget to help those industries, that there will be more than what the minister has done in the last six months. He says he will do something, but we have not seen anything yet. In the speech he made on November 20, he said he had introduced a bill before the House, but we see that it is just a reprint of the bill introduced by the former government. Is that what the minister calls new initiatives in this area? This government has nothing to show yet in the area of employment, and we might wonder whether the government really want to do something to improve the employment situation in areas where the need actually exists or whether they are merely trying to help the private sector.

An hon. Member: They are laughing at the workers. That is what they are doing!

Mr. Bujold: Mr. Speaker, I would now like to address myself to another extremely important matter which has already been discussed in this House, and which has been debated from both sides this afternoon, i.e. the much talked about Canada Works program. I would like to deal tonight, Mr. Speaker, with the way selections were made by the new Minister of Employment and Immigration, and the integrity of this program which has been in existence for the past four years and through which the former government managed for three years to make a rather fair allocation of money in all these areas. We mentioned these problems to the minister many times but he has never been able to tell us exactly how this selection had been done.

Mr. Speaker, I really question the way these projects were selected. I am convinced the Minister of Employment and Immigration probably depended on his department for services rendered or maybe on the member who had the floor before me and who spoke so highly of the Canada Works projects. That might be the reason why he had so much to say about these projects, because this year he and his colleague, the hon. member for Joliette (Mr. La Salle), really had a lot to do in that field.

An hon. Member: Porkbarrelling!

Mr. Bujold: Several of my colleagues in the House have already pointed out to the Minister of Employment and Immigration the problems that have been raised on that subject. I questioned him in the House and in committee but I could never get a precise answer.

An hon. Member: You will never get one, either.

Mr. Bujold: Probably because the minister is involved in a situation where he finds it difficult to select projects. In order to demonstrate how he could oppose the recommendations made by the officials reponsible for housing and employment in several regions, I would like to refer to what happened in my riding of Bonaventure-Îles-de-la-Madeleine and give you some facts which I think—if I am to believe the information I have been given by some of my colleagues—are very interesting. A policy has been established for Quebec and probably for other provinces where Canada Works projects have been implemented.

An hon. Member: Shame!

Mr. Bujold: Mr. Speaker, employment and immigration officials have established a practice in that riding which I am told was used frequently in other regions in Quebec and in the maritimes.

They looked into the first three phrases of Canada Works to know how the money had been distributed and spent. In that respect, Mr. Speaker, I would quite simply like to say how the money was distributed in the riding of Bonaventure-Îles-de-la-Madeleine. We see, for example, that in phase one our area got $300,000 for Causapscal, $450,000 in New Richmond, $200,000 in Chandler and $450,000 in the Îles-de-la-Madeleine.

That goes on in the second phase where one had up to $3 million to arrive at the fourth phase where they set about the same proportion in those four areas of the riding based on the data put together during the three first phases and looking at how people had worked and the success of the projects. Once again this year they divided hypothetically the amount of $3 million that had been allocated. They came to the conclusion that in one part of the riding there should be $330,000, in another one $474,000, and in another one, $1,400,000 and finally, in the Îles-de-la-Madeleine, $700,000, for a total of $3 million.

They also decided to establish a per capita ratio. They established across the riding a per capita ratio of $52.43 which meant they were giving a normal proportion for all people in the riding of Bonaventure-Îles-de-la-Madeleine. The minister told me in the House, and I am quoting the official report of the debates, at page 1495, that he was relying on past performance. Past performance was the basis which government officials adopted in establishing the data to that effect.

Mr. Speaker, I asked the minister why he had made those selections, and when the decision was made this year in the riding of Bonaventure-Îles-de-la-Madeleine. We realized based on the figures I quoted earlier, the minister had awarded $640,000 in the area of Causapscal, $1,300,000 in the area of Richmond, $175,000 in the area of Chandler and $814,000 in the Îles-de-la-Madeleine. What is worse, Mr. Speaker, the minister had on his own initiative awarded $100,000 more to one single municipality in the riding, that of Havre Aubert, in the Îles-de-la-Madeleine. Therefore he changed all the figures established by his civil servants, who are extremely qualified people who had experience in the area and had made studies of

the last three phases to see what were the achievements which resulted in the per capita amount established for the constituency as a whole at $52.34, to come to $60.25 only in the Îles-de-la-Madeleine and to $47.50 on the mainland, in Bonaventure.

Then I wonder on what basis the minister made such a decision. I asked him that question, and so did some of my colleagues. We were never able to obtain an answer, Mr. Speaker. We think, as I stressed earlier, that our colleague, the hon. member for Lotbinière, was so happy to talk about the merits of Canada Works projects that we got no answer. I am afraid the Minister of Employment and Immigration was influenced by other colleagues in his party, and that he indulged in a shameful political favoritism, Mr. Speaker. The minister was never able to give us an answer, he was never able to give me the precise reasons for favouring one project over another—

• (2130)

[*English*]

Mr. Cameron: On a point of order, Mr. Speaker, the hon. member said, or implied, that we were dispensing political favours. I want him to know that in my riding of Kamloops-Shuswap we had a million dollars last year and, this year, nothing. So there is no political favour being dispensed. If it is, it is in your favour.

[*Translation*]

Mr. Bujold: Mr. Speaker, I have a statement here. My hon. colleague may well know what I am driving at. I said that the minister has never been able to explain why he changed the decision made by the departmental officials, while I personally suspected that there had been patronage. I would simply like to read an excerpt from a news bulletin given on station CHNC on November 23, 1979. As a matter of fact, the additional $100,000 was handed over to a municipality where the applicant for the project, Mr. Carbonneau, stated that he had obtained the sum of approximately $204,000 because he had been a candidate for the Progressive Conservative party. Is this pork-barrelling or has the minister made an enlightened decision on this matter? This is the question that I have asked the minister, but that he has never been able to answer. Is this patronage?

Mr. Speaker, I believe that the minister was persuaded by someone else. I believe in the integrity of the minister and in his desire to help the cause of the workers and the unemployed, but I find such a decision shameful. Still in this same news bulletin, Mr. Speaker, the Progressive Conservative candidate at the last election was saying, "I have the feeling that I would have had the additional $100,000 if I had not been a Progressive Conservative candidate. I had to bring pressure to bear to get the additional $100,000." Mr. Speaker, I believe that I understand tonight why the minister has never been able to give me an explanation and why he changed the recommendations of his officials, which I had myself approved as the member of Parliament for that constituency. Moreover, Mr. Speaker, what is even more surprising is that $103,000 had already been allocated to this same project. Out of the 72 projects accepted in the constituency, only four were allowed in excess of $100,000, and these amounts vary between $100,000 and $120,000, while this project alone received $204,000.

• (2140)

Mr. Speaker, this is how the unemployed are treated in my area. I think that the minister will certainly have much to explain in this regard. He will probably have a chance to give an answer about this. I hope that he will also take time to answer all my questions. I finally asked the minister after seeing what was happening in this riding, why the unemployed deserving to be able to work this winter had been penalized, and I am sure that the government members are also aware of the unemployment problems in eastern Quebec, especially in the Gaspé Peninsula and the Magdalen Islands. And this is why I asked about the $100,000 he granted unilaterally. I do not know whether this was on the recommendation of his officials, but I rather believe that it was on the recommendation of politicians. I will ask the minister to find the $100,000 somewhere in the general funds of Canada Works and allocate it to the Bonaventure-Îles-de-la-Madeleine riding so that his officials will be able to distribute it equitably and allow the largest number of unemployed to work this winter.

Mr. Dennis Dawson (Louis-Hébert): Mr. Speaker, I think we would certainly have much to say about Canada Works and the performance of this government, particularly when we see to what extent the minister—

[*English*]

Mr. Hawkes: Mr. Speaker, I rise on a point of order. We have been debating this motion for a full day. There have been three speakers from this side of the House. Half of the members of Parliament are on this side of the House. There have been two speakers in a row from the Liberal party.

Mr. Knowles: Are you challenging the authority of the Chair?

Mr. Hawkes: I am requesting permission to have the floor.

Mr. Deputy Speaker: The hon. member has the floor. I am waiting for his point of order.

Mr. Hawkes: We have had several understandings from the Chair that there is an attempt on the part of the Chair to make sure that time is given equally to all members of Parliament. I have been waiting patiently all day for what I took to be the turn for our party to speak, and I am wondering if Your Honour might allow me to use the few remaining moments to address this issue.

[*Translation*]

Mr. Dawson: Mr. Speaker, on the same point of order, if the hon. member of the government party is willing to share the next 15 minutes so that we may have seven minutes each, I will be very pleased.

Mr. Olivier: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The hon. member for Longueuil (Mr. Olivier) a point of order.

Mr. Olivier: Mr. Speaker, the hon. member on the government side has just received a proposal from the hon. member for Louis-Hébert (Mr. Dawson). He knows very well that if he really wants to take the floor he simply has to rise under Standing Order 29 and ask that such or such a member have leave to take the floor. Since he did not do so, Mr. Speaker, I think that the point he raised is out of order and that the hon. member for Louis-Hébert should have the floor to continue his speech.

[*English*]

Mr. Deputy Speaker: On the point raised by the hon. member, I understand his frustration. It is not easy for the Chair to compensate and satisfy everybody. We were just coming to the conclusion of the debate, which we have now reached at 9.45 p.m. It was my decision—and I do not have to explain it—that with 30 seconds left and this being an opposition motion, one opposition member should have the chance to sum up the debate. In any case, the hon. member had the alternative to move that he be heard. He did not do that. The debate is now concluded, and I must put the question. I do not even need to rule on the point of order he has raised.

It being 9.45 p.m., it is my duty, pursuant to Standing Order 58(10), to interrupt the proceedings and put forthwith every question necessary to dispose of all business of supply now before the House, including the bill based on Supplementary Estimates (B).

* * *

SUPPLY

MOTION FOR CONCURRENCE IN SUPPLEMENTARY ESTIMATES (B)

Hon. Perrin Beatty (for the President of Treasury Board) moved:

That Supplementary Estimates (B), 1979-80, laid upon the Table, Wednesday, November 7, 1979, be concurred in.

Motion agreed to.

Mr. Beatty thereupon moved that Bill C-29, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1980, be read the first time and be printed.

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

Mr. Beatty thereupon moved that Bill C-29, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1980, be read the second time and referred to the Committee of the Whole.

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

On Clause 2—*$431,102,010 granted for 1979-80*

Mr. Knowles: Mr. Chairman, I rise on a point of order. Can we be assured by the government that there is no borrowing authority tucked away in this bill or anything else which should not be there? I cannot find it, but you never know.

Mr. Baker (Nepean-Carleton): Mr. Chairman, if the hon. member cannot find it, it is not there.

Mr. Beatty: Mr. Chairman, as my House leader says, if the hon. member cannot find it, it certainly is not there. However, I can assure the hon. member that the form of this bill is the same as that of those passed in previous years.

The Chairman: The hon. member is aware that the bill was distributed this afternoon.

Mr. Knowles: I would just like to be sure that there is nothing in it that the hon. member for Edmonton West (Mr. Lambert) would not have liked last year.

● (2150)

The Chairman: Shall the clause carry?

Some hon. Members: Agreed.

Clause agreed to.

Clauses 3 to 6 inclusive agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

Mr. Beatty moved that the bill be read the third time and do pass.

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

Mr. Speaker: Shall I call it ten o'clock?

Some hon. Members: Agreed.

Mr. Speaker: It being ten o'clock, this House stands adjourned until tomorrow at 11 a.m.

At 9.52 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, December 7, 1979

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

REQUEST THAT CHICKEN IMPORT QUOTAS FALL WITHIN JURISDICTION OF CHICKEN MARKETING AGENCY—MOTION UNDER S.O. 43

Mr. Denis Ethier (Glengarry-Prescott-Russell): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the fact that our chicken producers are faced with serious problems because of the high import quotas accorded by Industry, Trade and Commerce, and due to the fact that the Minister of Agriculture (Mr. Wise) said in a statement in this House on April 13, 1976, that the government should transfer the control of all dairy import quotas from ITC to the Canadian Dairy Commission, I move, seconded by the hon. member for Laprairie (Mr. Deniger):

That the Minister of Agriculture be consistent with his philosophy of 1976 and ask his government to transfer the control of chicken import quotas from ITC to the Canadian Chicken Marketing Agency.

Mr. Speaker: The presentation of such a motion under Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FINANCE

REAPPOINTMENT OF GOVERNOR AND DEPUTY GOVERNOR OF BANK OF CANADA—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, in light of the reappointment announced this morning of the governor of the Bank of Canada before the standing committee on finance had an opportunity to make its views known on tight money and high interest rates, I move, seconded by the hon. member for Mission-Port Moody (Mr. Rose):

That this House condemns the reappointment of governor Bouey and his deputy without prior consultation with the standing committee on finance.

Mr. Speaker: The motion can be introduced only upon unanimous consent? Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL SECURITY

CBC PRODUCER ASSISTING KGB AGENT—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Mr. Speaker, I rise on a matter of urgent necessity as a result of a statement made by the Prime Minister (Mr. Clark) this morning at his press conference, that there was concern within the CBC regarding an individual who allegedly assisted a KGB representative in Canada, and I might add that this individual had been previously identified in the Ontario legislature by the attorney general of Ontario as CBC producer Mark Starowicz. I move, seconded by the hon. member for York North (Mr. Gamble):

Whereas CBC producer Mark Starowicz assisted KGB agent Konstantine Geyvandov in compiling information on certain persons, allegedly on six different occasions, and also promised "to act on behalf of Soviet interests", that the CBC be required to give a public explanation as to why Mark Starowicz continues as producer of the public opinion influencing program "Sunday Morning" and, finally, as to why he is being considered at this very moment to head all CBC national news and public affairs programming.

Mr. Speaker: Such a motion can be presented for debate, pursuant to Standing Order 43, only upon unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

SOCIAL SECURITY

REQUEST FOR INCREASE IN PENSION SUPPLEMENT—MOTION UNDER S.O. 43

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion dealing with an urgent matter of pressing necessity.

Considering the new data published yesterday by Statistics Canada on aging in Canada, indicating that the number of persons aged 65 or over will more than triple during the next

five decades, and that the number of destitute single women will quadruple, I move, seconded by the hon. member for Sainte-Marie (Mr. Malépart):

That the government immediately allocate the required sum to increase the pension supplement granted to retired and needy single persons, to raise them above the threshold of poverty.

Mr. Speaker: The House has heard the motion of the hon. member. Pursuant to Standing Order 43, such motion can be introduced for debate only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

ENERGY

CRITICISM OF MINISTER AND NATIONAL ENERGY BOARD—MOTION UNDER S.O. 43

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. Whereas the Canadian government and the National Energy Board have approved substantial exports of heating oil to the United States while domestic inventories have shrunk, and whereas Canada now faces an immediate energy crisis, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House has no confidence in both the Minister of Energy, Mines and Resources and the National Energy Board, and urges that they be dismissed immediately for their stupidity.

Mr. Speaker: Order, please.

* * *

• (1110)

AGRICULTURE

FINANCIAL ASSISTANCE FOR CONSTRUCTION OF EXHIBITION BUILDINGS—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax West): Mr. Speaker, I rise, under Standing Order 43, on a matter of urgent and pressing necessity to put forward a motion which I hope will receive the unanimous consent of the House. Regional agricultural exhibitions across Canada, like the Atlantic Winter Fair, provide a vital showcase for farmers and local trade and industry. Accordingly, I would move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That this House request the Minister of Agriculture to consider the reinstatement of the financial assistance formerly provided for the construction of multipurpose exhibition buildings which can be used for agricultural and trade fairs.

Mr. Speaker: This motion can be presented only by unanimous consent. Is there unanimous consent?

[Miss Bégin.]

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

REQUEST DANUSE HANZLIK BE ALLOWED TO VISIT FATHER IN CANADA—MOTION UNDER S.O. 43

Mr. Jesse Flis (Parkdale-High Park): Mr. Speaker, I rise, under the provisions of Standing Order 43, to move a motion on a matter of urgent and pressing necessity. It concerns the case of Mr. Richard Hanzlik, on whose behalf I approached the Secretary of State for External Affairs last August requesting her to petition the government of Czechoslovakia to grant Mr. Hanzlik's daughter permission to visit him in Canada, as he has not seen her since 1965. I would move, seconded by the hon. member for Vaudreuil (Mr. Herbert):

That the Secretary of State for External Affairs contact the government of Czechoslovakia forthwith and directly request that Danuse Hanzlik be granted permission to visit her father in Canada, since he may not return there himself without government reprisals.

Mr. Speaker: Such a motion can be introduced for debate at this time, pursuant to the Standing Order, only by unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INTERNATIONAL PEACE DAY

CALL FOR BAN ON SALE OF WAR TOYS—MOTION UNDER S.O. 43

Mr. Simon de Jong (Regina East): Mr. Speaker, I rise, under the provisions of Standing order 43, on a matter of urgent and pressing necessity. Whereas today is International Peace Day and the need for world peace has never been greater than it is at the present time, and whereas countries such as Sweden have implemented measures to ban the sale of war toys, I ask leave to move, seconded by the hon. member for Prince Albert (Mr. Hovdebo):

That this House ban the sale of war toys in Canada.

Mr. Speaker: Such a motion can be presented for discussion at this time only by unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

FISHERIES

COMMITTEE STUDY OF LICENSING POLICIES ON EAST AND WEST COASTS—MOTION UNDER S.O. 43

Mr. Charles Haliburton (South West Nova): Mr. Speaker, pursuant to Standing Order 43, I rise on a matter of urgent and pressing necessity. In view of the fact that the Minister of Fisheries and Oceans is in the process of reviewing fisheries policies in general and plans to introduce a white paper in the spring, and given the importance of enabling members of Parliament to participate in this process and provide an input in the formation of fisheries policy, in particular of licensing policies, I would move, seconded by the hon. member for Cardigan (Mr. MacDonald):

That the Standing Committee on Fisheries and Forestry commence forthwith an examination of proposed licensing policies on the east and west coasts, including the Levelton and Sinclair studies, and that the committee be authorized to take such evidence and undertake such travel as may be necessary for that purpose.

Mr. Speaker: Introduction of this motion for debate would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

EXPORT OF NATURAL GAS—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Whereas the government announced last evening the decision to export 3.75 trillion cubic feet of natural gas at a time that Canadians face a cold winter, threatened by an energy shortage, and whereas these energy resources should be used to replace imported oil and expand the usage of natural gas both by consumers and industries in Canada, I move, seconded by the hon. member for Nunatsiaq (Mr. Ittinuar):

That this House condemns the government's stupid and treacherous act of selling out our birthright.

Mr. Speaker: Order.

ORAL QUESTION PERIOD

[*English*]

ENERGY

EXPORT OF NATURAL GAS TO UNITED STATES—ALASKA NATURAL GAS PIPELINE

Right Hon. P. E. Trudeau (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister a question concerning yesterday's announcement by the Minister of Energy, Mines and Resources about exports of natural gas.

Could I remind the hon. gentleman that our government obtained from the United States a commitment that if there were to be any pre-build of the Alaska gas pipeline, it could only be authorized if there were a commitment to build the entire line? Could I hear from the Prime Minister whether that commitment obtained from Mr. Schlesinger last March still stands?

● (1115)

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, that commitment stands.

Mr. Trudeau: Mr. Speaker, if that commitment stands how is it that in the statement of the Minister of Energy, Mines and Resources yesterday there was the following assertion by the minister:

It will be up to the sponsors of the Alaska natural gas pipeline to respond with firm commitments for the entire pipeline.

This phrase obviously indicates that there is no firm commitment, that we are asking them for a firm commitment and that we have authorized the export before obtaining this commitment. How is it that now we are relying on the private sector to make commitments when we had obtained one from the government of the United States?

Mr. Clark: Mr. Speaker, the export is conditional on the commitment being given and honoured.

Mr. Trudeau: Mr. Speaker, does that mean that when the pipeline is built—if it is built—there will be supplies from Prudhoe Bay which will permit us to get exchanges for the amount of gas that we have sold to the United States? In other words, will we proceed with the arrangements which we had discussed with the United States, selling gas to the United States now in return for equal amounts of gas which we would get from them later?

Mr. Clark: Mr. Speaker, the Leader of the Opposition will recall that swaps were discussed but were not a formal condition of the agreement. What proceeding with the pipeline will mean is that Canada will be in a position, through the Dempster hook-up, to take advantage of Canadian requirements for gas in the Mackenzie Delta.

NATURAL GAS PIPELINE TO MARITIMES

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, may I ask the Prime Minister why, in the announcement made by the minister yesterday with respect to the export of natural gas, the maritime provinces were ignored and no guarantee was given that as part of this policy a gas pipeline would be built into the maritime provinces?

In the light of this momentous decision, is the Prime Minister now prepared to give a guarantee, and is he now prepared to say that additional revenues which are made available to

Canada will be used to finance this vital link in our energy distribution system to the Atlantic provinces?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the guarantee has already been given to the maritime provinces that there will be an extension of the Q and M pipeline beyond Quebec if it is the desire of the Atlantic provinces to have that kind of extension. As I have made clear several times in the House and as has my colleague, the Minister of Energy, Mines and Resources, this is part of the comprehensive energy package proposed by this government to ensure that we are not again caught in a situation of having to increase our reliance upon foreign sources.

Mr. MacEachen: Mr. Speaker, I know the Prime Minister on an earlier date said that a government headed by him would begin the construction and planning immediately of this gas pipeline. I want to ask him today when the planning and construction of the pipeline will begin, and how does he propose to finance it?

Mr. Clark: Mr. Speaker, I am not sure to which pipeline the hon. member is referring. There is an application, as he knows, for a pipeline to Quebec—

Mr. MacEachen: Gas pipeline.

Mr. Clark: —gas pipeline to Quebec before the National Energy Board. The question may relate— it was not clear—to the possible extension of that line beyond Quebec to the maritime provinces. My commitment in relation to that pipeline was that we would be prepared to move on it as soon as there was agreement on the part of the maritime provinces that that was necessary. That agreement, naturally, will not come until there is some further certain knowledge as to the gas potential off Sable Island. Once there is agreement from the maritime provinces that such a pipeline extension is necessary, we will proceed immediately with it.

Naturally, it will be helpful to us, to the Atlantic provinces and to the whole of Canada if there is support in this House for the comprehensive energy package which we have put forward, one element of which would allow Canada to proceed with the extension of the Q and M line to the maritime region if that is desired.

POSSIBILITY OF OIL SHORTAGES THIS WINTER

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is to the right hon. Prime Minister. Why did the Prime Minister allow the Minister of Energy, Mines and Resources to mislead this House and the people of Canada about fuel oil supplies by describing the situation as "tight but manageable", when the Prime Minister admitted this morning at his press conference, and I quote, "We knew all along that shortages were possible"?

[Mr. MacEachen.]

• (1120)

Right Hon. Joe Clark (Prime Minister): The hon. member, I am sure, in the interest of integrity would want to quote to the House of Commons the whole of my statement at my press conference this morning, in which we indicated that we knew there would possibly be shortages, given certain circumstances such as an unusually severe winter, given excessive consumer demand and that kind of thing. We have been receiving from the National Energy Board monthly indications of their views on the current situation in Canada. Until recently their view was that the situation in Canada was tight but manageable. That was the information that I and the Minister of Energy, Mines and Resources communicated to the House of Commons.

There is now a view, as a result primarily of unusual increases in consumption in Canada, that there might be some limited interruptions. My hope is that by drawing the attention of Canadians to the possibility of limited interruptions, caused in large measure by excessive demand, we can encourage Canadians in all parts of the country to exercise much more conservative practices in relation to energy use, consequently avoiding the possibility of shortages anywhere in Canada.

Some hon. Members: Hear, hear!

Mr. Symes: Mr. Speaker, I do not believe the phrase "we knew all along" squares with the answer just given by the Prime Minister, and I have given notice that I intend to raise this as a question of privilege.

By way of a supplementary question, may I ask the Prime Minister, since the National Energy Board, on the one hand, is telling the government that oil shortages are possible and, on the other hand, is still permitting the export of fuel oil to the United States and now has also approved massive exports of natural gas to the United States, how can the people of Canada have any faith in the National Energy Board and in this government about energy supplies? Why does the Prime Minister not admit that this government does not know whether it is coming or going on the issue of energy supplies?

Mr. Clark: Mr. Speaker, the answer to that question is that we have a government that does know where we are going on the national energy policy.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Clark: What we are doing is moving this nation toward energy self-sufficiency to fill the gap created by the absence of planning in former years which has created the possibility of shortages in Atlantic Canada and has increased most dangerously the dependence of Canada upon unstable foreign sources. I can also indicate to the hon. member, whose qualifications for being the energy spokesman of his party seem unrelated to any knowledge of the industry—

Some hon. Members: Oh, oh!

Mr. Clark: —the simple and elemental fact which has apparently escaped him to this date, that the export of surplus natural gas now will have two immediately beneficial impacts upon Canada. One is that it will save a number of small Canadian companies, which cannot afford to keep their reserves locked in, from bankruptcy or from sale to foreign ownership; and the second is that the export of natural gas, as well as the positive impact it has on our balance of payments situation will stimulate exploration in this country, which will bring on new reserves of natural gas and oil and move this country again toward energy self-sufficiency.

Some hon. Members: Hear, hear!

Mr. Symes: Talking about knowledge of the industry, this is the same Prime Minister who a few months ago was running around telling Japan and Israel that we had a surplus of oil and also, more recently, finding himself able to export the surplus supply of fuel oil to the United States. If this was not bad enough, he has now indicated that he is prepared to sell out the future security of Canadians in terms of substituting natural gas for imported oil by allowing a massive export to the United States. For the sake of the Prime Minister's own credibility and the domestic security of Canadians in future energy supplies—

• (1125)

An hon. Member: Speech.

Mr. Symes: —will he now reverse his decision to export this gas to the United States?

Mr. Clark: Mr. Speaker, I will not reverse the decision. What I will do is suggest to the hon. member, who pretends to be an energy critic, that before he rises in the House to criticize the National Energy Board report he should read the report—

An hon. Member: What credibility does the NEB have?

Mr. Clark: —because the report made it abundantly clear that the gas surpluses that were found, or the amounts of gas that will be available for export are surplus to Canadian needs, including needs contemplating substantial substitution of oil to natural gas.

Some hon. Members: Oh, oh!

Mr. Clark: The hon. member shouted from his seat, "What credibility does the National Energy Board have?" Considerably more than the hon. member.

Some hon. Members: Hear, hear!

EXPORT OF NATURAL GAS TO UNITED STATES—EFFECT ON VALUE OF DOLLAR

Mr. John Evans (Ottawa Centre): Thank you very much for your applause! Mr. Speaker, I should like to direct my question to the Minister of State for International Trade. An increase in natural gas exports of the magnitude we are talking about here will lead to an increase in the value of the dollar, which will inescapably operate to the detriment of secondary industry in Canada and the development of secondary industry.

Some hon. Members: Oh, oh!

Mr. Evans: That shows how much they know about economics. I should like to ask the minister: has the government analysed the effects of the projected gas export levels on the value of the Canadian dollar, which the minister indicated would earn about $13.2 billion at today's export prices? If so, will the House be informed of the results of this analysis and its effect on secondary industry development in Canada?

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, I should like to point out to the hon. member that the value of the Canadian dollar slipped slightly today, so I do not think what he is expecting to happen will necessarily happen.

Mr. MacEachen: Check with Hnatyshyn.

Mr. Wilson: We are pleased that there will be less pressure on the balance of payments as a result of this decision to allow increased exports of natural gas. I do not think that it will have the significant impact on the level of the dollar that the hon. member suggests. I would, further, point out to the member that there is a range within which the Canadian dollar can move which will still allow Canadian industry to maintain the strong competitive position it has now in industry relative to world markets.

ENERGY SELF-SUFFICIENCY, OR OIL SELF-SUFFICIENCY—GOVERNMENT POLICY

Mr. John Evans (Ottawa Centre): Mr. Speaker, I should like to direct a supplementary to the Prime Minister. I would ask the Prime Minister if he would clarify to the House whether the policy of this government is energy self-sufficiency, or oil self-sufficiency. If, indeed, it is energy self-sufficiency, will he tell us, since we have a 6 per cent surplus of energy in this country now, is it the policy of this government to export natural gas to ensure that he needs an energy self-sufficiency policy in the future?

An hon. Member: Right on.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, once again, I respect the hon. member's qualifications and formation as an academic economist. What I want to draw to his attention is that in the search for oil, in the search for natural gas and other energy sources, it is necessary for us to have incentives for the practical people in the field who go out to look for new sources of oil and new sources of natural gas.

One of the consequences of exporting natural gas which is clearly surplus to our needs—including the need to have enough for substitution purposes—is to encourage practical

Canadians who work in the field looking for new sources to go out and look for new oil, look for new gas and to bring this country toward self-sufficiency in all forms of energy to the degree that is possible.

Some hon. Members: Hear, hear!

SOURCES OF FUTURE ENERGY SUPPLIES

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, I should like to ask a question of the Minister of Energy, Mines and Resources. I refer to his statement yesterday when he informed the House that 17 years from now the demand for natural gas will be greater than the supply. Could the minister inform this House today where Canadians will turn 17 years from now for home, commercial and industrial requirements across the nation?

● (1130)

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, the reference the hon. member makes with regard to that particular projection simply does not take into account further exploration and bringing further discoveries on stream. The hon. member is using that particular chart to indicate that nothing further is going to happen.

As the Prime Minister pointed out, this particular export activity now is going to generate a very great degree of involvement in terms of conventional oil supplies and the immense amount of tight gas out in western Canada. It does not take into account the offshore potential and it does not take into account frontier possibilities in this country. We have great potential in this country, and this government is committed to determining and deciding upon a course of action that will bring us to the great future that we deserve.

Mr. Caccia: Mr. Speaker, that reply sounds as though it was drafted by Imperial Oil. I would, therefore, turn to the Postmaster General and Minister of the Environment. I would ask whether he was consulted, and does he support this proposal involving the heating resource that is the least environmentally detrimental to the country?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, I most certainly do support the proposal. I would remind the hon. member that this country has to make appropriate use of its resources, and when there is gas surplus to our needs it is almost negligent, and certainly not in the public interest, to allow the continuing and deteriorating balance of payments situation.

Some hon. Members: Hear, hear!

[*Translation*]

POSSIBILITY OF IMPOSING EXCISE TAX ON PETROLEUM PRODUCTS—DISCUSSIONS WITH PREMIER OF QUEBEC

Mr. Bernard Loiselle (Verchères): Mr. Speaker, my question is directed to the right hon. Prime Minister who accuses the former government of lack of planning. I should like to remind him that in 1970 Canada was dependent on others for 50 per cent of its energy consumption and that by 1978 that dependence had decreased to 30 per cent as a result of the excellent policies of the Liberal government.

Mr. Speaker, would the right hon. Prime Minister tell us how he will respond to the request of the Quebec premier who indicated to the Canadian Prime Minister that he disagreed with the proposal that the federal government might levy an excise tax on oil products? How does the Prime Minister, who has spoken of great co-operation and agreements with the provinces, intend to respond to the request of Premier Lévesque?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I can tell the House that a recent list certainly indicates the lack of efficiency of the energy policies of the former government with regard to self-sufficiency. However, if I may answer the question directly, I did get a message from the Quebec premier indicating the position of his government against the levying of an excise tax by the federal government. It was a confirmation of the position adopted by Minister Bérubé during the first ministers' conference. As the hon. member and the House will understand, there is clear federal jurisdiction in the matter of levying an excise tax on oil. That jurisdiction was exercised by the former government when it applied an excise tax. It is the intention of the federal government to follow our plans with regard to excise tax in a field over which there is clear federal jurisdiction.

INQUIRY AS TO INVESTMENT NEEDED TO REACH ENERGY SELF-SUFFICIENCY

Mr. Bernard Loiselle (Verchères): Mr. Speaker, I should like to ask a supplementary question. If the Prime Minister wishes his consultation policy to succeed, could he not give some evidence of it to the Quebec premier who really needs those funds? He cites figures. He talks about the need for investment from Canadians. We members of the opposition would also be interested to know the investments required to reach self-sufficiency. Therefore I ask whether he could give us those figures, and try to convince Premier Lévesque.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, with respect to the development of our proposal to establish a Canadian energy bank, we are identifying the energy projects where it will be essential for us to have more money—funds that are not available in the private sector—to promote energy projects. I hope that as soon as we can identify all the elements of our over-all position on energy, particularly on the creation of a Canadian energy bank, it will then be possible for us to give figures indicating the needs in the area of energy projects.

[*English*]

PROPOSED GAS EXPORTS—EFFECT ON COST OF ENERGY FOR CANADIAN BUSINESSES

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my question is directed to the Minister of State for International Trade. In view of the fact that there is always a necessity for Canadian business to be able to rely upon dependable and reasonably-priced energy for its creation or its continuation, was the minister consulted before this decision was taken and, if he was, what is his view as to how the proposed export gas will have an effect in terms of giving some hope, promise or solidity to Canadian businesses to dare to venture forward either to expand their present business or to create new business; or is there an idea that there is going to be, on the basis of past NEB figures, a great reliance upon just that figure for the future?

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, I think part of the question the hon. member has just asked was answered in my response a short while ago. One thing we have to consider is, as the Minister of Energy, Mines and Resources said, that this is going to generate a considerable amount of employment and activity in the west in future exploration and development.

The other factor which touches on the hon. member's question is the whole matter of energy supply and energy growth demand in this country which was taken into account by the Energy Board proposal. There should be ample reason for the industry to have confidence, in that in this country we are going to have a confidence of energy supply for many years down the road under the policy being put forward by this government. That is a very important factor in our over-all industrial development.

[*Translation*]

INQUIRY AS TO HOW PRIME MINISTER CAN RECONCILE HIS TWO STATEMENTS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the right hon. Prime Minister. As the hon. member for Sault Ste. Marie has just said in his question, now that the Prime Minister has stated, on one hand, that he has known for a long time that there was a possibility of oil shortages in Quebec and in Canada this winter and, on the other hand, on November 6, in a letter addressed to the leader of the Social Credit Party of Canada he stated that there would be no oil shortages in Quebec and in the maritime provinces, I should like to ask whether he can tell the House how he can reconcile his two statements.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, as I have just said in English to the hon. member for Sault Ste. Marie, I qualified my remarks this morning by indicating that there was some knowledge of certain possibilities, like an unforeseen increase in consumer demand, a hard winter, and things like that. We received every month from the National Energy Board their most up to date data on the state of Canadian supplies and the possibility of a shortage. To date there has been no indication by the National Energy Board of any possibility of a shortage in Canada. Now, because of some changes in the rate of oil consumption throughout Canada, there has been a change in the analysis of the National Energy Board. I think the most responsible approach for us is to point out the necessity for all Canadians to conserve oil to ensure that there will be no shortage.

• (1140)

[*English*]

Mr. Nystrom: Mr. Speaker, can the Prime Minister tell the House whether or not he thought he was being straightforward with the House, when he knew all along that there was the possibility of a shortage, in light of the letter which he wrote to the Leader of the Social Credit Party of Canada and which he repeated in this House on November 6? Was he being straightforward?

Mr. Clark: Mr. Speaker, I was being straightforward.

[*Translation*]

In my reply to the leader of the Social Credit Party of Canada, I said that, on the basis of the information I had at the time I wrote the letter, there was no risk of oil shortages. But afterwards there was a change in the National Energy Board's analysis, which is quite normal.

M. LeBlanc: The change came after the vote.

Mr. Clark: We now face a greater risk of shortages—

Mr. LeBlanc: Where are the Socreds this morning?

Mr. Clark: —but, as I have said—

M. Ouellet: You were told lies.

Mr. Clark: —members of Parliament and Canadians in general must accept the facts and understand that the best way to help Quebeckers, to help people in the Atlantic provinces, is to emphasize conservation.

* * *

HEALTH AND WELFARE

INQUIRY WHETHER GOVERNMENT WILL MAKE $20 MILLION SUBSIDY FOR GERONTOLOGY RESEARCH

Hon. Monique Bégin (Saint-Léonard-Anjou): Mr. Speaker, my question is for the Minister of National Health and Welfare.

Statistics Canada published yesterday the famous study called "Hospitals: Horizon 2031" which clearly shows that within the next five decades Canada's old-age population will increase to the point where it will in fact quintuple and the

total present capacity of hospital beds will be occupied by elderly people. In this context, I should like to ask the minister whether he could tell the House when his government will honour the electoral promise made last May 3, when he said he would immediately make an additional $20 million subsidy for medical research in gerontology?

[*English*]

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, the statistics report published yesterday is, of course, as the hon. member has indicated. With respect to medical research—and I take it that that is the hon. member's question—there are now before cabinet provisions outlining opportunities for both an increase in the level and an extension of the five-year formula established by the previous government. I am hopeful that the result will be a positive one.

[*Translation*]

Miss Bégin: Mr. Speaker, I have a supplementary to the hon. minister.

I have a lot of trouble with this minister: either he does not know how to use the little earpiece for simultaneous translation—in fact, he plays the same trick with us in committee, where we have seen him use his earpiece the wrong way—or there really is a learning disability somewhere.

I would like to repeat my question: When will the government announce an additional $20 million subsidy for gerontology, as the minister promised Canadians over six months ago now, what share of these moneys will go to practical research for health care aimed at elderly people and the training of specialized personnel, and what share will go to pure research? The minister has mentioned the Medical Research Council, and I do not know what it has to do with this question.

[*English*]

Mr. Crombie: Mr. Speaker, I think I heard it that time. The commitment that was made during the election campaign is one which we intend to keep. I had some discussion with the provincial ministers of health at the conference in September. We will be meeting again very shortly. As the hon. member knows, this is a matter of concern to me and I hope we will be able to resume discussions with the provinces on this matter in short order.

SOURCE OF FUNDS FOR GERONTOLOGY RESEARCH

Hon. John M. Reid (Kenora-Rainy River): Mr. Speaker, would the minister of health tell the House where the money will come from?

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, there are, of course, a number of places from which the money can come; but it will all come from the taxpayers of Canada. My view is that the taxpayers of Canada would support such allocations.

LOTTERIES

CALL FOR INVESTIGATION INTO EFFECTS ON SOCIETY

Mr. Jim Fleming (York West): Mr. Speaker, I would like to address a question to the Secretary of State who is also the inner cabinet minister responsible for social policy. It deals with lotteries and the impact they have on the poor, the elderly and the ability of private sector charitable institutions to raise money, as well as the question of responsibility in advertising. I wrote to the minister last summer asking if he would push for an investigation. The minister responded by asking for my suggestions, and with a letter indicating that he would take the matter up with cabinet. That letter was dated September 19.

Has the minister taken up with cabinet the possibility of a full investigation into the effect of this $2 billion business in the marketplace, and have his colleagues agreed to do something about this situation; or have they rejected this common concern which the minister and I share?

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, the hon. member has pursued this matter for some time. I can recall that over the last couple of years he has raised this topic on repeated occasions. We have not had an opportunity to deal with the matter in cabinet because we are very much engaged in pursuing matters of priority which have been identified by the new government. I would hope that we can deal with this subject fairly soon, because it is important.

* * *

[*Translation*]

TRANSPORT

INQUIRY WHETHER AGREEMENT REACHED TO RESERVE ONE LANE ON CHAMPLAIN BRIDGE, MONTREAL, FOR SOUTH SHORE BUSES

Mr. Pierre Deniger (Laprairie): Mr. Speaker, the question I am directing to the Minister of State for Transport deals with the Champlain Bridge and the lot of Montreal South Shore suburbanites. Could the minister indicate whether the new government intends to renew an agreement which our government signed in the past whereby a special lane would be reserved during peak hours for the buses of the transport commission in Montreal South Shore, an agreement which is to expire within the next few days and which has been an unqualified success?

[*English*]

Hon. J. Robert Howie (Minister of State, Transport): Mr. Speaker, I thank the hon. member for his question. The experimental project regarding the lane on Champlain Bridge reserved for buses has been in operation for 18 months and expires the last day of this month. The ministry of transport of Quebec has attempted to do an evaluation of the project, but they have been hindered by labour problems.

I understand that the minister is in the process of communicating with this government to ask for an extension of this experimental project. As soon as the communication is received, we shall give the matter immediate consideration. I sincerely hope that we will be able to give as favourable a response as possible.

[*Translation*]

Mr. Deniger: Mr. Speaker, I wish to direct a supplementary question to the same minister. For the information of the House and Montreal South Shore residents, could he indicate, in connection with the Champlain Bridge file which he is currently reviewing, whether he intends to continue the toll-free policy for the buses of the transport commission in Montreal South Shore which is provided for in an agreement which, I repeat, is to expire within the next few days?

[*English*]

Mr. Howie: Mr. Speaker, the provision regarding tolls results in a loss of revenue of about $150,000 a year. On the other hand, it results in a very marked increase in convenience for the people who use the service. There is also a very considerable saving with regard to energy conservation. We are currently balancing and giving weight to these factors. I expect to make a decision in the next few days, which I will communicate to the hon. member.

* * *

TOURISM

PROMOTION OF TOURISM BY CANADIAN PUBLIC SERVANTS

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, my question is to the Minister of State for International Trade who is also responsible for tourism. Since the first contact with Canada and the first impression of Canadian hospitality by the travelling public is often that of staff members of various ministries of the government, what is being done to inform civil servants of the importance of tourism and the major role which they play in assuring that we have repeat visitors from other countries?

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, this particular matter came up in October at the conference of federal-provincial tourism ministers and it was identified as being a question of real importance. There is currently under way an interdepartmental review by officials of the particular aspects of this problem as it relates to immigration and customs. That committee originally stated that it would be able to report to me some time around mid-year, but they have since extended the deadline to some time later in the year or into the following year. I instructed them that was not good enough and that I wanted the report sooner, hopefully by mid-year.

• (1150)

FINANCE

REAPPOINTMENT OF GOVERNOR AND DEPUTY GOVERNOR OF BANK OF CANADA

Mr. Bob Rae (Broadview-Greenwood): My question is for the Minister of Finance. In light of the announcement this morning that governor Bouey and his deputy were being reappointed for another seven years, does this mean that we will have another seven years of tight money, another seven years of high interest rates and another seven years of domination of our economy by the Bank of Canada?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, the governor of the Bank of Canada and his deputy were reappointed by the board of directors of the Bank of Canada. We have concurred in their reappointment. That means for another seven years, or however long they choose to fill those offices within that period, we will have a sound central bank, uninterfered with in a political sense by the government.

I cannot answer for what would happen if hon. gentlemen opposite were in power, but we are not going to interfere politically with the Bank of Canada. I think for another seven years we will have sound, sensible monetary policy administered by the Bank of Canada. I would like to congratulate Mr. Bouey and Mr. Lawson on their reappointment and wish them well.

Some hon. Members: Hear, hear!

* * *

HOUSE OF COMMONS

PROPOSED MOTION UNDER S.O. 25

Mr. Thomas H. Lefebvre (Pontiac-Gatineau-Labelle): Mr. Speaker, pursuant to Standing Order 25, I move, seconded by—

Mr. Speaker: Order, please. The hon. member will be aware that the Chair has never received motions of any sort during question period. The hon. member for Stormont-Dundas.

Mr. Pinard: Mr. Speaker, a point of order.

Mr. Speaker: Order, please. Points of order and questions of privilege will be taken into account at twelve o'clock. The hon. member for Stormont-Dundas.

* * *

NATIONAL REVENUE

EXCESS PROFITS OF OIL MULTINATIONALS—STEPS TO PREVENT TRANSFER OUT OF CANADA

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, my question is for the Minister of National Revenue. Two weeks ago I asked the Minister of National Revenue what steps his depart-

ment was taking with respect to the transfer of excess profits by the multinational oil companies outside the country. At the time he assured me that the department would have that matter very much in mind.

This past week we have had reports that two of the multinational oil companies have transferred multimillions of dollars out of this country at the same time as raising oil prices. I wonder whether the minister could advise this House what steps he is taking to prevent this intolerable situation.

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): Mr. Speaker, as the hon. gentleman knows, it is improper to discuss on the floor of the House of Commons specific matters in relation to income tax and the Income Tax Act. I am sure the hon. member understands that. I wish to reassure him that the Department of National Revenue is taking its responsibilities under the appropriate statutes with respect to the specific matters he has raised.

TAXING INCREASE IN REVENUES OF OIL MULTINATIONALS

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, my supplementary question is for the Prime Minister. Since it was the Prime Minister who first raised this subject in the House when he said he was going to discuss an excess profits tax with the multinational oil companies, I ask the Prime Minister this: is he going to pursue this aspect of taxing the increase in revenues rather than the increase in profits as a result of the oil price increases which we expect to experience in the next few weeks?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, we are now actively discussing the mechanism that will be used to ensure that virtually 100 per cent of the revenues that would go to the companies as a result of increases in energy prices will, in fact, be regained by the Government of Canada for the specific application by the Government of Canada for national energy purposes.

* * *

ENERGY

OIL SUPPLIES FOR MARITIMES THIS WINTER

Mr. Maurice Harquail (Restigouche): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the non-answer by the Prime Minister to our leader with respect to supply to the Atlantic area, in view of the oil supply cut off by Iran, and in view of the announcement by the Prime Minister that there are no plans for a pipeline to the maritimes, could the minister responsible indicate to the House what he intends to do in view of the cries by the Premier of Nova Scotia in this morning's newspapers for a guaranteed supply for the citizens of the maritime provinces?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, in response to the hon. member I simply want to say that I am, in fact, taking a number of initiatives to ensure that we do get through this winter. The fact is that the federal government is proceeding with a number of initiatives, in consultation with industry, for obtaining alternative sources of supply. These consultations are actively going on with the companies involved.

Also, I am taking some initiatives with respect to conservation practices that might be followed, and leadership that might be given at all levels of government. Today I am writing to the provincial premiers asking them to consider a number of conservation initiatives that might be taken and the leadership that might be given by all levels of government. It is a matter that I want to discuss at the first ministers' meeting. It is a matter that will assist us in getting through this winter. It is a manageable situation provided that we do not have any untoward or unforeseen interruptions of rather large proportions. We are attempting to come to terms with this particular problem.

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AIR TRANSPORT

GOVERNMENT POSITION RESPECTING DISPOSITION OF NORDAIR

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Prime Minister. I apologize for not having given him notice. Being aware of his concern for the people in Atlantic Canada who use air services for travel, would he indicate to the House whether or not the government has now taken a position with respect to the disposition of Nordair?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, that question is now before cabinet. We are considering the transportation concerns of the citizens of Atlantic Canada, Quebec and Ontario.

* * *

EXTERNAL AFFAIRS

SUGGESTED AIRLIFT OF FOOD FOR KAMPUCHEA

Mr. Gilbert Parent (Welland): My question is for the Prime Minister. Yesterday, the Minister of Employment and Immigration stated that there was great suffering by the people of Kampuchea. Having returned from the United Nations just recently—and I am sure the Prime Minister is aware of this—we know that in the last ten years as many as two million citizens there have died from famine. The Minister of Employment and Immigration talked about a political response—

Mr. Speaker: Order. Would the hon. member put a question.

Mr. Parent: Mr. Speaker, I ask the Prime Minister this: would he try a practical approach and suggest that an airlift of

food be sent to the people of Kampuchea to relieve their plight?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, that is already under way. What this government is doing, in addition, is proposing means—for which we hope we will find support in this House—to turn money from the refugee program, which the government need not spend now because of the generosity of participation by individual Canadians, toward aiding residents of Kampuchea. Also, through the office of the Secretary of State for External Affairs we are continuing her vigorous leadership in trying to bring pressure to bear upon the government of Vietnam in a way that will move toward a political solution of this very grievous human problem for the world.

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[*Translation*]

AWARDS AND DECORATIONS

OPPORTUNITY TO ESTABLISH ANTONINE MAILLET PRIZE

Mr. André Maltais (Manicouagan): Mr. Speaker, my question is directed to the Secretary of State. In view of the great joy which France has given us by awarding the Prix Goncourt to Mrs. Antonine Maillet, would it not be in the interest of all Canadians to establish an Antonine Maillet prize to encourage French literature in Canada?

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, the hon. member's suggestion is very important and we will gladly look into it.

* * *

[*English*]

INCOME TAX

MECHANISM TO ENABLE WHEAT PRODUCERS TO DEFER TAX ON INTERIM PAYMENTS FROM WHEAT BOARD

Mr. Donald J. Johnston (Saint-Henri-Westmount): My question is for the Minister of National Revenue. I believe the minister is aware of the difficulty faced by some wheat producers who expected deferred payments for crop deliveries this year and are now receiving interim payments from the Canadian Wheat Board.

It would appear that these payments will have to be included in income tax purposes in 1979. I wonder whether the minister has had an opportunity to consider some mechanism whereby they can receive a deferment of this amount, for tax purposes, which they otherwise would not have anticipated.

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): Mr. Speaker, that matter was originally raised in the Senate. There have been some reviews of the matter within the Department of National Revenue to see whether or not that would be possible. The preliminary judgment of the department is that it is not possible. I am reviewing the matter to see whether there could be any change, because I recognize the position put forward by the hon. member. When that review is completed, I shall inform the hon. member.

* * *

• (1200)

EXTERNAL AFFAIRS

DEPLOYMENT OF NUCLEAR WEAPONS IN EUROPE

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I have a question for the Secretary of State for External Affairs, who will be attending the NATO meeting of foreign defence ministers in Brussels next week at which meeting a decision will be taken on the American proposal to station Pershing and cruise-missiles in five European countries.

Does the minister share the position of the Minister of National Defence in not having a position on the U.S. proposal, or does she intend to follow her own convictions and those of the United Church of Canada—and, indeed, of this party—that as a minimum Canada supports the proposals that have come from three European countries to postpone further deployment of any nuclear weapons in Europe pending ratification of SALT II and exploration of new possibilities in east-west arms control negotiations?

Hon. Flora MacDonald (Secretary of State for External Affairs): Mr. Speaker, the very important discussions that will be going on next week with regard to the modernization of the Theatre Nuclear Forces in the NATO alliance are in large measure a response to the deployment that has already taken place in the Soviet Union and the Warsaw Pact countries with the SS-20 missiles and with the Backfire bombers. This is a question as to whether or not the NATO alliance speaks from a position of strength or a position of weakness.

I would say to the hon. member that in the discussions that will be taking place in Brussels next week, Canada will be working with the European countries to reach a consensus that will strengthen the role of the NATO alliance. There is no question as to where we stand on that. It does not mean that Canada has any personal commitment to nuclear missiles or nuclear weapons.

Some hon. Members: Hear, hear!

Miss Jewett: Mr. Speaker, three of the European countries have their representatives, in one case their premier and in the other two their foreign ministers, in Washington today to discuss their very serious reservations about the American proposal. Perhaps the minister has not understood what the American proposal is. I want to ask her specifically whether Canada is also going to express those reservations on the American proposal. The decision will otherwise be made on December 12.

Miss MacDonald: Mr. Speaker, the subject under discussion is not just an American proposal; the subject under discussion

is the modernization of our NATO alliance and of the theatre nuclear weapons within that alliance. As the hon. member knows, a good many other countries will be taking part in that. It will not just be the American position, but the position of the United Kingdom, West Germany and a good many other countries. That is the one in which we will be involved.

There is no question that there is opposition to it from Norway, Denmark and The Netherlands, but it is a different kind of opposition than the hon. member would seek to leave with the House, because the various positions of these three countries are in no way the same. Therefore, what we will be seeking to arrive at at that meeting is a consensus on which all NATO countries can come to agreement.

Mr. Speaker: Order, please. I want to call the attention of the House, in order that it may not always be seen that I have only negative comments about the question period, to the fact that I recently asked for the co-operation of the House to try and operate in a way at the beginning of the question period which was in balance with that expected at the end of the question period. Today members will note that the exchange at the beginning of the question period was ideal in nature and still very forceful on a very important subject. The result was that participation in the question period was much more generous than it has been in recent days. I think I am expressing the views of most members of the House in thanking the members for their co-operation.

Some hon. Members: Hear, hear!

Mr. Speaker: I have received six notices of questions of privilege, one application for an emergency debate pursuant to Standing Order 26, and I believe I observe a point of order which has arisen during the question period. I believe it is my duty to take that even before I take the questions of privilege in respect of which I have received notice; that is to say, the items which arise during the question period and by our recent practices have been deferred until the end of the question period have priority on their own, had they been taken during the time they arose during the question period. I think I should take those now.

* * *

[*Translation*]

POINTS OF ORDER

MR. PINARD—ADJOURNMENT MOTIONS DURING ORAL QUESTION PERIOD

Mr. Yvon Pinard (Drummond): Mr. Speaker, I would like to call your attention to page 9595 of *Hansard* for November 16, 1971 when the situation was absolutely identical to what happened today during oral question period. Mr. Speaker Lamoureux was in the chair and the hon. Mr. Stanfield, in the middle of the question period, moved the adjournment of the House without debate and without postponing the debate until after question period. The Speaker put the question—

[Miss MacDonald.]

[*English*]

Mr. Speaker: The House should understand that Standing Order 25 does indicate that a motion to adjourn the House is always in order. However, I have ruled in the past that a motion being always in order surely means the hon. member must have the floor for the purpose of putting a motion. For example, I asked the hon. member—and our recent practices are perhaps not enshrined in the Standing Orders—could a member put a motion pursuant to our period at the beginning of the day for the calling of motions pursuant to Standing Order 43? Motions pursuant to Standing Order 43 must receive the unanimous consent of the House.

Standing Order 25 says that a motion to adjourn the House is always in order. Could the Chair, therefore, on the hon. member's reasoning, take a motion to adjourn the House on a motion pursuant to Standing Order 25 during the period of motions pursuant to Standing Order 43? I think not. That period is reserved for motions to be put only upon unanimous consent. Obviously a motion to adjourn the House does not require unanimous consent. How do the two blend?

Similarly, as I indicated quite clearly on February 21 of this year when an attempt was made at that time by the hon. member for Pembina (Mr. Elzinga) to adjourn the proceedings pursuant to Standing Order 25 during the course of the question period, I had the following to say:

> The hon. member will know that I recognized him during the course of the question period. A motion to adjourn is always in order, according to the Standing Orders of the House. However, such a motion must be put forward, as I have ruled on more than one occasion in the past, at a time when a member has the floor for the purpose of putting a motion, which is not done during the question period. When a member has the floor at a time which motions are received, then that motion is always receivable.

That reason remains for the reasoning I have applied. I could not controvert it today. To do so would be a direct contradiction of my own ruling only months ago.

Mr. Pinard: Mr. Speaker, if I may simply and shortly express my point of order. I understand you are saying you will not contradict yourself. What I was saying is that you contradicted Speaker Lamoureux. I was referring you to a precedent at page 9595 of *Hansard* for November 16, 1971 when Speaker Lamoureux was in the Chair. This very situation occurred when Mr. Stanfield rose during question period and moved the adjournment of the House.

May I also refer you to Standing Order 25 which is very clear in its wording. It reads:

> A motion to adjourn, unless otherwise prohibited in these Standing Orders, shall always be in order—

First, I would like to know the meaning of the words "shall always be in order". Second, before you give your final ruling, may I seek your guidance as to how your ruling compares with Speaker Lamoureux's ruling in 1971 when the very same situation occurred during question period. Mr. Stanfield rose and simply said:

> Mr. Speaker, in view of the kind of answers we are getting this afternoon, pursuant to Standing Order 25 I move the adjournment of the House.

It was not seconded. The Speaker then said:

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

A vote was then taken. You are saying you will not contradict. I am asking, will you contradict Speaker Lamoureux?

● (1210)

Mr. Speaker: The answer to that, of course, is I already have.

Some hon. Members: Hear, hear!

Mr. Speaker: I bring it to the attention of the hon. member that our practices have changed substantially since the Lamoureux ruling to which he has referred. At that time motions could be put prior to the question period and, in fact, questions came at the end of Routine Proceedings. We have now reversed that order and placed a priority on the question period, by our practice and by agreement, placing questions ahead of motions. Furthermore, we have, by agreement, purged the question period of points of order and matters of privilege which might arise, deferring them until later.

In other words, since the ruling to which the hon. member referred we have taken steps to give the question period priority over other proceedings. That is the reverse of the practice followed at the time the Lamoureux precedent applied. I might act differently—I might—if during the question period we were still operating under rules in accordance with which, prior to the question period, we had already entertained a number of motions. I do not know whether I would or not. I can only say to the hon. member that the conditions under which Speaker Lamoureux made that ruling were quite different from those under which I made mine. If mine contradicts his, that may partly be attributable to changes in the practice in the meantime. In any case, I have no intention of contradicting my own ruling.

Mr. Thomas H. Lefebvre (Pontiac-Gatineau-Labelle): As the one who moved the motion, Mr. Speaker, I should like to have further clarification. I checked the book you have in your hand while you were speaking from the chair and you quoted from it that motions under Standing Order 25 were always in order. That is what I checked this morning. I checked the precedent set by Mr. Stanfield, then leader of the opposition, in 1971 and felt that if I obtained recognition during the question period I could legitimately move such a motion. I suggest to you, Mr. Speaker, that when members are issued with what we call the green book on orders and regulations, perhaps it should be accompanied by a printed listing of your rulings; that when we come to a chapter in this book which we can no longer rely upon, you give us the precedent created by what you have done today in every instance in the book. We are not all experts on the rules in this book.

Some hon. Members: Hear, hear!

Mr. Lefebvre: I gather from the applause that hon. members over there agree with me. To help hon. members who are not in your position and who do not possess expertise in these matters, I suggest you issue these precedents and the rulings you have cited to go with every chapter and verse in this book.

Mr. Speaker: The suggestion made by the hon. member for Pontiac-Gatineau-Labelle is, actually, not a bad one. It would bring into play what would be called an annotated version of the Standing Orders of the House. That is a mammoth undertaking, almost an impossible one; I despair that I would ever have the time to do it. It would involve a great deal of research, a great deal of work. The hon. member will realize, also, that there are situations in which both the precedents of the House and the Standing Orders come into conflict not only with previous rulings but also with one another. This is one of them. Certain motions are declared in their very own terms in the Standing Orders to be always in order. What that language does is relieve the hon. member of the necessity of giving notice of his motion, as is required in other cases.

As the House knows, private members are entitled to have their motions considered by filing first a notice of motion, and then having them go through in rotation. Those are the conditions which surround the introduction of a motion under other circumstances. What Standing Order 25 does, with regard to a motion to adjourn the House, or to adjourn the debate, is relieve the hon. member of the necessity of giving the House notice of his intention to move that motion. It is in order at any time. This does not mean it is relieved of all constraints or, in my opinion, that it can be put during a period of time in which the House does not receive motions—for example, during the period in which we receive only motions by unanimous consent under Standing Order 43 or during the question period, and equally, during the taking of motions which relate to House business and procedural motions. These are sometimes received while motions are being put, but not during the question period.

Therefore, as I have said to hon. members, there are times when the rules come into conflict with one another and into conflict with precedents which were laid down when the rules were in different form. The Chair has to reconcile such conflicts and I have consistently reconciled this one in the following way: that I will receive such motions, obviously without notice at any time, during a time when motions can be put by members. But we have never received motions from members during the first hour of the day unless they conformed with the terms of Standing Order 43, and never during the question period. That is the precedent I have set and one which I intend to continue.

[*Translation*]

Right Hon. P. E. Trudeau (Leader of the Opposition): Speaking to this point of order, Mr. Speaker, we shall of course abide by your decision, but in the future we might examine further the decision you have just made because you have referred us to Standing Order 43 which specifies that at the beginning of the sitting of the House the only motions to be moved will be those that ask for unanimous consent. However, as concerns the period following motions under Standing Order 43, nothing is specified. You have yourself

referred to your decisions on previous occasions, but is it possible to go against a rule as clear as that? A motion to adjourn can be moved at any time. Unless there is a specific rule forbidding such a procedure during this period, I do not understand how you can conclude that your decision can visibly contradict one of our rules. This is my first point.

The second, Mr. Speaker, is that we must also consider the purpose of Standing Order 25. As Mr. Stanfield explained in 1971, the purpose of this rule is to express the displeasure of the House with the way the government carries on its business. Obviously, this displeasure can be expressed, as in the case of Mr. Stanfield, just as well during oral question period as at any other time. Otherwise, the rules make no sense.

I therefore appeal to you, Mr. Speaker, since you have already gone against a past decision, to think about going against it another time in keeping with the spirit and the letter of Standing Order 25.

[*English*]

Mr. Speaker: The Leader of the Opposition (Mr. Trudeau) is perfectly correct. The first time this problem arose some five years ago, I might have taken the view that, because it is said in our Standing Orders that motions pursuant to Standing Order 25 are always in order, they could be received at any time. I might also have believed I was open to take the interpretation that, because of the way in which we had rearranged our proceedings, it was not open to the Chair to receive motions during the question period. In my view, both interpretations were open to me.

The one I chose is the one I announced six months ago in February of this year, a repeat of a decision I had made several times previously. No grievance was raised at that time. It was an interpretation I have made very clearly on several occasions based not only on the Standing Order but also on the way we have adopted practices since the Lamoureux ruling which has been referred to. My language is quite clear and I have no intention of reversing my ruling.

Order, please. I have notice of six questions of privilege—

Mr. MacEachen: I have a point of order related to the question period.

Mr. Speaker: I have now ruled on this three different times.

Mr. MacEachen: It is a different point, Mr. Speaker.

● (1220)

MR. MACEACHEN—RAISING OF POINTS OF ORDER DURING ORAL QUESTION PERIOD

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I want to raise a point of order on what appeared to be a ruling on your part that it was impossible to hear a point of order during the Oral Question Period. Your Honour will recall that at a certain point some years ago the Standing Committee on Procedure and Organization made a report to the House in which it requested the House to absolve the Oral Question Period from questions of privilege and points of order. That concurrence was granted, but it was put under a specific time limit as to its duration. That time limit has long since expired.

When I was leader of the government, I approached hon. members opposite to have that rule continued in the House of Commons, and they were not in favour of doing that. At that point, when that proposal from the standing committee was not reinstituted, the preceding regime came into play, namely, that it is possible during the question period to raise a point of order or a question of privilege unless by consent or by agreement of the House that is not possible.

There was a point of order raised during the question period. It was not heard. I am arguing that if there is a rule in the authorities—Beauchesne or any of the British authorities—which is crystal clear, it is that when a breach of order is apprehended to take place, then it must be heard; and I am arguing that unless there is consent or action by the House of Commons to reinstitute the report of the standing committee, it is open to hon. members, if they wish, to raise questions of privilege or points of order during the Oral Question Period. If not, we have to take whole pages of Beauchesne, tear them up and throw them out.

I am putting that before Your Honour for consideration. I am not one to seek to create disorder in the question period. This is the first time that we in the opposition since we moved over here have raised a point of order in the Oral Question Period. We were denied an opportunity to have that point of order heard, and I believe it ought to be considered very carefully as to whether an important right of the opposition has not been abrogated.

Some hon. Members: Hear, hear!

Mr. Speaker: The point of the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen) is well taken, and after the session to which the hon. member referred in his remarks—that is to say, that arrangement had a sessional life which has long since gone out of formal existence—I indicated to the House that that practice seemed to be one which was successful in the management of the question period. In addition, it seemed to be one which had, for that reason, very general acceptance, and therefore I would continue to be guided by that practice on behalf of the House, notwithstanding the fact that it probably does not have a sound legal foundation.

I still intend to be guided by that practice, not because I am directed to do it, but because I believe I am expressing the consensus of the House that it is, in general a successful practice.

Some hon. Members: Hear, hear!

Mr. MacEachen: What consensus? On the other side is the consensus.

Mr. Speaker: The hon. member raises a point about the ability of a member to raise a point of order or a question of

privilege during question period. All that is happening is that the Chair exercises a discretion to defer the matter until the end of the question period. The Chair does not have the absolute right to defer the matter to the end of the question period, and today, as I would have done on any other day, I indicated when the point of order was raised that I would defer it to the end of the question period.

I believe on one occasion, if I recall, the late right hon. member for Prince Albert and other hon. members raised matters which were so fundamental to the progress of business in the House that the matter had to be taken into account at once, and that discretion always remains in the Chair.

In summary, therefore, I return the hon. member to the two points, first, that the practice is not one which the House is compelled to follow. It is one which I believe the House wishes to follow, and if the House wants to tell me that it does not wish to do so, then, of course, I am bound by that, and we will revert to the previous practice.

Second, the Chair always has—I want to make it clear that the hon. member is correct in his second premise as well—the discretion to take a matter into account if the Chair feels that the matter requires to be taken into account at that very point and that the progress of the question period must be arrested in order to take the matter into consideration. There have been some and there will continue to be questions which so fundamentally relate to the progress of the business of the House that they must be dealt with then.

I think I will always indicate to the House, as I did today, that my preference would be to take these matters at 12 o'clock; however, if an hon. member insists that it be done, he has the right always to explain to the House why the matter must be taken into account at that time, and then I have to exercise that discretion.

* * *

PRIVILEGE

Mr. Speaker: I have six notices of questions of privilege. The first was received from the hon. member for Yorkton-Melville (Mr. Nystrom). The six are from the hon. member for Yorkton-Melville, the hon. member for Kenora-Rainy River (Mr. Reid), the hon. member for Sault Ste. Marie (Mr. Symes), the hon. member for Vaudreuil (Mr. Herbert), the hon. member for Broadview-Greenwood (Mr. Rae) and the hon. member for York West (Mr. Fleming).

MR. NYSTROM—CONSERVATIVE MEMBERS OF TASK FORCE ON GRAIN TRANSPORTATION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I am raising this question of privilege at the first opportunity I have. I think it is a very serious question of privilege which infringes upon my rights and privileges as a member of Parliament. It arises out of a report which was tabled by the Minister of Transport (Mr. Mazankowski) yesterday in the Standing Committee on Transport. It is a report entitled "Final Report of the Emergency Grain Movement Task Force, October 30, 1979".

My question of privilege also arises out of a question on the order paper which was put there by myself and which was responded to by the government on December 5. The question was as follows:

> What budget has been made available to the Grain Transportation Task Force and specifically, what amounts have been budgeted for (a) transportation and communications (b) professional services (c) printing and distribution of report(s) (d) material and supplies (e) salaries—

The second part of the question was as follows:

> Are all members of the committee also members of the Progressive Conservative party?

The answer to the question whether all members of this task force are Conservative members was "Yes". There were three members on that task force. One was the hon. member for Lisgar (Mr. Murta). Another was the hon. member for Kindersley-Lloydminster (Mr. McKnight). Another was an hon. member from Alberta, and I believe his riding is Wetaskiwin. That information presents me with a problem because I think it infringes upon my privileges as a member of Parliament.

A similar question was raised in this House on November 5 by the hon. member for Glengarry-Prescott-Russell (Mr. Ethier). I say similar because it dealt with a similar task force which was headed, I believe, by the hon. member for Medicine Hat (Mr. Hargrave) and which dealt with an inquiry on beef imports. I believe my question is different because we have this report which was tabled before the Standing Committee on Transport yesterday, and we now have information on the order paper that the federal government paid with public funds for the printing of this report. It paid for travel by the members of Parliament involved, and it paid for some other services such as the translating of the report which is before us today.

Essentially what happened was that the transportation and communication cost $6,943, professional services $1,552, printing and distribution $400 and material and supplies $266, and the cost of that report to the public treasury was $9,161. I have since also learned that that is not really the only cost. The task force also borrowed the services of at least one secretary from the grains group. It also had the use, I believe, of other technical advice, technical information and technical expertise from other departments or agencies of the Government of Canada.

My question of privilege is the following: It is my understanding from conversations I have had with the opposition House leader and the hon. member for Winnipeg North Centre (Mr. Knowles) that never before in the history of this Parliament have we seen a minister of the Crown select members of Parliament from his own party to conduct a study on an important area of policy.

• (1230)

Now, Mr. Speaker, I am not reflecting on the ability of those three members, but what is important here is that those three members are members of the Conservative party. In essence, what we have here is a Conservative subcommittee on grain transportation. Its report was printed at public expense. My question of privilege is that as a member of the NDP I do not have the privilege of being a member of that committee, nor do members of the Liberal party or members of the Social Credit party.

I also want to point out to you, Mr. Speaker, that I do not think, although I am not sure, that an order in council was passed to form that task force. I do know there was no order of the House because the House was not sitting back in June or July when the task force was struck. I believe it was the minister himself who chose this task force and who allocated funds for the task force to travel across the country. The report of the task force has been published by the Department of Industry, Trade and Commerce, so we have two government departments involved in this.

I am not the only person who has raised a question similar to this because we have the beef inquiry, we have another inquiry raised by the hon. member for Moose Jaw (Mr. Neil) concerning the matter of branch line abandonments in the prairies, and also a question in the House raised by the hon. member for Stormont-Dundas (Mr. Lumley) to which he might want to refer later on in the debate.

My question of privilege is as follows: Does it not infringe upon my privileges and rights as a member of Parliament not to have access to the same public funding, to the same services from the Department of Transport and from the Department of Industry, Trade and Commerce and to the services of the translators of the Government of Canada to translate a political report or a report from members of one political party? We do not have that right as members of Parliament, and because of that I think it is a very serious question of privilege. I believe that this is a precedent. I believe that this type of thing has never happened in the history of the country. It is a practice that should be stopped by the Prime Minister (Mr. Clark), the practice of using public funds for narrow party purposes.

Some hon. Members: Oh, oh!

Mr. Nystrom: Mr. Speaker, there is a second important part to this question of privilege, in my opinion. Many people have called me and said, "I understand that there is a parliamentary task force studying grain transportation in this country. Are you, as the food and agricultural critic, or is the member for Regina West as the transportation critic, a member of that task force?"

An hon. Member: How could you be?

Mr. Nystrom: That is the very point I am raising. Because public funds are being spent, we were not invited to be members of that task force, and nor were members of the Liberal party or members of the Social Credit party. That is a misrepresentation of this Parliament. There is an impression among the population of this country that this is a parliamentary task force report and therefore a non-partisan report prepared by representatives of all parties in this House.

My question of privilege is that public funds and services were used, the services of translators, the services of the Department of Industry, Trade and Commerce, and the services of the Department of Transport. The report has now been tabled in the Standing Committee on Transport and Communications of this House. Also we have answers on the order paper which state that over $9,000 from the public treasury was spent. I have it from a good source, as I said, that other government services were used in terms of secretaries and technical assistance from other departments.

I think that that is an infringement upon my rights as a member. If they have those rights, should we not all have the same rights and the same access to that type of public funding? It seems to me that it would only be fair. I raise that as an important question of privilege which affects the privileges of all of us in the House. Regardless whether the Prime Minister thinks so or not, all of us in this House are equals and we must be treated as equals by the ministers of this cabinet and by all departments of the Government of Canada.

Mr. Speaker: I see several members who want to participate in the discussions of this question of privilege and I am prepared to hear them either now or later. The one that has been raised by the hon. member for Glengarry-Prescott-Russell (Mr. Ethier) concerns the Minister of Agriculture (Mr. Wise). The Minister of Agriculture has indicated he wants to respond to that on Monday. I want to indicate to the House that I have examined the one that has been raised in respect of the Minister of Agriculture and it will not be decided until I hear the minister, of course. The situation is the same with respect to this question.

I do want to say to the House, however, that if in fact public funds have been spent on a committee activity of this sort, a committee made up of only one party, it is a practice which, if it does not constitute privilege, is one which the House would want to examine very carefully and reconsider. I want to invite earnest consideration by the ministers involved—the Minister of Agriculture on the previous question and the Minister of Transport (Mr. Mazankowski) on this one. Whether or not technically this comes within the orbit of a question of privilege, it is a practice that ought to be carefully examined.

The reason I say this now is that I do not want to get an off-hand intervention in the absence of a notice to the minister. I would invite the government members involved, including, of course, the President of the Privy Council (Mr. Baker) who is responsible for parliamentary practices, to give this matter careful consideration. If it is in fact a practice in which this government wishes to engage and wishes to defend—which, of course, is not my option, it is the option of those involved on that side of the House—then it ought to be done after careful consideration, following which an argument should be addressed to the House. If it is an issue which, after consider-

ation, they decide should not be pursued, the House should be so informed.

I am simply saying that this is a matter which I take seriously and which I consider to be of great importance. I want to put it into the hands of the House to decide whether or not this matter should be deferred until Monday to give members on both sides an opportunity to prepare their interventions, so that I could reach a decision on Monday on both questions at the same time. But I do consider it to be a matter which, even if it is not a question of privilege, is a practice that be done only after careful reflection and a defence here in the House, after which I would want to decide whether or not it was privilege. Perhaps I could get some indication from the House whether we want to proceed with this now or whether we should defer it until Monday for further argument.

Mr. Nystrom: Mr. Speaker, I want to point out to you that the Minister of Transport is in the House. He is aware of this question because he knows of my concern. The Minister of Industry, Trade and Commerce is not here, he is in the other place, so I suggest we start dealing with this matter this morning. It is a very important question.

You ask whether or not public funds have been spent. What I was quoting from was an answer provided to me by the Government of Canada. It appears at page 2044 of *Hansard* in reply to a question I put on the order paper. So indeed the government is saying it did spend funds. The Minister of Transport is nodding his head in the affirmative, so we know that that is a fact. I think we should pursue it.

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): Mr. Speaker, you have raised a very important point on a matter which we regard as being of some significance, and I think it is important from the point of view of parliamentary practice. I understand there is one almost related matter that was put over until Monday involving the Minister of Agriculture (Mr. Wise), and there is the matter which was raised today concerning the Minister of Transport (Mr. Mazankowski).

With respect to the importance of engaging the attention of members of Parliament generally with respect to public policy, I think your suggestion is an eminently sensible one, and if it is agreeable to you—and I hope it will be agreeable to members of the House—we can give attention to it in the period of time and deal with the matter on Monday because we regard it as being quite an important matter as well. I hope you will use what authority you have in these circumstances to breathe some life into that suggestion because I think the argument is very important in terms of parliamentary practice.

● (1240)

Mr. Speaker: I suppose we can accomplish both things. There are some hon. members who want to make interventions today. I can hear them, then I can defer the matter, which I will most certainly do, for interventions from the government side on Monday, or I can hear the minister today. The Minister of Transport might be able to shed some light on this.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I will not be in the House on Monday. I would be prepared to make a few comments right at this particular time.

Perhaps I can clarify a couple of items raised by the hon. member for Yorkton-Melville (Mr. Nystrom). He questioned whether there was an order in council. I think he will find that there was. The member suggested that it is a political report to be used for partisan purposes. Upon reflection I think he would want to reconsider those remarks, because quite frankly the report clearly speaks for itself. There is nothing partisan or political about the report.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I wonder if I could deal with that point now. It seems to me that is a point which we could conveniently leave out of the argument. It does not matter. The quality of the report makes absolutely no difference to the end result. Whether in fact it is of a partisan nature or not, it does not make any difference if it is a report of a one-caucus committee. I think we can keep the matter on a rather higher plane. Regardless of the nature or the quality of the report, it seems to me that has nothing to do with the ultimate decision.

I would invite members on my left to abandon those accusations and members on my right to abandon those defences and just to stick with the basic problem of whether or not it is within the practices or contrary to the privileges and practices of the House to spend government funds on the report of a government committee only.

Mr. Mazankowski: Only Mr. Speaker would be able to decide that question. I am sure that in Your Honour's wisdom you will decide in a manner which is consistent with the traditions of this House.

I am sure the hon. member will find that the order in council was made. The report has been made public. There were members of the government party involved in the formation and the establishment of this report. I think upon reflection there have been a number of reports which have been considered with respect to grain transportation and movement. I think the Booze-Allan study was worth some $600,000. It was done by a consulting firm that was appointed by the former government. We have here a very comprehensive analysis and some very good recommendations which are not limited to the consumption of the government or the members of a political party.

I presented this report to a committee of the House yesterday for the benefit not only of the government or Conservative members of the House, but in the interests of achieving a better grain handling and transportation system. The cost was $9,161. We have been completely open about it. There were some 30 groups and associations consulted. Discussions had gone on. The report is public. It is in the hands of Parliament. Quite frankly, I think it is designed for and aimed at facilitating grain movement. We have indicated what costs were associated from the public treasury. So there is absolutely nothing to hide. If, in Mr. Speaker's candid opinion, there is a

breach of the privilege of the House, then of course it is a decision Your Honour will have to make.

I can assure hon. members of the House that this initiative was taken by the government in the best faith and in the best interests of improving grain handling and transportation facilities in this country. It is a responsibility which I have. It is something to which I give top priority. The House was not in session at that particular time, and there were no committees established. If there had been a parliamentary committee in existence at that time, perhaps the parliamentary committee may have considered this important factor. Certainly there was nothing untoward, political or partisan about the appointment of this task force. It was in the best interests of Canada.

Some hon. Members: Oh, oh!

Mr. Mazankowski: It was in the best interests of improving the grain handling and transportation system in this country. I put that to Your Honour in the most sincere and genuine fashion that I possibly can.

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, I rise on the question of privilege raised by the hon. member for Yorkton-Melville (Mr. Nystrom), mainly because I heartily agree with everything he said. On November 23 I raised this question with the House leader.

I do not doubt for a second the sincerity of the hon. Minister of Transport (Mr. Mazankowski) in initiating a study of this kind, because of the importance of the grain transportation or rail line abandonment study which he initiated with another hon. member. But I think he has missed the point. The point in fact is that hon. members on all sides of the House were not involved in that particular study where government funds were involved. As the hon. member for Yorkton-Melville stated, it infringes upon the rights and privileges of each and every individual member of this House.

Yesterday the minister said that the committee was formed when the House was not sitting. Well, we have an office of the hon. Leader of the Opposition (Mr. Trudeau); we have a deputy House leader and a whip. All it would have taken was a telephone call to ask if members of this particular party, the NDP or the Social Credit were interested. Because of the national interest of the two studies, in particular the report of the hon. member for Lisgar (Mr. Murta), I am sure any number of members of Parliament would have been interested in co-operating with the government. One cannot compare this particular study to the Booze-Allan report which was an outside study commissioned by the Government of Canada.

There is another element which has been missed so far. When government expenditures are used to pay for trips by hon. members, we should have equal opportunity. As members of Parliament, we have ten trips a year for travel anywhere in Canada. As the hon. Minister of Transport knows from his days as transport critic, it is very difficult to be able to maximize the use of those ten trips in doing things in the interests of transportation. Yet hon. members opposite were offered a special opportunity to travel to various areas in Western Canada to meet with interested parties who were not available to members on this side.

Another point is that members of the task force were invited to discuss at the federal-provincial ministers' level this report to get the input of provincial ministers of transportation and agriculture. That privilege was not offered to members on the opposition side of the House.

It is worth reading into the record the answer of the House leader to my question on November 23. With respect to the so-called parliamentary task force which included only Conservative members of Parliament, while acknowledging the dedicated effort of the individual members concerned, I asked the following:

> —would the President of the Privy Council assure the House that in future parliamentary task forces will include members from both sides of the House—

As reported in *Hansard*, the President of the Privy Council and Minister of National Revenue (Mr. Baker) said the following:

> Mr. Speaker, I am very happy the hon. member raised that question. It has been my view—and I know it is the view shared by the Prime Minister—that for too long the talent which exists on the benches on all sides of the House of Commons really has been underutilized. We adopted as an experiment the procedure to which the hon. member refers.

It is too bad he did not consider opposition members at the time this thought process took place.

Mr. Lefebvre: It is just an oversight.

Mr. Lumley: He continued:

> I have no objection whatsoever to considering that kind of task force involving all members of the House of Commons. There are many issues which could be considered respecting the operation of government that really are not partisan and that could engage properly the attention of members on all sides of the House of Commons. I certainly agree with the representation contained in the question.

Hopefully, Mr. Speaker will rule in favour of the hon. member for Yorkton-Melville on his question of privilege. Perhaps even before Your Honour makes your ruling, the House leader of the government party will make a firm commitment to the House that never again will there be a parliamentary committee which only involves members of the government party.

Mr. Speaker: I see quite a number of members seeking the floor. I should like to ask their co-operation in making sure that they are adding something to the debate which I have not already heard.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, first of all I should like to welcome most warmly your suggestion that we not engage any further in references to the matter being of a partisan nature. In other words, we should not contend that the matter is partisan, and the government should not worry about defending that position.

By the same token, I suggest that it is completely irrelevant to argue about something in the report being good. Whether it is helpful or not to the situation is irrelevant to the basic issue,

namely: Have the practices and rules of this those been offended?

I feel that has been done in two ways. In the first place, I think that it is an affront to Parliament when a committee is set up which consists of members of only one party in the House. In the second place, I think that something is wrong when the government is able to provide money, whether it is only $9,000, $9 or hundreds of thousands of dollars, for a purpose not usually handled in that way.

• (1250)

I emphasize the fact that our rules are very extensive on the setting up of committees. Standing Order 65 is the main rule in that situation and, of course, it provides for appointments to those committees, by virtue, first of all, of there being a striking committee. That striking committee works hard at achieving a fair balance among the members of the standing committees. The striking committee had nothing to do with this Conservative committee.

I also point out that the standing committees are given certain powers, one of them being the right to send for persons, papers and records, and then the right to print their reports. In other words, when a standing committee spends money printing its report, it has been given that authority. But even a standing committee cannot travel, cannot have any expenses for travelling or hotels or what have you, unless it gets a special order. Yet here we have a committee which was not set up under Standing Order 65 but which has printed the results of its work, has done some travelling and had it paid for out of public funds.

I suggest, Mr. Speaker, that the matter is as serious as was suggested the other day by the member for Glengarry-Prescott-Russell (Mr. Ethier), and as suggested today by my colleague from Yorkton-Melville. We know there are other such committees, and the hon. member for Moose Jaw (Mr. Neil) I believe is the head of one of them. Perhaps he is a one-man committee doing the same kind of thing on the subject of branch lines. As I say, our provisions for committee structure are well set out. We cannot have a special committee without a special motion, and no committee, standing or otherwise, can travel or spend money without the authority to do so.

The Minister of Transport (Mr. Mazankowski), for whom I have a great deal of liking and respect, answered quite straightforwardly that he believes there is an order in council. It is nice to have that straightforwardness, but what he is telling us is that the government got around the usual way of setting up a committee and providing money for it, since it was a committee of the government side only, by passing an order in council instead of using the rules of this House.

I dare to hope, Mr. Speaker, that the arguments that are being made, and your own emphasis upon the seriousness of the issue, may lead the government to reconsider its position and discontinue this practice completely. The government can avoid your having to make a ruling on it. As someone behind me suggests, the Conservative party should pay back the money that was spent on this task force.

All the caucuses in this place set up committees. We have committees. We have two members right now, the hon. member for Saskatoon East (Mr. Ogle) and my colleague, the hon. member for Winnipeg-Birds Hill (Mr. Blaikie), who form a committee concerned with health and social matters. They are pursuing that work, as charged by our caucus, by travelling. They are in the Atlantic area right now. They are able to travel to some extent on the basis of the members' travelling privileges which we have, but there is no hotel money and no money for meals. When they come back and draft a report, nobody on the government side is going to print the document.

But there is this report. It is a very official looking document with a maple leaf on it and it is put out by the Government of Canada through the Department of Industry, Trade and Commerce. This one also gets translated. We would not even think of asking for our two-member committee, to which I just referred, to have government support or funds out of the treasury. They are doing their work at the request of caucus and they are paying their own way, except for the fact that they do have the right to travel, just as any other member of Parliament has the right to travel. But in doing that they are using up some of their flight privileges. They have no government staff, no translating staff, yet on the government side this has happened.

As I say, I respect the concern of the Minister of Transport to find ways to solve the problem. I request his suggestion that there are probably some good proposals in this report. That is not the issue any more than it was the issue for my good friend to suggest that this is a partisan operation. In any case, we have ruled that out of the discussion. What is involved is a committee structure, a committee set-up, which is not provided for in Standing Order 65 at all. The government has got around that and got around the business of providing money for the committee by having it done by order in council.

I argue this not so much as a matter of procedure or rules, so as to try to get Your Honour to make a ruling, but more in the way of making an appeal to the Prime Minister (Mr. Clark) and the President of the Privy Council (Mr. Baker) to reconsider this whole matter. They should be expected to discuss it today because they have known about it. This question has not been sprung on them today. The hon. member for Glengarry-Prescott-Russell raised it some time ago, and my friend the hon. member for Yorkton-Melville put his question on the order paper on November 7.

I thank the Minister of Transport for giving a frank answer, but under four different headings payments were made to the total of $9,000. The government have had plenty of warning. They have postponed a decision on the issue until the Minister of Agriculture (Mr. Wise) had his chance, Mr. Speaker, but this really adds up to a pretty serious aberration of the committee practices in this House.

I commend the Conservative party on putting its backbenchers to work. That is a good idea. I think in fact, if I may say so without attracting the ire of my friends over here on the right,

they are a little better at it than the Liberals were when they were over there. That is not the question either. If the Conservative party wants to put its members to work, God bless them, but let them pay for it and not find a way to get funds out of the public treasury to pay for the expenses and to get the report printed. In addition, they should not engage in an affront to Parliament by giving the idea that somehow this is a parliamentary committee. It is not a parliamentary committee any more than our Ogle-Blaikie committee is a parliamentary committee. We put them to work. We think it is a good idea that they are doing what they are doing, but they are doing it on behalf of our caucus, and the results of their study will be reflected in the things that are said from this corner of the House in due course.

I believe this is a very serious issue, Mr. Speaker, and I really think that the best way to resolve it would be for the ministers involved to say that they moved too quickly into this thing, that they are prepared to back up and withdraw the whole operation, and that the Progressive Conservative party will put up the funds that have been spent improperly in this way.

Mr. Gordon Towers (Red Deer): Mr. Speaker, the issue has been clouded. There is a very narrow point I should like to bring to your attention.

The former minister in charge of the Canadian Wheat Board appointed by order in council a commission under Justice Hall. There was no problem in relation to paying his expenses because he was undertaking a mission relating to issues associated with the movement of grain. I would point out to you, sir, that the minister now in charge of the Canadian Wheat Board has done that very thing. He has appointed individuals to a commission to undertake a job because of their ability and capability of bringing in a report that will be knowledgeable and acceptable to the growers of grain in western Canada.

The question you have to decide, sir, is whether members of Parliament are ineligible for appointment to these commissions. If you rule that they are ineligible, then certainly the government will have to be guided by that. For the minister in charge of the Canadian Wheat Board not to have the privilege of appointing a commission to bring in a report on an issue would be in exact opposition to what the former minister in charge of the Canadian Wheat Board did in respect of the Hall commission.

I just want to bring to your attention, sir, that the question is whether members of Parliament, as chosen in this case by the minister in charge of the Canadian Wheat Board, should be allowed to serve in that capacity.

An hon. Member: One o'clock.

Mr. Speaker: Order, please. It being one o'clock I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

[Mr. Knowles (Winnipeg North Centre).]

• (1400)

AFTER RECESS

The House resumed at 2 p.m.

[*Translation*]

Mr. Pierre Deniger (Laprairie): Mr. Speaker, I also wish to contribute to this very important debate on the question of privilege raised by our colleague from Yorkton-Melville, but I wish to assure you, Mr. Speaker, that I shall be very brief. I shall be brief because the points raised by my colleague from Stormont-Dundas are self-explanatory, as are those raised by the hon. member for Winnipeg North Centre (Mr. Knowles). First of all, Mr. Speaker, I wish to say that it is in all sincerity that I speak this afternoon because it is not the first time unfortunately that I have an opportunity to speak about this tragic matter.

Indeed, as we can see on pages 1374, 1375 and 1376 of *Hansard* for November 15, I rose in the House to tell the minister how disappointed I was that he had interfered with the rights and privileges of members of Parliament by not inviting us to take part in this debate. The minister knew very well that certain members of both main parties on the other side of the House could have taken part in this task force.

Mr. Speaker, the minister said earlier that since the House was not sitting, he found it difficult to call on members of other parties. However, he only had to look at the example that you yourself, Mr. Speaker, gave to the House this summer when you led a mission to China accompanied by members on both sides of the House. He had only to think also about the meeting of the parliamentary union held this summer in Venezuela while the House was in recess and while delegates from both sides of the House attended.

Unfortunately, Mr. Speaker, the argument made by the minister concerning the lack of daily business in the House and the fact that the House was not sitting does not hold water.

Mr. Speaker, I also wish to remind the hon. member for Red Deer (Mr. Towers) who spoke just before me that he erred thoroughly because there is a world of difference between, on the one hand, appointing a judge as chairman of a commission of inquiry and, on the other hand, appointing a member of the House on a commission of inquiry without allowing hon. members of the opposition to sit on that commission.

An hon. Member: Shame!

Mr. Deniger: As you know, Mr. Speaker, I was elected last May 22. Before, I was under the impression that all members of the House were treated equally.

An hon. Member: Not quite!

Mr. Deniger: Unfortunately, I deplore the attitude of the Minister of Transport (Mr. Mazankowski), whom I respect

nonetheless, because I think he was sincere but unfortunately he forgot the most elementary rules of the House concerning the equal rights and privileges which fall to all members.

Mr. Speaker, the hon. member for Winnipeg North Centre raised very interesting points when he referred to the specific rule dealing with the establishment of committees. This is what he said in his argument quite simply: Only a duly established committee can spend the Canadian taxpaxers' money on a mission. It is my conviction that hon. members opposite are aware of this, and it is for that reason that the document now before us refers to a task force rather than a committee. And this is why the answer given to the hon. member—

An hon. Member: They are charging personal expenditures!

Mr. Deniger: —for Yorkton-Melville also deals with a task force. I submit, Mr. Speaker, that if this be a task force they have no right, any more than we do, or the New Democratic Party for that matter, to spend public moneys. I must speak frankly. I read the report. I already gave interviews on television on the contents of the report, and I would have liked to co-operate, but this is first and foremost a caucus report—

An hon. Member: Partisan!

Mr. Deniger: —that was referred to the minister in charge of the subject matter discussed in caucus, but unfortunately it required a contribution of several thousand dollars from Canadian taxpayers.

An hon. Member: Shame!

Mr. Deniger: The hon. member for Yorkton-Melville submitted that the amounts referred to may be a small part only of the total expenditures.

An hon. Member: Twenty thousand dollars!

Mr. Deniger: And this is not all, Mr. Speaker. There is the other committee of the hon. member for Moose Jaw (Mr. Neil), and other committees of the hon. member for Lethbridge-Foothills (Mr. Thacker).

We opposition members are as much interested as members opposite in the problems of western farmers, because they are national issues that should be of interest to every member in the House.

An hon. Member: Quite true.

Mr. Deniger: We are not like the Prime Minister who is not interested in the referendum.

An hon. Member: No.

Mr. Deniger: In concluding, Mr. Speaker, allow me to point out once again my disappointment as a new member. When I learned that this task force was being set up, if I had known what I know now about the rights and regulations of the House, I would probably have asked the Chair to correct that mistake. I do so this afternoon, unfortunately in difficult circumstances on a Friday afternoon during the consideration of a question of privilege in which I am taking part and which I support. I am, however, deeply disappointed, as I indicated to the minister, and I hope, Mr. Speaker, that when you make your decision this afternoon or Monday on that basic issue, you will take into consideration the fact that a young member deserves as much consideration as a member with years of experience. If young members opposite were appointed to that committee, I do not see why as a new member I could not be on it as well.

[*English*]

Mr. Speaker: I would like to conclude this discussion with the hon. member for Nickel Belt (Mr. Rodriguez).

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I am glad that we are going to end it on a high note. My support for the questions raised by the hon. member for Yorkton-Melville (Mr. Nystrom) has to do with the question of the privileges of members on all sides of the House. I think that the privileges of all members have been affronted and abused in this situation of an in-party, in-government caucus appointment of a task force to study this particular aspect of grain handling.

The hon. member for Red Deer (Mr. Towers) mentioned that the previous government had appointed Justice Emmett Hall to study the question of the railroad system and the movement of grain in western Canada. How can anyone equate the appointment of Justice Hall, who is outside the parliamentary structure, to study a problem with the appointment of three Conservative backbenchers by the Prime Minister (Mr. Clark) to study a problem? How can anyone use that argument to say that that justifies the appointment of three Tory backbenchers to do a study paid for by the taxpayers of Canada?

● (1410)

People in Canada today are cynical about politicians and politics. In fact, when they voted on May 22, they thought they were exchanging a happy Liberal government for "Mr. Clean". Now we are finding out we have "Mr. Sleeze". In fact, they expected a different kind of performance.

An hon. Member: Instead of greensleeves it is bluesleeves.

Mr. Rodriguez: I remember when this government was in opposition and members would raise questions about such things as Christmas trees at 24 Sussex Drive and about the expenditure of taxpayers' money for things which were primarily related to only one political party in this House of Commons. Indeed, the hon. member for Leeds (Mr. Cossitt), who is extremely quiet these days, was always the bug in the government when he was on the opposition side of the House with respect to the whole question of these kinds of expenditures.

The Conservative party does not need to eat at the public trough to have a study done with a partisan slant. They are backed by all the Bay Street boys. They charge 125 bucks a throw for a dinner.

Some hon. Members: Oh, oh!

Mr. Rodriguez: They do not need to eat at the public trough to get these particular studies done. Indeed, they may well have prejudiced beneficial results for the people of Canada and Parliament by having cast the task force in such a manner as to have only three members.

In this corner of the House we are always prepared to accept good proposals and to look at good, concrete results from any task force, and, of course, we are always willing to participate. We were denied the opportunity as parliamentarians to participate in the discussions and in the final recommendations, whether or not it was a majority or minority position.

The fact is that the people of Canada have to pay for something which has now become—and I believe it is not out of order to say it—a partisan report. I know and we all know that the hon. member for Lisgar (Mr. Murta) was very upset that he did not get a cabinet post—

Mr. Speaker: Order, please. We are not necessarily on totally firm ground in terms of a question of privilege to start with. I do not think we should stretch our luck any more than we have already.

Mr. Rodriguez: Mr. Speaker, I would not want to do that, but in conclusion—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Rodriguez: I can see I have some approval over there so maybe I will make one or two more points. We are all concerned about restraint in government. We are all concerned about the spending of taxpayers' money. The people of Canada were expecting a different kind of performance, and in fact the appointment of this task force—it was a cozy little reward—to do this kind of a study does not do anything to bolster the confidence of Canadians that what we do here in the House of Commons will have some benefit for them as the people of this country.

One last point that I want to make on this question of privilege that has been raised by the hon. member for Yorkton-Melville concerns the whole question of other parties having their committees go around the country to do studies. Does that mean that we will be able to apply to the government for funds by telling them that we have a committee studying occupational health and safety in Canada, and that we would like the same kinds of fund flow so we can go out and do a similar study? Where does it stop? The answer is that you cannot encourage that sort of junketing across the country. If the House of Commons wants to investigate a serious matter, it ought to be done in the way we have established in the past, and that is by having members from all sides of the House participating. If members who are sitting on the committee do not agree with some of the ideas expressed, they have the opportunity to submit a minority report for the consideration of all members of the House.

As I said, I think what has happened here is unfortunate. I would hope, Mr. Speaker, that you would rule that the government cannot appoint members from its back benches exclusively to look at any particular problem in this country, paid for by the taxpayers of Canada which does not reflect the adversary nature of the House of Commons. That is what this place is all about. It is an adversary system. It is like the legal system and the labour scene in this country. That task force paid for by the taxpayers of Canada does not reflect the nature of the House of Commons or the 36 per cent support that the Prime Minister got to win government in this country. The Prime Minister is acting as if he had a majority government and as if he had all the members of the House of Commons. I think that is arrogance that can only be equalled by his predecessor.

Mr. Speaker: Order. I had indicated that I wanted to conclude the discussion and I have concluded the discussion. I do not need to hear any more—

Mr. Olivier: Mr. Speaker—

Mr. Speaker: Order.

[*Translation*]

Mr. Olivier: I rise on a point of order, Mr. Speaker.

Mr. Speaker: Order.

Mr. Olivier: I wonder why I cannot have the floor, Mr. Speaker.

[*English*]

Mr. Speaker: Order. I have indicated that I wanted—

Some hon. Members: Oh, oh!

Mr. Speaker: Order.

[*Translation*]

Order. The hon. member understands, I am sure, that it is impossible for the Speaker and the hon. member to speak both at the same time. Order.

[*English*]

I have asked for the co-operation of the House in the discussion of this matter. I have indicated that it already remains under reserve with the Minister of Agriculture and the hon. member for Glengarry-Prescott-Russell, who raised another point similar to this. I had indicated to members earlier that I had asked them not to be repetitious. I have had a rather full discussion of this matter, as I have had on the point raised by the hon. member for Glengarry-Prescott-Russell. The matter will not be decided today. It remains to be held over until the Minister of Agriculture and the hon. member for Glengarry-Prescott-Russell are here on Monday. I

hope to be able to give the House some direction on this matter on Monday. If hon. members who have not been heard today still seek the opportunity to intervene at that time, I would be glad to hear them.

In the meantime, as invited to do, I trust that the government will give very serious consideration to the interventions made today. I intend to do the same and hope that we can come to some assessment of the matter that will satisfy the House on Monday.

I also have a notice of a question of privilege from the hon. member for York West (Mr. Fleming).

MR. FLEMING—PROPOSED CANCELLATION OF CBC TELEVISION PROGRAM "THE NATION'S BUSINESS"

Mr. Jim Fleming (York West): Mr. Speaker, I bring this matter to your attention today as a result of developments yesterday. It concerns a matter that has been brought up both in committee and here in the House of Commons in recent weeks regarding the Canadian Broadcasting Corporation and its decision to cancel "The Nation's Business", "La politique fédérale".

I believe it is an important matter to be discussed, and I rise today not only because a question of privilege is a legitimate means to bring forward a grievance here in the House of Commons when members' privileges or Parliament's privileges are being contravened, but I think there is some ground even for saying it goes the full distance of being a legitimate and full question of privilege which may call for some investigation by a parliamentary committee.

The situation at the moment as I understand it is that a meeting to be held with senior representatives of the major parties and representatives of the CBC yesterday was cancelled because the President of the CBC, Mr. Johnson, wanted to take the issue back to his board of directors. His board of directors at an earlier stage did endorse his position that "La politique fédérale" and "The Nation's Business" would be cancelled for the six-week period of the Quebec referendum. What is unclear is whether he is going back to get a reconfirmation because of the objections raised strongly in committee by this side of the House, the opposition. Certainly at least one member on his own behalf from the New Democratic Party and a number of members on the culture and communications committee from the government side had some real concerns as well.

● (1420)

I believe that our rights are being abrogated by the attitude taken by the president of the CBC and the decision of his board. I want to give some reasons for that. First, I think this program is established as a—

Mr. Speaker: Order, please. I wonder if the hon. member really seriously contends that action taken to cancel a public affairs program in which some political parties of the country have an opportunity to air their views, while it may be a matter of grievance which he can take up with the minister who reports to Parliament on behalf of the national broadcasting corporation, and while it may be a matter of great concern that can be taken up in that way, really is a question of privilege. I would have to hear him on that.

Mr. Fleming: Mr. Speaker, I would argue it can be for several reasons. One is that that program, by its very name and title, by what it has come to be known by the Canadian public, is an extension of this House.

Some hon. Members: Oh, oh!

Mr. Speaker: I really have to confine the hon. member. There have been several public affairs programs on both private and public networks. They are all excellent vehicles through which hon. members have the opportunity to express their views. They are interviewed. I understand the time is usually shared equally in proportion to the representation of the parties, perhaps in this House or a provincial chamber, and things of that sort. However, just because these programs give members of political parties the opportunity to put forward their views, does it mean that that has become an extension of the rights that members enjoy by virtue of being elected members of the House of Commons and without which they can be said to be interfered with? The House must remember that in these questions of privilege, what we are dealing with always in the area of privilege is an interference with a fundamental right that a member has which enables him or her to carry out their basic responsibilities as an elected member of the House of Commons.

There are a number of additional consequences, results or benefits that come with the position of being an elected member of the House of Commons, but essentially a question of privilege deals with an interference with the basic opportunity of a member to function and carry out his or her responsibilities as an elected member of the House of Commons, such as physical interference with a member in getting to the House, deception of the member and things of that nature.

Surely access to the airwaves in any kind of form is not fundamental as a right consequent upon being elected but rather something in addition to that. I do not know how I could ever consider a decision of that sort to take away the program entirely. If it were perhaps proposed to take it away from one set of members and not another, and I do not extend to that, it might be a different situation; but to take the program off the air is not something to which we can attach our rights simply by being members of the House of Commons.

Mr. Fleming: If I can expand my point, Mr. Speaker; I did not have much chance to make several points which may have some pertinence. Certainly as I know the practices of this House, members have been able to rise when they feel they have a grievance. In most cases, Mr. Speaker, you found that that did not carry through to being a legitimate question of privilege and referred to a committee. Aside from the arguments—I will keep what you have said in mind, and I will skip

the part of the arguments which I think are important and are worth hearing—

Mr. Baker (Nepean-Carleton): Filibuster.

Mr. Fleming: The government can shout filibuster if they want. I am concerned about this issue. Canadians who care about their country know that the CBC has a mandate to promote national unity.

Some hon. Members: Hear, hear!

Mr. Fleming: If you will allow me, Mr. Speaker, I briefly want to argue that in fact the position of the president of the CBC contravenes an act passed by this Parliament, directions given to it under the act and rights given us under that act to have access to the Canadian public. For that reason I think it is a contravention of my rights as a member of Parliament and of all members in this Parliament.

A situation where this particular program representing Parliament to Canadians is not interfered with during a federal by-election, is not interfered with when there are provincial elections, but when there is a referendum in a particular province the president of the CBC decides it will be interfered with, is quite inappropriate. He is overstepping his rights. In the Broadcasting Act, if I can simply quote section 3(b)—

Mr. Speaker: Order, please. The hon. member will surely realize he is arguing a case that the president of the CBC may be acting against the tastes of him as a member or the House collectively, or that he may be acting in contravention of a particular statute. Those arguments may be entirely correct. My difficulty is not that the point is unimportant or that the House is not concerned about it. It may be. However, it simply does not attack in a fundamental form the rights of members of the House of Commons collectively to carry out their fundamental duty as elected members.

Even if the hon. member is correct that the president of the Canadian Broadcasting Corporation is contravening the Broadcasting Act—and I do not know whether he is or not—that is an illegality. Even if the policy is such that it becomes distasteful to the hon. member or to several hon. members, that is a matter to be taken up by way of grievance, not by way of a question of privilege.

MR. SYMES—ALLEGED MISLEADING ANSWER GIVEN BY MINISTER

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I gave you due notice of a question of privilege I wished to raise today in relation to statements made in the House by the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) concerning fuel oil supplies over these winter months. I also gave notice to the energy minister that I would be raising this point this afternoon or this morning. I notice he is not in his place. However, an element arising out of the question period today also involves the Prime Minister (Mr. Clark). I see that he is in his place and I would like to proceed.

[Mr. Fleming.]

The fundamental question of privilege I have is whether or not members of the House of Commons, and hence the people of Canada, are receiving accurate information and an honest appraisal of a particular situation. I would like to contend by way of argument that the energy minister has been misleading myself, the House of Commons and the people of Canada as to the true situation concerning fuel oil supplies in Canada. Through argument I would like to develop by way of some very brief quotations over the past few weeks by the energy minister, indicating that he is saying one thing when in reality, as confirmed just a couple of days ago by the Prime Minister and today by the National Energy Board, the situation is quite different—

Mr. Speaker: Order, please. The hon. member for Sault Ste. Marie (Mr. Symes) is in his very own terms raising a matter of debate. If I were to give him the floor now to take issue with statements made by the energy minister or any other minister in answering questions over the last several days, whether or not different answers to the same questions may have been given, as he well knows contradictions in answers given by the same minister are the subject of comment, criticism and attack but are not the subject of a question of privilege.

I have said to the House in recent days that if I am going to permit members to rise here and take up disagreements with ministers by way of questions of privilege at the end of every question period, we will begin a whole round of explanations of the question period in which members will get up and say they asked a minister a question today, that the answer is the following, and they want to show to the House that that answer is incorrect. That surely is a subject of debate and disagreement. If there are situations in which there is an allegation that there has been an actual falsification, perhaps indeliberate or not, that is another matter. But I cannot permit the hon. member now to develop an argument that the answer he was given was inaccurate or incorrect or not of good quality. That becomes, by its very nature, a debate, and I simply could not permit the hon. member to do that, any more than I could permit hon. members every day to use a question of privilege as a vehicle for taking up disagreements with ministers.

● (1430)

Mr. Symes: Just for clarification, Mr. Speaker, I wonder whether Your Honour could inform me how this House is to operate if the information given to members is misleading.

Some hon. Members: Oh!

Mr. Symes: What is Your Honour's definition of a misleading answer? What I have been attempting to show is that the information I have been receiving is inaccurate and misleading, thus inhibiting me in carrying out my duties as a member of Parliament. I cannot function without accurate information and replies from the ministry.

Mr. Speaker: I have to confine the hon. member to the practice of the House in that regard. He is entitled to put questions and if he is dissatisfied with the answers he is entitled to have access to the opportunity provided by the adjournment debate. As I have indicated to other members, in order to found a question of privilege he really must immediately develop an argument that there is misinformation to the extent that it clearly touches the privileges of the House. The Chair has to decide quickly and early in this argument whether or not the hon. member is attempting to raise what is obviously a disagreement, a matter of debate, or whether in fact the allegation contains an element which might touch the privileges of the House.

I have to tell the hon. member that in this case, as surely he must understand, he is in the area of disagreement and debate. If he wants to question the matter further, to establish the point that I am in error, I would invite him to use the adjournment debate proceedings for that purpose.

MR. HERBERT—UNAVAILABILITY OF PAPERS PURSUANT TO NOTICE OF MOTION FOR PRODUCTION OF PAPERS

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, if I heard you correctly this afternoon you said a question of privilege must be founded upon interference with an hon. member in carrying out his duties, since it is a fundamental right of an hon. member to carry out those duties without impediment.

First of all, Mr. Speaker, I shall be quoting from Beauchesne. I want to say that, as far as timing is concerned, this is the first opportunity on my part to raise this matter because of what I read in the debates of yesterday and, as you are aware, Mr. Speaker, I have given you due notice. My question of privilege derives from Beauchesne's fifth edition, citation 79 on page 24, which reads:

> The House maintains sole control over documents in its possession. The public may see papers which have been tabled in the House.

I move to citation 57 on page 20, where I read:

> Under the provisions of the Senate and House of Commons Act any report, paper, votes or proceedings of the House enjoys an absolute privilege—

Reading further, I find that citation 390 on page 138 states the general principles governing Notices of Motions for Production of Papers to be as follows:

> (1) To enable members of Parliament to secure factual information about the operations of government to carry out their parliamentary duties and to make public as much factual information as possible—

Having read from Beauchesne, Mr. Speaker, I will tell you why I am raising this question of privilege today. I have several illustrations to support my contention that, possibly not intentionally—and I say possibly not intentionally because, again consulting Beauchesne, I am told I must avoid the use of words such as "deception", "distortion", "falsehood", "misleading", and so on, and that I must not say "deliberate" or "intentional"—

An hon. Member: Come on!

Mr. Herbert: Nevertheless, I shall produce evidence which will indicate that if it is not intentional, it is grossly negligent. My specific point of order will deal with motion No. 15, but to support my argument on that motion I want also to refer to three other motions, motions 18, 20 and 23.

On October 31 of this year a motion was passed by the House stating that papers would be deposited. These documents would then become available not just to myself but to all members of Parliament, according to the citation from Beauchesne which I have just read, as well as to the public generally. I have experienced considerable difficulty in my constituency. These documents are supposed to deal with public transportation—I am using this as an illustration of my point; there is more than one example—

Mr. Speaker: Order, please. I wonder whether the hon. member would direct his attention to the fact that we call Notices of Motions for Production of Papers every Wednesday as we do, now, call Questions on the Order Paper every day. It is for the convenience of hon. members that every day we allow questions on the order paper which are not answered to stand; and similarly we allow Notices of Motions for Production of Papers which have not been dealt with to stand every Wednesday when they are called, when they have not been dealt with.

When that question is asked each day with reference to Questions on the Order Paper and every Wednesday with reference to Notices of Motions for the Production of Papers, any member who is aggrieved either by failure to deal with a notice of motion or a question, or by inaction with regard to any which have been dealt with, can raise the point at that time. If the hon. member now wishes to make the point that a Notice of Motion for Production of Papers in his name has been dealt with by the House in some way but that the response has not been satisfactory, he ought to make his objection when that item is called on Wednesdays and not by way of a general question of privilege.

Mr. Herbert: Perhaps Your Honour would indulge me for a few moments longer because there is an essential point here, one which genuinely affects me. Might I have the attention of the House for a few moments?

Some hon. Members: Filibuster!

Mr. Herbert: Maybe I digressed by giving other examples. I started off by talking about motion No. 15. Motion No. 15 is directly relevant to the decision I may have to make today and it affects my rights as a member in that if, because of actions initiated by the government, I am forced to make a decision, then I am deprived of information which has theoretically been made public in accordance with a motion adopted by this House on November 14 but which has not in fact been made public.

I refer to a copy of the report of the Canada Mortgage and Housing Corporation on the deductibility of mortgage interest which is directly relevant to what we are debating today. The government has admitted that there is such a report and has stated that it is prepared to table it in the House. In fact,

though, it has not been tabled and it is not available. I am supposed to make a decision based on whatever information I have. The public has a right to see this document, too, in order to determine its attitude on the measure to be debated today and in ensuing days. I feel its absence is a direct infringement on my privileges. In fact, it is an impediment to my work when I am denied access to a document which the government admits is in existence and has agreed to table. It has certainly not been tabled in time for an important debate.

I would point out, also, that it would be too late next Wednesday to raise a grievance at that stage, as has been suggested, because by then the debate might well be over. This document should have been available to me and to the public generally.

● (1440)

I suggest that this is a genuine question of privilege, and if Your Honour rules it a question of privilege, then I would like to move a motion referring it to the Standing Committee on Privileges and Elections.

Mr. Speaker: The hon. member raises the additional point that the House is being asked—that is to say, all members—to participate in a debate on a matter relating to mortgages, interest rates and their deductibility. The hon. member seeks a report which he says was ordered by the House pursuant to previous motions for the production of documents, that that document is not forthcoming and therefore not in the possession of members, and that that puts a nature on it which I would think, if not privilege, is certainly a very serious matter.

I do not know if there is anyone representing the minister in this matter at the moment, but I will certainly take the matter under advisement and hope that all action would be taken which would comply with that order if at all possible before the House is asked to proceed with that particular debate.

Some hon. Members: Hear, hear!

MR. RAE—THE BUDGET—ALLEGED MANIPULATION OF TIME TO DEBATE

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, I gave you notice of a question of privilege, and that was not done lightly. It concerns the manipulation of parliamentary time.

Some hon. Members: Oh, oh!

Mr. Hees: My old riding would be ashamed of you.

Mr. Rae: The hon. member for Northumberland (Mr. Hees) says his old riding would be ashamed of me. I do not think that is the view people there will take when they hear what I have to say.

My question of privilege concerns the time allocated for the debate on the budget statement on Tuesday night. I want to quote from Erskine May at page 785 as follows:

> The consideration of the financial statement for the year made by the Chancellor of the Exchequer is the most important business of ways and means.
>
> [Mr. Herbert.]

It is precisely because it is the most important business of ways and means that I, speaking as the finance critic for my party, resent most deeply the way in which parliamentary debate on the budget has been manipulated by the President of the Privy Council (Mr. Baker). That is to say, the Minister of Finance (Mr. Crosbie) is allowed on Tuesday night at 8 p.m. to tell the House of Commons what his budget is going to be, with all the focus of public attention which is derived therefrom. The spokesman for the official opposition is given an opportunity on Tuesday night to reply to the statement of the Minister of Finance. We were told in yesterday's debate by the President of the Privy Council as recorded in *Hansard* at page 2077 that he cannot even tell us precisely what day after that time will be allocated for the discussion of the budget. The best he can tell us is that it will possibly be—or to use his words, it "will likely be"—on Friday, December 14.

Since the categories of privilege are not closed, I think a case can be made that the government has so manipulated Parliament's time in the consideration of the budget that it is guaranteeing that the same public attention will not be available to those in my party and on this side of the House who are concerned about making constructive criticism of the budget presented by the Minister of Finance.

In any other statement made by a minister—this will be a financial statement by a minister on ways and means, and there was an example yesterday of a statement made by the Minister of Energy, Mines and Resources (Mr. Hnatyshyn)—time is allotted in such a way that official spokesmen for all the parties are able to make statements at the same time and not have those statements subject to the manipulation by the government of parliamentary time. I think it is—

Mr. Speaker: Order, please. I am sure the hon. member will realize that it has been a long standing practice of this House that on budget night, regardless of the duration of the speech made by the Minister of Finance in delivering the budget address, the second intervention is that of the financial critic for the official opposition who, before he concludes, adjourns the debate.

That has been a customary practice. Even it were not, the hon. member would realize that he is asking at one and the same time, first, for a ruling on something which has not yet happened and, second, for a ruling on a practice of the House which, as long as I have been here, has been the practice in the delivery of any budget speech for this to take place, which means that the intervention by a third party in the discussion on budget night has never taken place.

The hon. member may wish to see if he can pursue the situation. He may wish to raise it, as he has done, by way of a grievance; but surely since it has been part of our practice for at least 10 to 15 years—and I assume for much longer than that—I am not able to regard it, even on a preliminary basis, as a question of privilege.

Mr. Rae: Mr. Speaker, the question I am raising is a question of the consecutiveness of the debate. I am not asking Your Honour to carry out a revolution in procedure. I am

asking the government to recognize that it is in danger of manipulating parliamentary time in such a way as to make a mockery of the budget debate.

Mr. Speaker: I have to tell the hon. member again that he may have an area which he wishes to work on, and to try to improve and to criticize as it stands. However, it has been a long standing practice in both respects that he has addressed himself to, both on budget evening and the right of the government to call the continuance of the budget debate as it wishes.

MR. REID (KENORA-RAINY RIVER)—LEVEL OF LIGHTING IN CHAMBER—RECOGNITION OF MEMBERS DURING QUESTION PERIOD

Hon. John M. Reid (Kenora-Rainy River): Mr. Speaker, my question of privilege arises from my frustration during question period.

Some hon. Members: Oh, oh!

Mr. Reid (Kenora-Rainy River): And it goes further than that because of some particular problems which have developed over the last little while as a result of the changes we made in the House of Commons by bringing in additional lights. As a result of the lights coming in, I find it extremely difficult to spend too much time in the House of Commons. I get very bad headaches.

Some hon. Members: Oh, oh!

An hon. Member: Why don't you leave?

An hon. Member: Your constituents will look after that.

Mr. Reid (Kenora-Rainy River): I am thinking of asking the Chair to allow us to wear hats in the House as used to be the case when the House of Commons began. In any event, this has caused a great many difficulties for me personally.

Second, I want to raise the point that the rural constituency I have calls for me to spend a fair amount of time travelling. I know that there are difficulties in terms of allocating the time amongst members on this side and the other side for question period. Let me make it quite clear that I have no objection to the way which the parties use the first half of the question period to raise questions of importance to the parties. I think that is fair. I think it is also fair that the rest of the time should be left open to a free-for-all.

The dilemma we have is that those of us who stand in this corner seeking to be recognized by the Chair know that we cannot be recognized all the time. We recognize that Your Honour has said in the past that in fact you do keep a list and that you try to recognize everybody who rises *seriatim* in order to be able to cope with the demand of more participation of hon. members on this side. The dilemma we on this side have is, first, that none of us knows where the list is kept, none of us knows where we stand on that list, and, third, we feel that we lose position on that list if we happen to miss a day or are out travelling, and that we drop to the bottom of the list, missing our time.

We feel that that is a point of some importance because, if we know where we stand on the list and are able to cope with that, then perhaps we are in a better position to arrange our time in a different way in order not to miss our opportunities. As a result of that, many of us on this side of the House feel that there is a question of arbitrariness in the way members on this side are recognized. We know that it is not so. We recognize that there are problems in terms of the way in which Your Honour sees us as well.

Some hon. Members: Order.

Mr. Reid (Kenora-Rainy River): Mr. Speaker, could we have order in the House?

Mr. Speaker: Order, please. I suppose the most direct way to bring about order would be to indicate with all the severity that I can command that the hon. member has no question of privilege.

Some hon. Members: Hear, hear!

● (1450)

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

Second report of Standing Committee on Miscellaneous Estimates—Mr. Lambert (Edmonton West).

Second report of Standing Committee on Transport—Mr. Forrestall.

First and second reports of Standing Committee on Indian Affairs and Northern Development—Mr. Oberle.

First report of Standing Committee on Privileges and Election—Mr. Patterson.

[*Translation*]

Mr. Lachance: Mr. Speaker, I rise on a point of order.

[*English*]

Third report of Standing Committee on Health, Welfare and Social Affairs—Mr. Halliday.

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

Time Allocation

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

TABLING OF ORDER IN COUNCIL APPOINTING NEW CHAIRMAN

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I would like to lay upon the Table two copies, one in French and one in English, of the order in council naming the new chairman to the Canadian Radio-Television and Telecommunications Commission in the distinguished person of Mr. John Meisel, currently professor of political science at Queen's University.

Some hon. Members: Hear, hear!

* * *

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

CONSIDERATION BY STANDING COMMITTEE OF FUTURE DEFENCE CO-OPERATION WITH UNITED STATES

On the order: Government notices of motions:

December 5, 1979—the Minister of National Defence:

That the Standing Committee on External Affairs and National Defence be empowered to hear evidence and consider Canadian policy with respect to future defence co-operation with the United States in the North American region with particular reference to air defence and related arrangements embodied in and flowing from the North American Air Defence agreement, and that they report their view thereon no later than the end of March, 1980.

Mr. Speaker: Pursuant to section 2 of Standing Order 21, this government notice of motion stands transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

* * *

BUSINESS OF THE HOUSE

ALLOCATION OF TIME TO CONSIDER COMMITTEE OF THE WHOLE STAGE OF BILL C-20

Mr. Baker (Nepean-Carleton): Mr. Speaker, I move, seconded by the Minister of Fisheries and Oceans (Mr. McGrath):

That in relation to Bill C-20, an act to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax, one sitting day shall be allotted to the further consideration in Committee of the Whole stage of the bill; and

That, at fifteen minutes before the expiry of the time provided for government business on that day, any proceeding before the committee shall be interrupted, if required, for the purpose of this order and, in turn, every question then necessary in order to dispose of the Committee of the Whole stage of the bill shall be put forthwith and successively, without further debate or amendment.

Some hon. Members: Shame!

Mr. Speaker: The House has heard the terms of the motion by the President of the Privy Council (Mr. Baker), seconded by the Minister of Fisheries and Oceans (Mr. McGrath). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

[Mr. Lachance.]

Some hon. Members: No.

Mr. Baker (Nepean-Carleton): Mr. Speaker, members were talking a few moments ago about the manipulation of parliamentary time. If I had any qualms or any worries as a parliamentarian about bringing forward a motion of this nature to close off debate, these qualms and worries disappeared a few moments ago when I watched a long litany of motions and other matters being brought forward that bore no relevance to the business of the House.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): All these matters of privilege, specious as were all of them, with one exception, were rejected by Mr. Speaker. I think it is quite important that the public of Canada understand just what happened today in this House of Commons. I think it is important as well that members of the House of Commons on both sides of the House, but today particularly on the other side of the House, realize that the people of Canada watch what happens and they register disgust with what they see and will with what they saw today.

At the outset I had some trepidation with respect to moving this motion because I did not want to move a motion to allocate the time of the debate—

Some hon. Members: Oh, oh!

Mr. MacEachen: That will not wash, Walter.

Mr. Baker (Nepean-Carleton): —on this bill which would give some advantage to property owners in Canada with respect to a property tax credit and to those who would like to be home owners in Canada. This is a popular measure with the people of Canada and I think it is high time the House of Commons dealt with it. That is the reason I moved this motion today.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): There can be no doubt that the people of Canada want the property tax credit bill passed before Christmas so that they can take advantage of this measure in their taxes when they file their income tax this spring.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I think it has become abundantly clear that the Liberal party wants it as well. I ask all members of the House, through you, sir, to recall that it was the hon. member for Vancouver Centre (Mr. Phillips) who sent out a questionnaire in his riding. That is the fellow who got more publicity by withdrawing from the leadership contest than anybody will ever get from entering it. In any event, he sent out the questionnaire and when it came back it showed that over 60 per cent of his people wanted this kind of bill which this government intends to give to the people of Canada. That is a riding with a great proportion of renters.

Secondly, I would like the House to listen again to the words of the hon. member for Gander-Twillingate (Mr. Baker). He spoke eloquently with respect to this bill by standing up and voting against the Liberal party when they wanted to obstruct the bill on second reading. He said something that is more relevant to this motion than anything else. By the way, Mr. Speaker, his name is Baker and we could use a few more Bakers.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): He said:

I have listened to all the arguments against the bill and they don't hold any water.

Boy, that is true, Mr. Speaker, they do not hold any water. The people of Canada know that, and it is just about time this Parliament went on to deal with the bill.

I do not want to have to rely on the word of Liberal members of Parliament, as estimable as some of them are. I want to rely on their actions. Seventeen Liberals missed the vote on second reading of the bill—

Some hon. Members: Shame.

Mr. Baker (Nepean-Carleton): —and three members of the Liberal party, including the hon. member for Gander-Twillingate, voted for the bill.

Now, the NDP has made some pious speeches against this bill but I happened to notice that some members, when asked, could not indicate they would not take the property tax credit if they were given the opportunity. I remember that very well in the debate. What is more, even more eloquent than that, the NDP had five members who missed the vote on Tuesday.

Some hon. Members: Shame!

Mr. Baker (Nepean-Carleton): What is more, all five members came from ridings with a high incidence of home ownership and of people who would like to own a home.

Despite what I have said, I have no doubt in the world that when my friends on the other side rise to speak on this motion, there will be synthetic howls of anguish over the use of closure. By this motion we are not moving closure—

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): Closure was used by C. D. Howe and it became an infamous rule of the House in the flag debate. It was the initiative behind the debate to ram changes in the rules of the House down the throats of members. I do not intend to do that today. What we are using here, and I think we had better make it clear to the people of Canada, is time allocation under the provisions of Standing Order 75C. This is a far gentler measure. If the Liberals were honest, they would admit that they do not greatly object to it at all, despite all the pious protestations to the contrary. In fact they objected so little to the use of time allocation that they used it five times in 1977: on January 31, on February 9, on March 29, on November 22, and on December 5. There may have been other times. I have only had an opportunity to make a very fast check.

• (1500)

Mr. MacEachen: And your party voted against all of them. Your party howled, your party screamed!

Mr. Baker (Nepean-Carleton): Also we are hearing from the other side of the House great appeals to parliamentary democracy and that we are destroying it. I should like to indicate to the hon. member that I know it is the kind of thing I used to say when I sat on the other side of the House of Commons. Having watched a former government claiming abuse of the rules, let me say that if I ever had any doubts about the importance of Standing Order 75C, those doubts were blasted away by the actions of that party under the leadership of the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen), who should know better.

Mr. Stollery: We will wait and see what you say this time next year.

Mr. Baker (Nepean-Carleton): I happen to be quite a reasonable man.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): We have already spent seven days discussing this bill. Frankly, I would not use time allocation on short notice. They have been provided with a long time to debate a relatively simple tax bill.

Mr. Stollery: For $3 billion.

Mr. Baker (Nepean-Carleton): I have only done this because there is no end in sight to the debate, none whatsoever. We want this bill before Christmas, if we can get it, and the time is running short. I do not think Canadians should be shortchanged by a short-range government and a short-range opposition.

An hon. Member: A short-range government?

Mr. Baker (Nepean-Carleton): We want this bill before Christmas. Canadians want this bill, so do the Liberals. They do not want to be known as the party which refused to pass this bill, because they know it might jeopardize their chances in the next election.

An hon. Member: Not at all.

Mr. Baker (Nepean-Carleton): However, they are not afraid of being the party which talked so long on the bill that the government became impatient to get on with other legislation and refused to bring it forward any more, knowing what a waste of time it would be. We do not intend to allow the opposition to put the government into that position, or to so ruin the proceedings of the House of Commons that the people

of Canada cannot get the piece of legislation which the government promised during the last election.

Mr. Stollery: Don't forget that you are talking for only 28 per cent of them.

Mr. Baker (Nepean-Carleton): As well as being a reasonable man, which I know is generally agreed on the other side—

Mr. MacEachen: Walter!

Mr. Baker (Nepean-Carleton): As the Minister of Finance (Mr. Crosbie) said, I am a patient man. I do not want the Liberal party to try such a feeble argument that they can appear to be co-operative on the one hand and obstructive on the other. I want them to be known for what they are—obstructers. They have proven this today.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): If the truth were known, by bringing this motion today I have really saved the Liberal party from themselves. I have saved them from straining the credulity of the public with respect to their motivations.

I think the opposition will strain the credulity of the public in other ways. They will be claiming that they have been cut off at the knees; that their pearls of wisdom on this bill have not been given sufficient time to be heard; that the Canadian government is so Draconian that it is cutting short the debate on Bill C-20. I think this government has been extremely generous with the opposition.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): For instance, the opposition has had four allotted days, eight days for the Address in Reply to the Speech from the Throne, six days on Bill C-23, the bill on interim supply and supplementary estimates, for a total of 18 days. Also we have agreed to give them five days, if they want them, to debate whatever they wish in the main estimates. There will be at least two days of budget debate before Christmas. That is a total of 25 days out of a possible total of 54 parliamentary days. They have no case at all to stand in the way of this bill and claim that they have been wronged. If there is a case, Canadians have a case against them.

Some hon. Members: Hear, hear!

Mr. Axworthy: Mr. Speaker—

An hon. Member: Happy Birthday.

Mr. Axworthy: —after listening to the President of the Privy Council and Minister of National Revenue (Mr. Baker) pleading with this House to have the bill before Christmas, it brings to mind the words of the old song "All I Want for Christmas is my Two Front Teeth".

Some hon. Members: Oh, oh!

Mr. Axworthy: I think that is all the minister wants.

[Mr. Baker (Nepean-Carleton).]

Mr. Huntington: What about your leader?

Mr. Hees: What do you want?

Mr. Axworthy: Let me tell Mr. Hees and members opposite—

Mr. Hees: Order. It is the hon. member for Northumberland (Mr. Hees).

Mr. Axworthy: Members opposite should spend less time worrying about our leadership race and more time worrying about the bad performance of their government. If they did that, the Canadian people would not be giving them 28 per cent of the vote and the country would not be in the mess it is right now.

Some hon. Members: Hear, hear!

Mr. Axworthy: I would say that they should be far more worried about their own leadership than ours. It is their own leadership which is in trouble, not our leadership.

An hon. Member: That is a 28-per cent joke.

Mr. Axworthy: I would say to members opposite on the back benches: if they look at the Gallup poll they have a lot more to worry about with their leadership than ours.

If I might, I should like to speak to the motion in front of us. The President of the Privy Council had some very interesting things to say about why this particular motion was necessary at this time. At the opening of this debate we said that we would learn a lot about the Conservative party in Bill C-20. Well, we have learned a lot about them. We have learned that they do not know how to manage the economy. We have learned that they are the only party that would bring in a bill committing an expenditure of $3 billion for years in advance, without knowing whether they have the money, or whether conditions require it.

An hon. Member: Right on.

Mr. Axworthy: Also we found out very quickly that they really are socially discriminatory. They are really not prepared to provide relief for a population which shares the pressures of housing equally. All they are prepared to do is to provide for a select group of people in the population.

Some hon. Members: Oh, oh!

Mr. Axworthy: We have found out this afternoon something more serious: this is a party which does not really believe in Parliament.

Mr. MacEachen: Hear, hear!

Mr. Axworthy: For a party which campaigned up and down the country on the pretence that they would restore the rights of Parliament, and that they were going to give individual members more responsibility, to introduce this motion for closure after one-half day of committee hearing, shows that

they have no regard or respect for the rights and role of Parliament or its members.

The President of the Privy Council is quite correct when he said that Canadians will learn a great deal this afternoon. This is blue Friday in Canada. They will learn exactly how the Tories treat the economy and Parliament. They treat it with disdain and oftentimes ignorance. They do not really care about this particular motion.

The reason the closure motion was introduced by the President of the Privy Council is because they are in a panic. They saw the Gallup poll on Tuesday and they were frightened. That is why we have this closure motion. They are attempting to pretend that they are up to something, that they will produce Christmas goodies, which the Minister of Finance (Mr. Crosbie) is always talking about. He wants to have those presents under the Christmas tree for his friends and neighbours. That is the reason why we have this motion. It has nothing to do with whether the opposition is acting reasonably or not.

I remind members opposite of some important facts. Fact No. 1 is that the Minister of Finance introduced the basic proposal on the tax credit on September 17. Parliament could have been called at any time after that to introduce this bill. Parliament was not called for a full three weeks after, and the bill was not introduced until 41 days after Parliament had been meeting. Is that a party in a hurry? Is that the thinking of a government which says that it must get this bill through in time for Christmas? Who was dragging their feet? Who slowed down the process? Why did we wait so long to see the bill?

An hon. Member: Why did we wait so long for Chrétien's bills?

• (1510)

Mr. Axworthy: When the President of the Privy Council and Minister of National Revenue has the nerve to stand up and say, "Well, we have allowed all the debate because it is such a simple bill," I would ask since when is $3 billion a simple matter? Since when is a measure that is going to totally distort the Canadian economy a simple matter? Since when is a bill that is going to totally discriminate against three-fifths of the Canadian population a simple matter? It takes a lot of nerve to get up and say to the Canadian people that we should treat this as an offhand gesture.

We take our job responsibly. We have suggested all through the debate that we think this is a bad piece of legislation, and we have been prepared to try to improve it. During the debate on first reading we issued the kind of amendments that we would be prepared to propose. We asked the Prime Minister (Mr. Clark) whether he was prepared to accept reasonable amendments and he said, "Of course I am prepared to accept reasonable amendments". Then the Minister of Finance said; "No, I won't accept reasonable amendments". Then the President of the Privy Council and Minister of National Revenue said; "No, I won't", and the Prime Minister said; "Yes".

All this shows, Mr. Speaker, is that this is a government that pirouettes 180 degrees from Tuesday to Wednesday to Thursday, and cannot make up its own mind what it wants to do. All it is trying to do with this motion of closure is find an easy solution to its own confusion. That is the reason why we have a closure motion in front of us.

I would like to remind members opposite of some very good authorities on whether in fact a motion of this nature is required at this time. Let me quote from one of their more distinguished members who, on a bill which had far more reason for closure, when the committee stage had gone on much longer than this, used the following words:

> A government is judged not only by the things it does but by the way it uses its power. . . . It is a government which now uses a form of closure to force through parliament a measure which the government knows is wrong and knows it is going to change. That is an abuse of the rules of parliament. It is an abuse of the rule of the provinces. It is an abuse of the rights of the citizens of Canada.

That same distinguished member of the Conservative party went on to say:

> The use of closure is just one more indication of the incompetence of the Minister of Finance.

Truer words have never been spoken, Mr. Speaker. He went on to say that this shutting out of the right and the duty of Parliament to debate what is happening at this stage is a denial of the rights of Parliament. That distinguished member I am quoting, Mr. Speaker, is none other than the right hon. Prime Minister of this country, Joseph Clark.

An hon. Member: Joe Clark.

Mr. Axworthy: Yes, Joe Clark. How quickly they forget, Mr. Speaker. How quickly the time passes by when they forget their own words and their own admonitions. It does not take very long for members opposite to start exercising the kind of disdain or arrogance about the rights of this Parliament that really has no equal.

This bill has not been debated thoroughly. The Minister of Finance has not seen the kind of amendment that could be introduced, debated, and accepted. They were not patient or prepared to listen. Furthermore, Mr. Speaker, we gave them full opportunity. We offered to close the debate and vote on the bill well over a week ago. They are the ones who asked for an extension of three or four days. It is not members of the opposition who did that. It was members opposite who extended the time of the debate. They filibustered their own bill.

How can we be expected to treat the bill seriously when again at the committee stage we put very clear questions to the Minister of Finance about how he was going to pay for this measure, what kind of amendments he was prepared to accept, and all we got from him was the sort of down country corn pone humour which is actually getting to be pretty sad and tragic for the Canadian people? It is no longer funny when the Minister of Finance refuses to deal fairly and squarely with questions put to him, honest questions, and instead uses his poor excuse for humour to get out of his difficulties. We know

that the Minister of Finance does not believe in this bill. We know he is embarrassed by it. All we are seeing now is a way for them to avoid any further embarrassment.

It is very clear that we cannot allow this bill to pass this House until one very important condition is met. That is a condition that must be met on behalf of the Canadian people. How is the measure going to be paid for? We will have an opportunity of finding that out soon enough, we hope. That is one of the reasons why debate must continue.

We have no intention of denying the Tories their Christmas goodies or their presents under the tree, but we do believe that the rights of this Parliament should be recognized. We believe that this Parliament has the right to introduce amendments, to have those amendments examined thoroughly, and to have them debated properly so the Canadian people can see if there are better ways of delivering proper relief measures for property owners.

There is no one on this side of the House who has ever said that we are against relief for home owners. Our argument very clearly has been that we are in favour of relief for other people as well, and the excuse of the Minister of Finance simply will not wash. When he says there is simply no money to pay for these relief measures, we know the money is there in his own appropriations. He would not allow us to put those amendments forward. He would not give us the opportunity even to present the alternatives. He did not want to hear the truth. He did not want to see the alternatives, so he convinced his friend, the President of the Privy Council and Minister of National Revenue, who is in a cold sweat anyway over the Gallup poll, to introduce closure. That is the reason we have this motion.

Mr. Deputy Speaker: Order, please.

Mr. Axworthy: The fact of the matter is that we are suggesting—

Some hon. Members: Order.

Mr. Deputy Speaker: Order, please.

Mr. Axworthy: I would just like to say, Mr. Speaker—

An hon. Member: Sit down.

Mr. Deputy Speaker: Order, order.

Mr. Axworthy: I would just like to thank the minister and the House for its courtesy.

Some hon. Members: Hear, hear!

Mr. Knowles: Mr. Speaker, in almost every debate during the last several years on a motion under 75C the second speaker has been the hon. gentleman who is now the President of the Privy Council (Mr. Baker). His comments on what he then called closure, and what he now calls an allocation of time order, make very interesting reading. I will not take the time to present them all, but I did enjoy what he said on March 10, 1976, when he started off in this way, as reported at page 11676 of *Hansard* for that date:

[Mr. Axworthy.]

> Mr. Speaker, I listened with some amusement to the government House leader a few moments ago saying that he approached with reluctance this whole question of closure in introducing this motion at this stage. I hope he will forgive me if I suggest to him that his approach bore all the semblance of the reluctance of a vulture approaching a fallen deer.

Then, having used that colourful language, the President of the Privy Council went on to say that the action of that day was "treachery". Then he said it was "double treachery". Then he felt the exuberance of his own oratory and went on to say it was a "triple act of treachery", and "this is a black day for this Parliament and for this country". Those are the words of a few years ago of the President of the Privy Concil describing the very kind of motion that he now presents to this House.

In his attempt to justify this act he tries to talk about this matter having been debated at great length. The hon. member for Winnipeg-Fort Garry (Mr. Axworthy) has just pointed out that the debate in the important Committee of the Whole stage on this bill has barely started. We had a part of last Tuesday and a part of a short day on Wednesday, and that is all the time we have had on the clauses of this important Bill C-20. For the government to say that there shall now be only one more day's debate on this important measure makes this, in the language of the President of the Privy Council when he was on this side of the House, a black day for this Parliament, a black day for this country.

This is a very serious measure. As has been pointed out a good many times, it is not just a housing measure. In fact, it is not that at all. This is a taxation measure involving a cost to the treasury over the years of billions and billions of dollars. Many a time I have heard it said that this House has to take seriously its responsibility for the public purse. Surely in a matter like this we should be giving it the attention it deserves.

The government tried to tell us down through the piece that it would pay attention to our amendments and it was anxious to look at the matter with care during the Committee of the Whole consideration. Now in effect we are not to have any Committee of the Whole consideration at all.

One other thing that I want to emphasize is that there is sense to our rules that prevent things from getting through in a hurry. Even in this modern age of rapid communication it still takes time for ideas to get across the country and for the people of Canada to realize what is happening. I have seen instances in the past when governments of other stripes pushed measures through only to find a few weeks later, when the mail began coming in, that they had made a serious mistake. In my own experience it is only now that the mail is becoming heavy from pensioners, renters and from persons who own their homes and make mortgage payments or property tax payments but pay little or no income tax. They are beginning to realize that this measure provides nothing for them at all. There is no rebate, no credit, no money to persons who do not pay any income tax, even though they may be paying on their mortgages and are paying property tax.

• (1520)

More and more the people of Canada are realizing that this is a measure that gives a bonanza to a privileged few. When something is done for a privileged few, it means that the whole mass of the Canadian people must pay for it. There is sense in the general rules of this House that require us to take a bit of time to put important measures through. As the President of the Privy Council knows when matters are not of an important nature we will co-operate. He knows that we met last week and agreed that we would try to get a certain number of measures through by last Monday, and that we got through more measures than he had asked for or expected.

When legislation does not require that time be taken, we co-operate and put it through. But here is a serious measure in so far as its charge on the public treasury is concerned. Canadians are just beginning to understand and realize that it is a fraud and that it should not be put through. Why is the government so anxious to go through with this proposition, to the extent that it has even printed the income tax forms? It wants to be in a position, in case there is an election in the spring, to go to its Rosedale type constituents across the country and say, "See, we delivered, we made the people of Canada pay through the nose for the bonanza we are giving to a certain privileged few".

The government is defying all the traditions and the rules by printing the income tax forms, using closure and muzzling Parliament in the way that it is this afternoon. I suggest that this is no way to treat the House of Commons. My friend, the President of the Privy Council, has said these very things in the past about the use of closure. After all, that is what it is; it closes off debate.

When the Liberals were on the other side they would try to tell us that it was not closure, but they have changed their view now that they are on the constructive side of the House. When the Tories were on this side they called it closure, but now they try to tell us that it is just an allocation of time. Call it what you will, it cuts off debate right at the important Committee of the Whole stage.

The hon. member for Broadview-Greenwood (Mr. Rae) courteously, and with the approval of this caucus, submitted to the Minister of Finance (Mr. Crosbie), when we went into Committee of the Whole, the list of the amendments that we were proposing. In other words, the government knows what we would like to do to improve the bill, even though we have been told that the forms have been printed and there is not much chance. We are prepared to give the matter the consideration that it deserves, but do we get any positive response for our efforts? The response we get is the use of this Draconian measure, this treachery, this double-treachery, this triple-treachery—those are not my words, they are the words of my friend and neighbour, the President of the Privy Council.

The government House leader tries to tell us that this is a less severe measure than the closure rule C. D. Howe implemented. All C. D. Howe was doing was using the very severe closure rule that was first brought into Parliament many years ago by Sir Robert Borden, another Conservative. Please remember, Mr. Speaker, that in that case the Conservatives of the day were having trouble getting a certain bill through, so the Borden government stopped debate on that measure, brought in a proposal to change the rules in the form of that severe measure, closure, and then took up that naval aid bill and went ahead with the closure rule.

My friends across the way are reverting to type. They have produced a paper on parliamentary reform and they try to talk about open government, about giving more attention to the views of the members of Parliament in all parties of the House. They talk about committees. The government is affronting Parliament every time it turns around.

They complained today about time being taken on privilege. I suggest that there has not been in this session of Parliament a more legitimate and worth-while question of privilege than the one raised today by the hon. member for Yorkton-Melville (Mr. Nystrom). It is significant that we dealt with that question of privilege on the same day we are dealing with a government that is snubbing Parliament and muzzling it in this way. This is just as wrong as every attempt in the past to close off debate. It is even more deleterious to the operation of this House.

As I say, the amounts of money involved are tremendous and the unfairness of this legislation to pensioners, renters, people who do not pay income tax and the great masses of the Canadian population which will have to put up the money for this bonanza, is such that this Parliament should be given the time to discuss this bill in full. My colleagues and I will vote as strongly as we can against this Draconian measure which makes this a black day for Parliament and a black day for Canada.

Some hon. Members: Hear, hear!

Mr. Crosbie: Mr. Speaker, it is certainly a nice change to hear an NDP member worrying about the money that will be spent. The hon. gentleman who just sat down is the biggest spender in the House. He would like to spend money on everything, but he does not want to spend money to help the working class or middle class home owners of Canada.

The hon. member says that this legislation is a special piece of discrimination. What is the legislation which we pass all the time if it is not for particular groups? We passed some legislation the other day providing aid to spouses under the spouse's allowance. That legislation was for a particular group of people. Is it to be suggested that we should give the baby bonus and family allowance to every Canadian because it discriminates against adults? What a lot of trash and nonsense we have heard from the hon. gentleman opposite.

What about the veterans allowance? Is that not for a particular group of people?

Mr. Knowles: Who deserve it!

Mr. Crosbie: But when it comes to the lower middle class, the middle class, the home owners, the people who are paying

taxes and the people who are working hard, they are saying that we should stamp on them. That is the cry from the opposition. We expect it from the NDP, but it shames one to see the Liberal party take that attitude.

The hon. member for Winnipeg-Fort Garry (Mr. Axworthy), the toothless Tarzan, the "hon. Taxworthy," has sent out a householder report which says:

—65 per cent of the elderly own their own homes but only 6 per cent hold a mortgage on those homes and the remaining 59 per cent are therefore ineligible for a tax credit.

It is an untruth and a misleading statement. If only 6 per cent hold a mortgage, then only 6 per cent will get the mortgage interest deductibility credit, but every person who owns a home gets a property tax credit.

Some hon. Members: Hear, hear!

Mr. Crosbie: This householder should be withdrawn before it gets out into the constituency and misleads the people. The hon. member goes on to say:

—the plan does nothing to assist families or the residential construction industry over the grim months ahead.

This plan, if passed, will help a man who has a mortgage of 12 per cent interest and pays $5,000 in mortgage interest a year, because it will give him in effect a reduction of 3 per cent in his mortgage interest. In other words, he will get relief of 25 per cent on his mortgage interest rate. The hon. ladies and gentlemen opposite are making the country ring with their cries about high interest rates, and they are stopping this legislation from going to the home owners of Canada.

The hon. member goes on to say in his householder:

—low income home owners would not be eligible for full benefits.

That is a complete tissue of misconception. It does not matter what your income is. If you have a mortgage, you are eligible for assistance, and if you are a low income home owner with a large mortgage, as most of them are, then you will benefit tremendously. These people will get a tax rebate of 25 per cent from whatever mortgage interest rate they pay.

The hon. gentleman, in crocodile tears, said that his party has not been allowed to move any amendments in the House, that their amendments were not given consideration. While in committee on Wednesday, 20 members spoke, three of whom were from our side. The rest were from the tatterdemalion crowd from across the aisle. They did not move one amendment. They merely talked about the principle of the bill. They are the tatterdemalion Tarzans without their teeth. The toothless, tattered and tatterdemalion Tarzans never moved one amendment, not one single amendment, not one.

● (1530)

Some hon. Members: Hear, hear!

Mr. Crosbie: We had committee stage back here on Wednesday. I never got a chance to open my mouth to answer a question. Members popped up like a jack-in-a-box so I would not have a chance to speak again to answer any questions. That is the truth, and that is the hon. gentleman who said he could not get any answers. He could not get any answers because he made his speech, left, and we never saw him again. He never came back to the committee.

Some hon. Members: Hear, hear!

Mr. Crosbie: He was on the leadership trail all week except once when he spoke in committee. Welcome back. I hope he is not going to go on that forelorn hope again. Stick around. I say stick around and he will get some answers.

Some hon. Members: Oh, oh!

Mr. Crosbie: He said the bill was only introduced after 41 days had passed. I ask why? Because it was the legislation of the hon. member for Saint-Maurice (Mr. Chrétien) that we brought into the House from the last budget, legislation for which they were solely responsible and which they did not put through in a year. They took week after week to debate their own legislation, the income tax and the customs amendments. That is why we could never get on with the new business of the country because we had to deal with the old business, the tatterdemalion remnants over there would not allow it through the House.

Some hon. Members: Hear, hear!

Mr. Crosbie: I suggest that if that is the best the official opposition has to offer, let us have a petition go round to bring back Pierre. He should never have left in the first place if that is what we are going to have to put up with. How is the mortgage and property tax credit going to be paid for? The hon. PC from Winnipeg North Centre (Mr. Knowles) wants to know how it is going to be paid for. This is how. We will leave the money in the pockets of those taxpayers so they do not have to pay us their money—$575 million next year.

Some hon. Members: Hear, hear!

Mr. Crosbie: We know the NDP theory that everybody in the country, as I said a couple of weeks ago, should make out a cheque for their total income, send it in here, and the NDP will send them back what they think they should have. That is not our system. We want to leave it in their pockets, Mr. Speaker.

The finance critic for the New Democratic Party said "that the relief here is going to go to those people who need it least". So, home owners of Canada, you have been categorized by the hon. member from Toronto-Broadview. You, the home owners of Canada, you are the ones in Canada who need it least. Sock it to the home owners of Canada, put the boots to them, tax them unmercifully, do not give them a break, they need it least. I tell you, Mr. Speaker, there are many, many thousands of home owners in Canada who are poorer than renters in Canada. The renters in the penthouses in Toronto-Broadview, the renters in their penthouses in Winnipeg—

Some hon. Members: Hear, hear!

Mr. Crosbie: —are far better off than the low income householders in Newfoundland, and some other crocodile characters from across the House said that the Newfoundlanders were really getting the foot put to them. Some 82 per cent of them own their own homes without a mortgage. I say that it is wonderful that 82 per cent of Newfoundlanders own their homes without a mortgage. Wonderful! They build their own homes. They are not like that crowd up there who cannot build a matchbox.

Some hon. Members: Oh, oh!

Mr. Crosbie: Every one of those Newfoundland home owners who is a federal taxpayer is going to get a property tax credit of $67.50 this year, and $250 in four years' time. Every one of those Newfoundland home owners is going to benefit. The same with Quebec home owners and other home owners in Canada. So the gentleman from Toronto-Broadview should forget his concern about the penthouse occupiers in Toronto-Broadview and Metropolitan Toronto, and also the hon. member from Quebec city who suggested that the Newfoundlanders were getting done in.

Another gentleman who asked where the money is going to come from, was tattle-tale Gray. He is wondering for the first time since 1962. He wondered where the money was going to come from. We never once heard him talk about where the money was coming from when the Liberal party was in power and they were slashing it out in every direction in the last ten years, the tax expenditures, the document I filed yesterday, the $30 odd billion of tax expenditures they lashed out—Lash Larue had nothing on them, Mr. Speaker. Between 1972 and this year they gave out $15 billion in tax relief, and when we are trying to give out a little squeezly-measly couple of billion dollars over the next four years—we are phasing it in because of our fiscal responsibility and requirements—they cry, "where is the money coming from?"

An hon. Member: The toothless tooth fairy.

Mr. Crosbie: Yes, the NDP, somebody suggested, is the toothless tooth fairy.

Some hon. Members: Oh, oh!

Mr. Crosbie: The hon. member I saw on TV, up in the office today, the member from Sudbury—

An hon. Member: The hon. member for Nickel Belt (Mr. Rodriguez).

Mr. Crosbie: Sorry, Nickel Belt. He was one of the people described here as a loose coalition of radical groups, feminists, gays, Trotskyites, radical socialists, and those disenchanted with the party's moderate profile. I was wondering which one was he?

Some hon. Members: Oh, oh!

Mr. Crosbie: Mr. Speaker, I move, seconded by the hon. member for Etobicoke Centre (Mr. Wilson):

Time Allocation

That the House sit through the dinner hour and extend the hours of sitting tonight to have the two-hour debate required under the provisions of Standing Order 75C, in order to complete the time allocation motion.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order. Upon receipt of this motion I have to refer members to Standing Order 6(5)(a) which authorizes a member to move such a motion to extend the hours of sitting. The motion has to be moved at this time in the last hour before the completion of debate on the subject matter. The Chair, after putting the motion, has to ask members who oppose the motion to so indicate. If there are more than ten members who oppose the motion, it is withdrawn.

All members who oppose the motion, please rise.

And more than ten members having risen.

Mr. Deputy Speaker: The motion is now deemed to have been withdrawn.

Mr. David Berger (Laurier): Mr. Speaker, it is certainly tough to get up here and yell fire and brimstone like the Minister of Finance (Mr. Crosbie). I must confess I have a great deal of difficulty understanding some expressions like a squeezy-measly couple of billions of dollars. I guess it will take me a few more years in the House to be able to handle billions of dollars with that kind of language.

[*Translation*]

Mr. Speaker, as a new member I find it difficult to reconcile this motion for closure with the behaviour of the government with regard to Bill C-20 because of the latter's holier-than-thou attitude towards parliamentary procedure when it represented the official opposition. The right hon. Prime Minister said repeatedly that the government was willing to consider reasonable amendments, but its actions indicate the contrary. In fact, the government knows that what little time it allowed parliamentarians would eliminate any possibility of proposing amendments. The government dragged its feet for almost five months before calling us to work.

● (1540)

[*English*]

Mr. Deputy Speaker: Order, please. I would ask hon. members not interested in listening to the speeches to at least allow the Chair to hear what is being said.

[*Translation*]

Mr. Berger: Mr. Speaker, as I was saying, the government dragged its feet for almost five months before calling us back to work in October, and it waits for seven months before deeming it time to bring down a budget. But, cynically, it introduces this bill just before the deadline for printing the income tax return forms.

[*English*]

I cannot understand what the haste was, what the necessity was for the government to introduce this measure this year. It

could have made the bill applicable to 1980 only, if it really wanted to encourage proper parliamentary review as ministers always claim is their intention. It could then have been referred to a standing committee of the House where expert witnesses could have been called and alternatives could have been considered.

What is the use of talking about it? The bill was politically motivated. It is not by any stretch of the imagination a housing initiative. The government knew this all along. Its actions in the past few weeks have confirmed this.

I repeat, this is not a housing bill. Yesterday this was confirmed once more after the many times it has been confirmed in recent months in debate in this House and in the press. Yesterday we received the November economic research committee newsletter, from no less an authority than the Housing and Urban Development Association of Canada. It notes that from its estimate in February of 215,000 housing starts in 1979 it has revised its forecast downward to 195,000. It is forecasting a further drop to 175,000 in 1980.

This authority on mortgage and property tax credit states in its November newsletter, and I quote:

> The impact of the mortgage interest tax credit introduced by the federal government is deemed to be marginal during 1980.

If it is to be marginal, what is the haste?

> Since the tax credit is small during the first year of the program and since it will not have an impact on home buyers until after they complete their tax forms in April, it will have a minimal effect on stimulating housing. The increase in mortgage interest rates for home purchasers has largely negated the benefit of the tax credit during this first year as well.

Another option open to the government, if it wishes to promote passage of this bill, is to consider a sunset amendment to permit a review of the bill in 1980. We will propose such an amendment when the bill is sent to the Committee of the Whole. The hon. member for Peace River (Mr. Baldwin) suggested such an amendment under Standing Order 43, last Tuesday, November 27. I did not see any hurry on the part of the government to concur. Our party will vote against this closure motion and we will vote against the bill on third reading.

Hon. J. Robert Howie (Minister of State, Transport): Mr. Speaker, I am pleased to add my voice to those members supporting the passage of Bill C-20 to amend the Income Tax Act to provide a tax credit for mortgage interest and property tax paid by home owners. I am very pleased also to support the use of time allocation, speedy passage of this bill.

This legislation is the most important tax reform measure to be proposed in this House in the last 16 years. This change is vital to those citizens desiring to own a home and in assisting these citizens in achieving that goal, and is equally vital to home owners who find the cost of living has become a more difficult problem in balancing the family budget. Why this positive reform is being opposed is beyond me.

The members of the opposition regard this reform measure as one very distasteful to them. In the first opposition attack on the bill, one hon. member described this measure as a scheme that will have a very limited impact, a discriminatory tax measure that is based on bad economics. Since the assault was launched, it has been carried on daily. "Inefficient", "inequitable", "expensive", "arrogant" and "blackmail", are some of the epithets that have been used.

These are the descriptive words opposition members apply. The longer the opposition participates in the debate, the greater their display of distaste for the bill, the more intemperate their assault, and the less valid their arguments.

In the time my constituents have had to consider the merits of this bill to provide major tax relief to home owners, I have not had one citizen of York-Sunbury suggest that this mandate of the Clark government ought not be enacted into the law of the land.

The only reasons I can honestly think of for the strong opposition to this tax relief for the people of Canada are three in number, namely, the reform never occurred to the former government, although the Liberal administration had 16 years in which the bolt of lightning could have struck; second, the opposition did not know the principles involved have long been accepted in tax law by our neighbours to the south; third, perhaps the chief reason for the opposition is the fact that this administration supports and proposes this long needed reform.

This bill is before this House because it is right for the people, home owners and would-be home owners alike; it is right for the people of New Brunswick, and it is right for the people of Canada. This legislation represents a new benchmark in income tax reform for Canada. I have no wealthy friends and I know of no wealthy people who have large mortgages and pay high interest rates.

This bill benefits the lower and middle income group, the breadwinners of Canada, the people who pay the taxes and make Canada the great nation that it is. They deserve a tax break, and this bill gives it to them.

[*Translation*]

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, this is indeed a sad day for Parliament and democracy when we are faced with the irresponsible and ill-advised actions of this government. They want to rule Parliament by force, they resort to every possible and conceivable trick to prevent the people's elected representatives from expressing their views and, those of their constituents and putting forward sensible alternatives to this government's proposals. It is apparent, Mr. Speaker, that with this motion the government House leader, the President of the Privy Council and minister of National Revenue (Mr. Baker) is trying to save face, no more and no less.

How can they explain otherwise that the person under those hats, even before Parliament had an opportunity to discuss a measure, probably ordered the Minister of Supply and Services (Mr. La Salle)—because he is responsible I suppose for government printing services—to print the income tax forms for the current year, even before Parliament had an opportunity to deal with this financial legislation?

The Minister of National Revenue, who is also President of the Privy Council and government House leader, when he realized his error, panicked at the thought that those forms might get into the hands of Canadians before Parliament had passed the legislation. So he now comes before us with the air of an offended virgin to urge us, almost imploringly, to support this motion for closure, because this is what it is.

• (1550)

It is therefore certainly not up to us in the opposition to rectify the mistakes of the government or confess to its ignorance. It has already been said that this is a new government, a student government. This is becoming increasingly obvious. The more it studies, the more the economy bogs down and the more Canada goes under, not only as concerns matters of economic administration, but also matters concerning oil supplies and so on.

The list is too long and too sad for me to go over it today, but it is obvious that with only 28 per cent of popular support, this government is finally realizing that it is in deep trouble. What is now suggested is a "rescue" or retreading operation. The government wants to make new tires out of old rubber. After less then six months of experience, the government has already exhausted its possibilities and is trying to blame the opposition for its inaction and irresponsibility. This goes beyond anything we could have imagined. Public opinion is justifiably confused.

I could quote many newspaper articles and many economists who are concerned about the persistence of the government to disregard public opinion and force Parliament to swallow whole a piece of legislation which has been badly cooked up, is indigestible, and will surely have unfavourable effects on the economy and the entire Canadian population for years to come. This is why, instead of simply criticizing this legislation, we have made concrete proposals to improve it.

The motion of closure moved today aims at preventing the official opposition from introducing constructive amendments to allow all Canadians to have a fair and equal share of public funds. The President of the Privy Council, the great reformer of parliamentary procedure, who just a few weeks ago tabled a white paper, is now hiding under the skirts of the Queen and under the cloak of power to try to muzzle the opposition and prevent it from fulfilling its duties towards the voters.

Mr. Speaker, the Minister of National Revenue is in a delicate predicament and it is the President of the Privy Council who is trying to get him out of it! I have never seen such an ugly situation in my life because it is created by one man with the support of his government and the assent of his cabinet colleagues. Having lost all the rest, having lost face before the Canadian electorate, they are trying to save the rags, the pieces, the tatters of their election promises. It is nothing more than that, Mr. Speaker.

The Prime Minister does not even have faith in his Minister of Finance (Mr. Crosbie); he left the House this afternoon, he did not even want to stay here to listen to the king's fool entertaining his colleagues who are bringing down the House, Mr. Speaker. The Prime Minister went back to his office to shed tears over his disfavour with the public opinion expressed earlier this week. Never have we seen in the annals of the Parliament of Canada such a shameful behaviour as the behaviour of this Minister of Finance. Never have I seen anything like that. All we get is jokes. It is fair enough to make jokes about the opposition, about the former government, but not about the present economic situation; making fun out of that exemplifies the height of this government's incompetence.

Mr. La Salle: You were in power for 16 years.

Mr. Corbin: Mr. Speaker, it looks like the minister of patronage wants to say something. If that is the case, I will gladly sit down and give him my time. If he wants to do some patronage, let him do so and fast, and let him make sure that the Prime Minister who promised to extend an airport runway from 4,000 feet to 6,000 feet keeps his promise, and the sooner the better.

Mr. La Salle: I do not see that.

Mr. Corbin: Because that is about the only promise which so far has not been put to the test. After this one, that is the only one of his election promises left. At home, in the riding of Madawaska-Victoria—

Mr. La Salle: Why did you not do it yourself?

Mr. Corbin: Why did I not do it? I am going to tell the—

Mr. Deputy Speaker: Order. I would urge the hon. member to come back to the subject under discussion.

Mr. Corbin: With the unanimous consent of the House, Mr. Speaker, I could continue.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Order. The hon. member has another minute if he wants to continue. I was simply pointing out to him that the issue he was debating has nothing to do with the motion under consideration. That is all.

Mr. Corbin: Mr. Speaker, I acknowledge your fairness and your objectivity as always. The supply and patronage minister was wondering why we did not build the 4,000 feet. We did so. At the time of the election, we were setting a mechanism to extend the runway to 6,000 feet. My government and the Prime Minister have promised to extend that runway, Mr. Speaker. Coming back to the motion—

Mr. Deputy Speaker: Order. It is too late for the hon. member to come back to the motion because the time allotted to him has expired. If he wants to ask for unanimous consent, he may do so.

[*English*]

Is there unanimous consent to allow the hon. member to continue his remarks?

Some hon. Members: No.

[*Translation*]

Mr. Deputy Speaker: There is no unanimous consent. The hon. Parliamentary Secretary to the President of the Privy Council.

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Since there are four minutes left, I would like to begin my speech.

[*English*]

I should like to make a few points in this debate. The Canadian people are overwhelmingly in favour of this measure.

An hon. Member: Twenty-eight per cent!

Mr. Kilgour: A questionnaire sent to every household in my riding produced the following response: in favour, 67 per cent; against, 27 per cent; undecided 4 per cent. What data do any of the pious members opposite have to support any suggestion that the figures are different in any of their ridings—in any apartments, in any group of the Canadian society except for their little band of caucus?

The hon. member for Vancouver Centre (Mr. Phillips) has already been referred to in this debate as being 60 per cent in favour. Members over on the other side who might have visited other parts of the country will know that there are many apartment buildings in Vancouver Centre, more, I suggest, that in any other riding in Canada. Well, 60 per cent of the people in that riding support the measure. I say to members opposite: I suspect when you go back to your constituents and explain why you voted against the bill—those who have the gall to do so—

Mr. Ittinuar: How much do renters get?

Mr. Kilgour: Does any member of this House doubt that this is a popular measure?

Some hon. Members: Four o'clock!

● (1600)

Mr. Baker (Nepean-Carleton): Mr. Speaker, on a point of order, just because the members of the New Democratic Party, who profess such love and respect for Parliament, do not like the motion is no reason for them to interrupt a member who is trying to make a speech.

Mr. Ouellet: Come on, sit down.

[Mr. Corbin.]

Mr. Baker (Nepean-Carleton): I think the hon. member for Winnipeg North Centre (Mr. Knowles) ought to admonish his group not to make that kind of noise.

Mr. Ouellet: Who is the new Speaker? Are you now sharing that job? Are you the Speaker too?

Mr. Rose: Mr. Speaker, I rise on the same point of order. Is it really incumbent upon any member of this House at this late hour on a Friday afternoon to be lectured to with unrelieved pomposity by the government House leader? If his backbenchers cannot look after themselves in these situations, they do not belong here. They should get back into their playpens.

Some hon. Members: Hear, hear!

Mr. Knowles: Four o'clock.

Mr. Deputy Speaker: Order, please. It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills, and private bills.

PRIVATE MEMBERS' MOTIONS

[*Translation*]

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, I think it is understood that we will discuss the government member's motion on capital punishment. I do not know the exact number of the motion. Are other notices of motions allowed to stand by unanimous consent of the House?

[*English*]

Mr. Deputy Speaker: Can the parliamentary secretary give the assurance that the movers of motions Nos. 9, 12, 13 and 14 have been contacted, are now ready to proceed, and agree to let motion No. 15 in the name of the hon. member for Grey-Simcoe (Mr. Mitges) proceed today?

Mr. Kilgour: No, Mr. Speaker, I am not able to give that undertaking, but I think Your Honour will be aware of the fact that in every other case in which we have got ourselves in this position, that check has been made. However, I cannot give you that assurance today.

Mr. Deputy Speaker: Is there unanimous consent that we proceed with motion No. 15?

Some hon. Members: Agreed.

CAPITAL PUNISHMENT

SUGGESTED REINSTATEMENT OF DEATH PENALTY FOR FIRST DEGREE MURDER

Mr. Gus Mitges (Grey-Simcoe) moved:

That, in the opinion of this House, the death sentence for first degree murder should be reinstated.

He said: Mr. Speaker, I do not think there is anything more dastardly to the thinking of Canadians everywhere, besides having a murder committed which was either pre-meditated, planned, committed by a hired murderer or committed in the pursuit of a crime, than to have one who commits such a murder not pay the supreme penalty as the laws of Canada provided and insisted upon prior to the passing of the legislation which abolished capital punishment in 1976.

It is clear to me that no other issue in many years has moved so many Canadians to speak out. Most members of this House can attest to the feelings of their constituents, for the issue of capital punishment has undoubtedly resulted in more mail to Parliament than any other. The reason is that most Canadians believe this important ingredient in our system of law and order must be reinstated.

I find it impossible to ignore the fact that 82 per cent of the constituents of my riding of Grey-Simcoe who responded to my questionnaire favoured capital punishment. The percentage of all Canadians who favour capital punishment is just about the same. Mail received in my office indicates that some 98 per cent favour capital punishment for premeditated murder.

There is no question that Canadians everywhere are demanding strong law enforcement. We have seen too much of the soft attitude which places the rights and concerns of the criminal ahead of those of law-abiding citizens. We have had enough of the loose administration of justice whereby criminals, rapists, murderers and child molesters, are introduced to country club living and then let out on holidays, weekends and parole and whereby the safety of society seems to have been completely forgotten in our headlong rush to demonstrate our humanity for criminals but with little concern shown for the victims of crime.

As things stand now any armed robber or hijacker is prone to murder because he knows he can only be given a prison sentence. He also knows that under our present system through either parole, holidays, temporary leave, or even escape, his sojourn in custody may well be just a few years or even a few months, and the risk of killing someone is truly worth it, especially if a key witness can be wiped out.

We must make it absolutely clear to the potential murderer that he risks the chance of being executed for his crime. There is no question in my mind as well that the increased lawlessness in Canada, more evident than ever before, is the result of a loose morality which has permeated our society like a cancer, especially during the last ten years. I might add that that loose morality has no boundaries. It invades governments, people in high places and, in fact, all classes of our society.

The abolition of capital punishment, the easy obtainment of bail, increased laxness toward inmates regarding discipline in our jails, and undeserved extended weekend passes for many repeaters in jail, have only added more fuel to the fire.

I can well understand the exasperation and frustrations of our police officers all across Canada who are trying to do their duty in apprehending criminals and carrying out their responsibilities, only to see their efforts go for naught when so many of these same criminals are soon walking the streets again either on extended bail, suspended sentences, or after serving only portions of their sentences.

The murder of our policemen in the carrying out of their duties, in ever-increasing numbers, is having a most unfavourable reaction among all our police forces from one end of Canada to the other. It has serious effects on their morale and desire to carry out their duties, or even to continue in their careers. There is no question that if the murder of Sergeant Ronald McKean, a police officer gunned down and killed in Collingwood, Ontario, in my riding, in 1977, in the performance of his duty, had occurred some ten years ago, it would have resulted in the death penalty for his assailant. There is no doubt that many other hon. members in this House can relate similar experiences in their own particular ridings.

There is no question in my mind that the re-establishment of capital punishment in our statutes would once again be a step forward to a greater respect for our laws by all criminal elements. It would give our law enforcement agents the tool they so desperately need to carry out their duties with zeal and determination. I would say that the zeal is now somewhat lacking because of the murders of their brothers in the pursuit of their duties by assailants who know that, if apprehended, they will have to serve only a few years for their crimes and then be free to commit murder and other crimes again.

Naturally, one has to ask just what the retention of the death penalty would do. Abolitionists would argue that abolition does not result in crime run rampant, or social peace if the death penalty is not restored. They would argue that capital punishment has no deterrent value. With that kind of elitist argument they ignore the real issue at hand.

A former chief justice and president of the United States, William Taft, once said:

The abolition of the death penalty is a mistake. It certainly is a deterrent for crimes of bloody violence.

In looking at the deterrent factor one must consider it an attempt to save innocent lives in the future and not, in isolation, in relation to the fate of the guilty murderer. The only question one might raise is whether capital punishment is an effective or significant deterrent. Perhaps we should look at the deterrent factor from the point of view of whether capital punishment would prevent all murders. I think not. Surely, we could not expect that any more than that a 25-year sentence in prison would stop murder. In speaking of the 25-year prison sentence, one has to consider seriously the possibility that such a law could be amended or even repealed at any time. Such a law is no guarantee that society will be protected from the criminal element. In all seriousness, I wonder how effective the 25-year sentence would be and how strictly it would be enforced.

● (1610)

In this debate one could quote reams of statistics, but I believe that the common sense of most Canadians is more important than statistics when they state, in overwhelming numbers, that the threat of the death penalty is a deterrent. It is superficial even to suggest that the threat of capital punishment has no deterrent value.

There is no doubt in my mind, Mr. Speaker, that people are fed up with the over-emphasis on the rights of the convicted. There is too much emphasis today on the rights of the convicted as opposed to the rights of the victims. I believe it is not only irresponsible but downright immoral to disregard the rights of those who are victimized. It is irresponsible for governments and others to address themselves only to the rights of the convicted and almost totally neglect the rights of the victims.

We, as members of this House, must make sure that our laws concentrate not only on those who have been victimized but also on those who are the potential victims which, by and large, is the whole of our citizenry. A society without that ultimate protection might some day find itself in the sad state where the law of the jungle rules.

I believe the time has come to stop lulling the Canadian people into believing everything will be fine if only they would follow blindly. I for one have more faith than that in my fellow citizens. I believe, Mr. Speaker, Parliament must get its head out of the sand. Parliament must face the fact that our society is not perfect, that crime does exist, that we do have a responsibility to our citizens to fight crime, with every tool available, including capital punishment.

If we cannot settle this important issue of capital punishment here in this chamber, Mr. Speaker, I believe we should take our case to the people of Canada and have a referendum on capital punishment.

In conclusion, I would like to emphasize again that I would like to see the reinstatement of the death penalty for those who commit premeditated, first degree, cold-blooded capital murder, call it what you will. I say to you, Mr. Speaker, and to my colleagues in this House, that no single issue, certainly since my election over seven years ago, has caused me more personal concern and torment than the issue of capital punishment. To me, despite the wailings of many do-gooders, capital punishment for first degree murder is a deterrent to murder and should once again be reinstated in our statutes. Once it is reinstated in our laws, Mr. Speaker, the carrying out of that law to the full letter of the law must be exercised by those responsible, instead of resorting to mere lip service which would only be construed by Canadians throughout our land as a mockery and a disservice, not worthy of the high office and high position of responsibility entrusted to them by the citizens of Canada.

Mr. Rod Blaker (Lachine): Mr. Speaker, I want to respond very briefly to the points made and the issue brought forward by the hon. member who has presented this motion in favour of the death penalty.

[Mr. Mitges.]

I know there are quite a number of other members in the House who want to speak on the subject, so I will be brief and give other members the opportunity to speak. But I also want to indicate that it is my belief that there are two issues which the House now faces in the discussion of this private member's motion. The first, of course, is the issue related to capital punishment, and in that regard obviously the hon. member and every other member is perfectly entitled to express his opinion and to see the matter brought before the House in due course for a vote. The second issue, I submit, is that we are now witnessing something similar to what we witnessed this afternoon when the Minister of Finance (Mr. Crosbie), and others, attempted to manoeuvre the scheduled business of the House of Commons in such a fashion as to suit the governing party but not to respect the rights of parliamentarians.

I put to this House, and I put to you, Mr. Speaker, that apparently we are expected to suffer in the House of Commons from promises made during the electoral campaign by the present Prime Minister of Canada (Mr. Clark) to the effect that, while he himself is on record as having opposed the death penalty, he has offered an opportunity to the members of his own party in particular, but still to all members of the House as well, that they may be able to vote on the issue in the normal course of business, by way of a private member's motion or a private member's bill.

I want to have the record clear that I think that on an issue of such moral importance—and that is what this issue is about and that is why it attracts such attention, not only in the House of Commons but in the country at large—I find that the Prime Minister of Canada is proceeding in a manner—here I want to repeat a word which I heard the hon. member for Nickel Belt (Mr. Rodriguez) use this afternoon, and I will be ready to answer to a question of privilege, if I have to do so—with respect to the death penalty and with respect to the organization of a bootlegging bill, the organization of a smuggling concept to bring the death penalty issue before the House of Commons without the moral rectitude which I think the leader and the Prime Minister of Canada should have, and I find that this manner in which the procedure is being used smacks of sleaziness—

Some hon. Members: Oh, oh!

Mr. Blaker: Let it be said also that before I used that word, I indicated to members of the House of Commons—

The Acting Speaker (Mr. McCain): Order, please. The Parliamentary Secretary to the Secretary of State (Mrs. Stratas) wishes to rise on a point of order.

Mrs. Stratas: Mr. Speaker, forgive me if I commit a breach of protocol, but I have been present in the House of Commons this afternoon and I have seen and heard many things, but I cannot sit here any longer when I hear what I am hearing now. So I am rising on a point of order to state that it should be known to hon. members opposite that in this party we act of our own volition. The hon. member who has proposed this bill

did so of his own volition, and I resent it and it confounds me to hear the comments I have just heard.

Some hon. Members: Hear, hear!

Mr. Blaker: Mr. Speaker, I do not have any difficulty with the intervention made by the hon. member and I respect that intervention. I did not suggest that the hon. member who presented this motion is doing so in some form of conspiracy or in some form of dishonourable presentation. I have not the slightest doubt that the hon. member presenting the motion did so in good faith and quite honestly, so far as I know.

An hon. Member: Speak to the motion.

Mr. Blaker: I am speaking to the motion. I make the assumption that the hon. member firmly believes that it is for the betterment of Canada that this particular motion be brought forward with respect to the death penalty. But the hon. member for Scarborough Centre (Mrs. Stratas) seems to think that I am accusing the government of some form of conspiracy, which I am not. What I do say—and if I had the particular quote in front of me, I would use it—is that the Prime Minister indicated during the election campaign that while he personally is opposed to the death penalty, he would be prepared to permit the bringing forward of private members' motions and bills in order that the House may decide.

Some hon. Members: Oh, oh!

An hon. Member: You are not used to that.

Mr. Blaker: The hon. member is quite right, I am absolutely not used to that. I am accustomed to a party, and I have one to my right and one to my left, which has some concept that we stand on principle. I have yet to see the indication of the Prime Minister of Canada who has voted against the hanging bill and spoken against it and who then campaigns on the idea that there is an undercurrent of promise that, despite his own stand on capital punishment, he is prepared to see that same bill go through the House. There are a few examples of debate in Canada of greater moral attachment, philosophy and concept, but on this issue the Prime Minister stands before the House and the people of Canada and says that, while he voted against capital punishment, he is prepared to comply with a private member's bill which will allow his own views to be overruled. It is a cop-out, that is what it is.

• (1620)

An hon. Member: It is a game.

Mr. Blaker: Just let me be very clear about this. This is not the first time that this governing party and this Prime Minister have done the same thing. I am one of the members who stood up in the House of Commons and asked the Prime Minister to lead in the issue of Canadian national unity, and he collapsed on that as well. It is a regular collapse.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. McCain): Order, please. The hon. Parliamentary Secretary to the Secretary of State (Mrs. Stratas) on a point of order.

Mrs. Stratas: Mr. Speaker, I only suggest that perhaps the member opposite does not understand the freedom of speech concept and the parliamentary system as our Prime Minister (Mr. Clark) and we understand it. I put in a plea for relevance to the issue which is the private member's bill, rather than a personality debate.

An hon. Member: Speak to the bill.

Mr. Blaker: Yes, I will speak to the bill.

Mr. Munro (Esquimalt-Saanich): It is a motion.

Mr. Blaker: I will speak to the motion, then. There is a very clear understanding here. For one of the first times of which I know in the seven years I have been in the House of Commons, it is proposed to use some of the advantages of certain procedures in order to bootleg in a bill which the Prime Minister of Canada and the governing party of Canada do not have the guts to put before the House in a normal fashion. That is the problem.

Some hon. Members: Hear, hear!

Mr. Blaker: If I have to put it any clearer, or if I have to put it in simpler words, it is an act of cowardice.

Mr. Taylor (Bow River): On a point of order, Mr. Speaker—

The Acting Speaker (Mr. McCain): The hon. member for Bow River (Mr. Taylor) must return to his seat to be recognized. The hon. Parliamentary Secretary to the President of the Privy Council (Mr. Kilgour).

Mr. Kilgour: Mr. Speaker, I am sorry; I was not standing up to speak.

Some hon. Members: Hear, hear!

An hon. Member: It has been a long day.

Mr. Blaker: Mr. Speaker, I am getting somewhat dizzy going up and down. May I finish?

The Acting Speaker (Mr. McCain): The hon. member for Bow River on a point of order.

Mr. Taylor (Bow River): Mr. Speaker, our Prime Minister (Mr. Clark) does not tell us how to vote, like the hon. member's prime minister did in the last cabinet.

Some hon. Members: Hear, hear!

Mr. Knowles: Has any one of these points of order been a point of order?

Some hon. Members: No.

Mr. Blaker: Mr. Speaker, I must respond to the last intervention. The suggestion that the leader of the Liberal party informed, instructed, or commanded the members of his party on how to vote is ridiculous, when one considers the actual vote which took place and the split in his party.

An hon. Member: Not in cabinet.

Mr. Blaker: I do not know how the hon. member goes on believing that ridiculous assumption. But I want to make the point which I rose to address. I will not spend too much time on the subject matter of capital punishment. It will be debated nine times, ten times, or whatever number of times, before it finally gets before the House for a vote. I respect the opinion of every member in this regard. They will vote as they see fit. Some, regrettably, will understand their roles as members of the House of Commons as being that they ought to vote on the basis of some unscientific and inoperative poll of their riding. That is their business. I want to address myself to the issue. A bill of such importance, or a motion in this case, will appear again and again. It will be bootlegged into the House, smuggled into the House.

Mr. Munro (Esquimalt-Saanich): It is not bootlegging.

Mr. Blaker: I want to make it clear that the action I am taking is a deliberate effort on my part, for as many minutes as I stand in the House of Commons, to talk out that motion.

Some hon. Members: Hear, hear!

Mr. Blaker: I am prepared to go on the record, and be seen and known in the public to do so. On the simple understanding that the Prime Minister and leader of the Conservative party does not have the moral fortitude to stand in this House in the normal way and to deal with capital punishment in the normal way, then I am prepared to use the procedures of the House to deny him or his members the right to bootleg a bill in. We are getting to the point where we will have hanging by accident, if this goes on.

I want every member to have a full opportunity to discuss this; not have it smuggled into the House for debate in one hour and slipped into committee before anyone knows what is happening. I want to see the Prime Minister of Canada stand up in his place and vote on this issue.

Some hon. Members: He will.

Mr. Blaker: Until he stands in his place—

An hon. Member: Where is he?

Mr. Blaker: Until he is prepared to be in the House of Commons to debate capital punishment, I will do everything I can to prevent this motion from going to committee.

An hon. Member: Hon. members opposite are afraid of the vote.

Mr. Blaker: I should like to finish off by referring to one or two quotes, if I may. I will quote a leading member of the House of Commons, as I heard someone refer to that this afternoon, on the subject of capital punishment. He said the following:

—it has been my judgment that capital punishment does not function as a deterrent in the case of those peculiar people who commit murder.

I am quoting the right hon. Prime Minister of Canada.

An hon. Member: We know how he stands.

Mr. Blaker: Why is he not here discussing the issue, if this is what he believes?

An hon. Member: Where is he?

Mr. Blaker: I wonder if I might quote that same gentleman again. He said:

What we have to do is determine whether the threat of capital punishment would stop those people who are likely to . . . commit murder, from undertaking that act. I have seen no firm evidence to suggest that the threat of capital punishment is a deterrent.

Again this was said by the right hon. Prime Minister of Canada on an issue of such moral importance, and that man is not in the House. The Prime Minister is not in the House at this time to discuss or debate this issue or take his stand. Until the Prime Minister is prepared to take his stand publicly, I am prepared to use the procedures of the House to deny the passage of this motion directly to committee.

The Acting Speaker (Mr. McCain): The hon. member for Esquimalt-Saanich (Mr. Munro) on a point of order.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I think it ought to be brought to the attention of the hon. member that it could hardly be conceived that anyone with views on capital punishment, such as those of the Prime Minister (Mr. Clark), could bring forward a bill to restore capital punishment.

Some hon. Members: Order, order.

An hon. Member: That is not a point of order.

Mr. Munro (Esquimalt-Saanich): The hon. member is talking absolute rubbish. But the Prime Minister is prepared to let other hon. members bring forward the bill.

Mr. Blaker: Mr. Speaker, I know the Prime Minister is prepared to allow other members to bring forward this bill. The rules of the House of Commons make it clear that any member can bring forward a bill through the normal course of the draw and the procedures of the House.

An hon. Member: But you are talking about bootlegging.

An hon. Member: What is wrong with it? It is not bootlegging.

Mr. Rose: They are upset.

Mr. Blaker: The hon. member for Mission-Port Moody (Mr. Rose), who is a very respected and dignified member of the House of Commons, advises me that I am making members

opposite very upset. I do not want to make them upset. I simply want to put this proposition: a motion, an idea, or a bill of this importance ought to be presented by the government. It ought to have the moral commitment of the Prime Minister attached to the debate which goes on concerning that bill. I, for one, will contribute every minute I can to stop this motion from going to committee. I will do the same on any other bill or motion, until such time as the right hon. Prime Minister of Canada steps into the House and gives his opinion openly, or, in his words, "comes clean". It is about time he does so on this issue.

Some hon. Members: Hear, hear!

Some hon. Members: Shame!

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I too should like to have this motion or a similar bill brought forward by the Prime Minister (Mr. Clark). I think the example set by the previous government in this instance was the right one. It allowed the bill to pass in 1976.

I hope the Prime Minister will, particularly since he is well-known and respected as an abolitionist, stop this practice of having dozens of motions coming forward, and instead bring forward a bill himself, if he feels that we have now reached a point where we should no longer have the bill that was passed in 1976. I do not think the Prime Minister believes that we should change it. I have heard him say many times that he does not believe in the death penalty. Also I have heard him say that since the act, which the hon. member wants to reverse today, was passed only in 1976, there should be further time before one starts changing it again.

This matter is so important, as I am sure the hon. member for Grey-Simcoe (Mr. Mitges) will agree, it is not something which should be changed or amended every year or every six months. It is something I think most hon. members feel that we should stay with for a period of at least five years. I remember the Prime Minister saying that, and for that reason I would doubt very much that the Prime Minister would introduce a bill comparable to the one we are discussing today.

● (1630)

I, too, like the hon. member for Lachine (Mr. Blaker), am a little disturbed that despite his own strongly held views, views that have been shared by every prime minister of the country, that is, the abolitionist view, the Prime Minister would not exercise more leadership with his own members. I do not mean that they have to be sheep. I do not believe in that. He could exercise more leadership with his own members by suggesting that we do not re-examine this question only three years after it was thoroughly examined. Perhaps in another two or three years it might be appropriate to do so. I feel that is his wish, but it would have required not only a strong conviction, but a willingness on his part to lead his own party in that direction.

The position I take is in opposition to this bill. I took that position throughout the election campaign. We had many debates in New Westminster and Coquitlam on the advisability or otherwise of restoring the death penalty. The member who introduced the motion today has said that the death penalty is in fact a deterrent, and he quoted William Taft who, I think, lived about 100 years ago. It is possible it was a deterrent when William Taft lived, but how the hon. member can go on saying it is a deterrent when we have the data for the last three years which show that the incidence of murder on a per capita basis has dropped, I do not know.

I am baffled when he criticizes us for saying that the death penalty is not a deterrent, and then turns around and says it is, but presents nothing to back up his statement. At least we try to back up our statements with fact, as we have done when we suggest it is not a deterrent. Certainly I have always tried to do that, and I did so during the election campaign. That is the fact as indicated by the statistics in the past three years. Those statistics were published during the last election campaign by the department of the solicitor general.

I am led to believe that the real reason for wanting to reintroduce the death penalty is not that the hon. member and others who want it reintroduced think it is a deterrent. Nor is it because they think it will remove some of the crime from our streets. The hon. member mentioned all kinds of things, very serious offences, indeed, that had nothing at all to do with murder.

Bringing back the death penalty for murder will not address some of the very serious problems that we all agree exist today in Canadian society, although not nearly as serious as in some other societies which have the death penalty. The problems we have in our cities bear no relationship, in my view, to the existence or otherwise of the death penalty. The only ground which I can find upon which he advocates the return of the death penalty is basically one of revenge, or the eye for an eye argument. If someone does commit murder he should in turn be murdered. It is not really because it is a deterrent that he wants it back, but because he feels, and I trust genuinely and honestly, that if someone murders he, in turn, should suffer the death penalty. That is a fundamental principle of revenge which I do not think has any place in our society. I have never felt it had any place in our society or in any society that prides itself on having achieved some measure of growth and civilization.

The death penalty does not bring back the dead person. One might perhaps even consider, if it did so, there would be a point in having the death penalty. It does not help the friends and relatives of the victim, those persons for whom we all have concern. The death penalty does not help them. It seems to me that the hon. member and others who favour it are only looking at the principle of retribution.

Another matter that bothers me is that in Canada, at any rate, when we did have the death penalty, sentences were commuted on every occasion subsequent to December, 1961. The hon. member mentioned that a policeman in his constituency was murdered some ten years ago. He said that because there was no death penalty on the books that murderer did not suffer the death penalty. I would remind him that the murderer would very likely not have suffered the death penalty in any

event, because in every case the sentence was commuted by the cabinet. The last prime minister who allowed the death penalty to be carried out, not having commuted the sentence, was the Right Hon. John Diefenbaker. I remember him saying very vividly to me, and I do not recall whether he said it publicly, that he would never again allow that to happen; an occasion when he would not commute the sentence.

The late Right Hon. L. B. Pearson and the present Leader of the Opposition (Mr. Trudeau) all commuted death sentences. I suggest that was not because they were part of some elite, as the hon. member suggests, but because they knew in their hearts that the imposition of the death penalty was solely an act of retribution, that it does nothing for the victim's friends or relatives, that it does nothing to bring about a more just and fair society, that it does nothing about the violence in our society, and that it is in no way a deterrent.

I think everyone, regardless of party, is anxious to find solutions to our problem, solutions which are more complex than a reintroduction of the death penalty. I am sure they are all anxious to find solutions to our social problems. Even if a bill like this were passed and we reintroduced the death penalty, I am as sure as I stand here that neither the present Prime Minister nor the Minister of Justice (Mr. Flynn), would refuse to commute the sentence. I should also have included a reference to the relevant ministers of justice when I referred to past prime ministers recommending commutation of the death sentence on each occasion.

● (1640)

I feel very strongly that those who vote to reinstate capital punishment are putting on the shoulders of other people, particularly the cabinet, the real decision as to whether the death penalty will in practice come about.

An hon. Member: Particularly the Prime Minister.

Miss Jewett: Certainly, as I have just been reminded, and going back to the point I was making at the beginning of my remarks, although I do not know the views of the Minister of Justice, I do know those of the present Prime Minister, and by reinstating the death penalty we will be putting on his shoulders the responsibility for commuting that death penalty. It is a responsibility I know he would take, but I do not think we should shift that responsibility, and that is exactly what we would be doing.

For these reasons primarily, I would find it absolutely impossible to support this motion or any similar motion. I urge hon. members to give the present act a longer period of time on the statute books, to think about the alternative, and to ask themselves if they would want a system based fundamentally on an eye for an eye and a tooth for a tooth.

As I have just said, such a system would not be a deterrent to murder and would, in the final analysis, only place the onus in dealing with this problem on the Prime Minister and the cabinet who, I am sure as I stand here, would commute the sentences just as their predecessors have done.

[Miss Jewett.]

Mr. Peter Elzinga (Pembina): Mr. Speaker, I shall be very brief in my support of this motion introduced to the House by the hon. member for Grey-Simcoe (Mr. Mitges). I am on record through private members' bills and several speeches which I have given in the House on this issue as being in favour of capital punishment. We on this side will push for the parliamentary reform package which has been introduced by the government House leaders so that we can have this issue brought to a truly free vote in this House of Commons.

Members opposite can say that there was a free vote in 1976, but that is nothing but a bunch of garbage. It was a government sponsored piece of legislation, and cabinet solidarity required that all the cabinet members vote for it. I know that pressure was brought to bear on a good many of the backbench members of the then government with regard to this issue. Some members of the NDP have stated that our Prime Minister (Mr. Clark) is not willing to take a stand on this issue. The Prime Minister has taken a very direct stand, but he is willing to give Parliament an opportunity to speak on the issue.

The Prime Minister is not like some members opposite who, when it comes to issues such as veterans pensions, wish to have Parliament voice its opinion—and I think that is good—but on issues such as capital punishment or issues with which they disagree, they want to muzzle Parliament. The hon. member opposite also said that she does not wish to see this issue put upon the shoulders of the cabinet. There is nothing to stop this Parliament from introducing an amendment to the legislation, when it comes before the House, to have any commutations brought before Parliament. There is nothing which says that the responsibility must be placed upon the shoulders of cabinet. In fact there are members on this side advocating that Parliament have a role in this matter.

Personally, I disagree with that position. I believe that the responsibility, if the death penality is to be commuted in a particular case, should be placed in the hands of cabinet. If this private member's bill does come forward under our new parliamentary reforms, it will give all members an opportunity to speak on the issue.

Once again, I commend the hon. member for Grey-Simcoe for bringing forward this motion and not taking the easy way out by leaving the issue to die. No matter which side one takes on this issue, it will not be pleasant to deal with. At the same time, it is not an issue that can be avoided. Too often when a ticklish issue such as this comes up, members opposite are only too willing to push it under the carpet so that it will not have to be dealt with.

Hopefully we on this side can introduce this matter by way of a private member's bill, as was the case in this House in 1966. Then four members combined to introduce legislation by a special House order pushing for the abolition of capital punishment. By taking this method, cabinet solidarity was not required, nor were members instructed on how they should vote on that piece of legislation.

I wish to conclude by indicating to the hon. member for Grey-Simcoe my support for his motion. It is obvious that the

members in opposition to this motion will talk it out. However, some time in the new year when our parliamentary reform package is accepted, we will have an opportunity for a more in depth debate and an opportunity whereby all members can put on record, in the form of a vote, their stand on this very important issue facing the Canadian people.

Mr. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, this has been a great day for Parliament. We had the guillotine between three and four, and now we have the rope between four and five.

Mr. Nystrom: That is not a bad line.

Mr. Axworthy: No, it is not a bad line.

The resolution before us could be properly characterized as one of mixed motives. We should not be trifling with this issue in the way in which the hon. member introduced his resolution. He seemed to be far more concerned with matters of coddling prisoners, softness in society, do-gooders, bleeding hearts, and all those kinds of totally spurious judgments about what he thinks is wrong in society.

Somehow that has become confused with the introduction of the death penalty. Somehow all those questions of what he thinks are loose morality will be solved if we start hanging people, and somehow all those questions of licentiousness and degradation which he thinks are sweeping the country will be solved by putting someone in a chamber or on a scaffold! That is not the kind of debate that we should be conducting. If we wish to debate the return of capital punishment, then we should be debating what it is, a punishment for murder.

Capital punishment will not solve the problems of softness in society, the problems of coddling prisoners, or of dealing with all the other kinds of apprehensions of the hon. member. It will deal with the simple fact of murder and the punishment for it. Let us define our terms properly and not confuse the issue. The problem is that if we allow the terms of reference posed by the hon. member to be used, then we will be debating the wrong issue. We should be debating the causes of this issue.

No one would argue that there may be breakdown in the normal order or the fabric of the family, but it will not be solved by representing to Canadians that a simple act of execution is the panacea for all these problems. If the hon. member thinks that that will solve all those problems, then he is sorrily mistaken because, in fact, it will add to the problems. People will say, "Now it is all over. I can relax because they brought back the scaffold and all these problems will disappear". These problems will not disappear because capital punishment has been reintroduced. These problems will exist and continue to exist, because there are other reasons for their cause which are totally unrelated to that act of murder which the hon. member would like to punish with another act of murder.

We should be aware of what we are debating in this resolution. We are not debating the softness in our society. We are debating a very specific solution to a very specific problem and, as a result, the onus is on members opposite who will support this bill to show why a change is necessary.

There is a great cry that Parliament should speak on this issue. Well, Parliament has spoken. No debate took more time than the debate on this issue in the House three years ago. Should we have a revolving door Parliament where every time five newly elected members can review the laws again? Parliament has debated that issue, and it is disrespectful for our members here to suggest that the members at the time were being frivolous in their concerns. I have read those debates, and it is very disrespectful to those members.

● (1650)

We have the same debates going on in the provincial legislature in which I sat at the time. We are debating the same thing simultaneously. It is an issue of some importance. I do not think it is proper to say somehow that it was an act of intimidation. The last speaker suggested that there was arm-twisting and acts of intimidation.

An hon. Member: Prove it.

Mr. Axworthy: That is what you have to do. You have to prove that. Otherwise your resolution is really unwarranted at this time.

I have heard members here say that public opinion says it is the right answer. At the same time I have listened to Conservative members say that they do not give a damn about public opinion when it comes to PetroCan, but all of a sudden they are very sensitive to public opinion on capital punishment. What are you choosing? Those public opinion polls you want to read? If you want to read a public opinion poll, I suggest you read the one that came out last Tuesday which shows that this government is declining in credibility. That is the one you should be reading because people really do not trust what you are up to any more. That is the poll you should be looking at. People want a serious government getting at serious problems. I would suggest that they would be much more effective, Mr. Speaker, if members opposite would spend their time introducing resolutions to deal with many of the social and economic conditions in this country and not worry about this particular problem. It has been debated, and it has been decided by this Parliament.

An hon. Member: Filibuster.

Mr. Axworthy: Our filibustering is simply an act to defend the rights of this Parliament. That is not filibustering. That is all it has been.

If one gets down to the issue, the onus of truth is on members opposite. They must show, somehow or other, by abolishing capital punishment in this Parliament that that has added to the incidence of murder, that it has added to the insecurity of society, and that it has endangered safety. Yet, the member opposite in his resolution did not offer one shred of evidence to prove that. He did not show one single fact to demonstrate his case other than to say that he is appealing to

common sense. Common sense is something that each of us tries to apply.

In effect, all he said was that this is somehow a nefarious act, by a bunch of elitists and do-gooders, to impose something upon the population. What he is talking about are members of this Parliament in a previous session. Those are the elitists he is talking about who were duly elected by their electors to come to this Parliament and act on their own conscience. Those are the elitists he is talking about. They are the ones who imposed abolition. They are not a bunch of sophisticates up in the penthouses of Broadview-Greenwood who imposed it, they are members of this Parliament who represent urban and rural ridings and who represent people from east to west. They are the ones who voted to abolish it.

Let us get down to the facts. Where is the evidence and where is the proof that the member is prepared to put forward?

An hon. Member: We can do it.

Mr. Axworthy: I would like to see it. Unless the member is going to manufacture facts—

Mr. Elzinga: You are blind.

Mr. Axworthy: There may be a certain bias on my point; I like to look at the facts. In the last ten years the rate of murder in society both with and without capital punishment has been about the same. Furthermore, there is another interesting fact we should point out. In the latest report put out by Amnesty International—an organization respected world-wide, it has defended civil rights and liberties, an organization of which members opposite and members on this side are members—it shows which countries have been moving forward and which countries have been moving backward in terms of abolition.

It is important to ask each and every one of us in which kind of country we would prefer to be. Would you prefer to be in a country like Norway, like Denmark, like The Netherlands, like West Germany or like Great Britain, all of which have had long traditions of respect of human rights and liberties and a high degree of interest in issues of human responsibility, or do you want to be put in the same category as the Irans, Nicaraguas, and the Bolivias—no aspersions on them—but they are countries which are emerging and evolving into more mature societies? That is one of the tests we have to face in this Parliament from time to time. We must apply certain measurements upon our own degree of maturity in society.

One test of maturity is, are we prepared to stand up against raw emotion? Are we prepared to provide laws which do not allow interference of natural fears, and frustrations to take hold? In my opinion, it would be much more important for members of this House to go to their constituents and explain, saying, "Yes, there are some serious difficulties that create insecurities in our society that have nothing to do with hanging or not hanging."

It has to do with the kind of societies we are building. We are allowing our communities to break down. In many cases we are allowing the fabrics that hold us together to be unravelled. We should be concerned and worried about those kinds of problems. We should be paying attention to them in this Parliament. Instead, we are spending our time arguing about capital punishment as a cure for those problems. I would ask members opposite to think about that for a moment, to bring in questions about what do you do to bring back the family and give it a sense of stability in this community. That is an important issue. Yet, what we are doing is allowing things to unravel day by day. We see in front of us the enlarging growth of children with disabilities who are not being cared for. We are allowing medicare money to be spent, not in the proper treatment of health but in building roads to Mafeking. That is true.

An hon. Member: You spoil your argument.

Mr. Axworthy: I am not spoiling my argument. We are allowing the social priorities of this country to be put on the back burner. We are not addressing ourselves to the important social issues of this country. We have this kind of macho-ism which prides itself on its political toughness. When I hear the President of the Treasury Board (Mr. Stevens) and the Minister of Finance (Mr. Crosbie) say they are going to tighten their belts and pull in their girth, I know who they are talking about. They are not talking about the rich and powerful society, they are talking about those who cannot defend themselves. That is where the real problems are.

I would be much more satisfied if members opposite—

An hon. Member: We are not here to satisfy you.

Mr. Axworthy: —were concerned about conditions in the jails. I say to hon. members you are going to have lots of time to debate this. As I said to one member before, if you want me to come in here and debate it, I will come in at any time. Let us debate it together and not through interruptions.

This resolution is the wrong solution for the issues and concerns that we have. The onus of proof has not been provided. We have not heard of anything except to hear "that is the way we feel". Surely, it is not enough to hear "that is the way we feel" as a basis for an argument. Surely we are more rational than that when we come to make such a momentous decision as this.

A member opposite suggested that we should bring it into Parliament to be decided. I do not know where he got the idea, but I can see Friday afternoons being used now for questions such as whether to hang or not. We are reverting back to the days of the Roman forums where it is thumbs up or thumbs down in Parliament on Friday afternoons, as to whether that guy will go or not. What are we talking about? How quickly can we reverse ourselves? How far backward and how quickly do these people want to go? Are they not prepared to say that civilization deserves better than that?

I do not have to repeat the arguments in this House that have been used many times before about the rights and responsibilities of a member of Parliament. When we have to go back to Edmund Burke, who was a dignified Conservative, to use his arguments in a speech at Bristol to say that it is not the temporary ways of opinion polls or even necessarily the insistent demands that are what are important in—

Capital Punishment

The Acting Speaker (Mr. McCain): Order, please. The hour provided for the consideration of private members' business has now expired. It being 5 p.m., this House stands adjourned until Monday next at 2 p.m., pursuant to Standing Order 2(1).

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, December 10, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

NATIONAL REVENUE

PRIME MINISTER'S STATEMENT ON TAXING ADDITIONAL REVENUES OF OIL COMPANIES—MOTION UNDER S.O. 43

Mr. John Evans (Ottawa Centre): Mr. Speaker, on Friday, December 7, the Prime Minister made a statement in the House to the effect that the government would tax away 100 per cent of additional revenues accruing to the oil companies as a result of any oil price increases. This sent the Toronto Stock Exchange oil price index crashing 109 points and caused panic in the Toronto and New York investment communities before the right hon. gentleman's office could clarify the position. I would therefore move, seconded by the hon. member for Verchères (Mr. Loiselle):

That in light of the Prime Minister's continuing obsession with contradictory and confusing statements, from now on the North American investment community be instructed to check with the office of the Prime Minister before believing anything he says.

Some hon. Members: Oh, oh!

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SUPREME COURT OF CANADA

ENTRENCHMENT IN BRITISH NORTH AMERICA ACT—MOTION UNDER S.O. 43

Hon. J.-J. Blais (Nipissing): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Today marks the thirtieth anniversary of the abolition of appeals to the Judicial Committee of the Privy Council of Great Britain, thus making the Supreme Court of Canada the ultimate appeal tribunal for Canadian law. What is not generally recognized is that the Supreme Court of Canada, unlike the supreme court of the United States, is not a constitutional court but merely a creation of Parliament and, therefore, subject to abolition by an act of this legislature.

In order to provide our supreme tribunal with formal as well as substantial independence from political institutions so that it can enhance its role both as a court of appeal and as a constitutional arbiter, I ask leave to move, seconded by the hon. member for Windsor-Walkerville (Mr. MacGuigan):

That this House urge the government to introduce a constitutional amendment making the Supreme Court a constitutional court fully protected by entrenchment in the British North America Act.

Mr. Speaker: Under the provisions of Standing Order 43, unanimous consent of the House is required before the motion can be presented. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NORTHERN CANADA POWER COMMISSION

FUNDS TO RESTORE FULL SERVICE TO NORTHERN COMMUNITIES—MOTION UNDER S.O. 43

Mr. Peter Ittinuar (Nunatsiaq): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. Whereas the residents of communities in the Mackenzie Delta area are experiencing severe hardship as a result of power shortages caused by faulty generating equipment, and whereas the Northern Canada Power Commission has blamed its inability to properly repair and maintain this equipment on lack of funds, I would move, seconded by the hon. member for Skeena (Mr. Fulton):

That emergency funds be provided to NCPC so that they can immediately carry out necessary repairs and restore full service to the affected communities.

Mr. Speaker: Hon. members have heard the motion proposed. Is there unanimous consent that it be presented?

Some hon. Members: Agreed.

Some hon. Members: No.

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ENVIRONMENTAL AFFAIRS

POLLUTION OF NIAGARA RIVER BY U.S. CHEMICAL COMPANY—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Mr. Speaker, I rise, under Standing Order 43, to seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

• (1410)

In view of the fact that a company by the name of S.C.A. in the United States has been dumping thousands of gallons of PCBs and other harmful chemicals into the Niagara River on a daily basis, and in view of the fact that the continuation of this method of disposal has a potentially harmful and lasting

effect on the health of all citizens, Canadian and American, who live along the river, I move, seconded by the hon. member for Niagara Falls (Mr. Froese):

That the government express its concern that the S.C.A. Company of the United States has been dumping thousands of gallons of PCBs and other harmful chemicals into the Niagara River on a daily basis, and urge the government of the United States to look directly into this matter and take what action is necessary so as to alleviate the potential danger of such a continued disposal method of harmful chemicals.

Mr. Speaker: This motion can be presented for debate, under the terms of Standing Order 43, only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

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[*Translation*]

ENERGY

SUGGESTED DEBATE ON OIL SUPPLIES FOR EASTERN CANADA—MOTION UNDER S.O. 43

Mr. Fabien Roy (Beauce): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with a matter of urgent and pressing necessity.

In view of the fact that in a letter dated November 6, 1979, the Prime Minister (Mr. Clark) gave us assurances as to the gas and heating oil supplies for eastern Canada; considering the many inconsistent statements made by the Prime Minister since then; considering that the people of Quebec and the maritimes are facing uncertainty this winter, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That, in the opinion of this House, an emergency debate should be held on oil supplies for this winter, in order to review and ascertain the situation by examining proposals or measures to ensure sufficient supplies to meet the needs of eastern Canada.

Mr. Speaker: The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, unanimous consent of the House is required before the motion can be presented. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Fretz.]

AGRICULTURE

CUMBERLAND, ONT.—PROTESTED SALE OF LAND BY FARM CREDIT CORPORATION FOR NON-AGRICULTURAL PURPOSES—MOTION UNDER S.O. 43

Mr. Denis Ethier (Glengarry-Prescott-Russell): Mr. Speaker, I rise under Standing Order 43 to ask for the unanimous consent of the House to introduce a motion on a matter of urgent and pressing necessity.

Considering that the Farm Credit Corporation uses its status as a Crown corporation as an excuse to ignore municipal bylaws, especially zoning bylaws, as happened recently in Cumberland where the Farm Credit Corporation divided a piece of agricultural land to resell the lots at residential and speculative rates, contrary to the zoning bylaws of that municipality; considering that it is both urgent and pressing that this practice be stopped, I move, seconded by the hon. member for Vaudreuil (Mr. Herbert):

That the Minister of Agriculture, who is responsible for the Farm Credit Corporation, order the corporation to refrain forthwith from such practice and that a letter be sent to assure the municipality of Cumberland that such action will not be repeated.

Mr. Speaker: Under Standing Order 43, such a motion cannot be introduced for debate without unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

CANADA COUNCIL

GRANTS TO TALONBOOKS LTD., VANCOUVER—MOTION UNDER S.O. 43

Mr. Arnold Malone (Crowfoot): Mr. Speaker, my motion, under Standing Order 43, on a matter of urgent and pressing necessity comes in light of the fact that Talonbooks Ltd., of Vancouver, has basically existed on Canada Council grants and has published much material which is greatly questioned by Canadians. I therefore move, seconded by the hon. member for Grey-Simcoe (Mr. Mitges):

That this Parliament urge the Canada Council not to announce a final decision respecting extended grants to Talonbooks Ltd. until such time as both the council and the publishing company have appeared before the Standing Committee on Communications and Culture.

I might add that I understand the Canada Council will be reviewing that in the next three days.

Mr. Speaker: The motion as presented cannot be put without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ENERGY

SUPPLY OF GASOLINE TO INDEPENDENT DEALERS—MOTION UNDER S.O. 43

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that independent gasoline dealers are being unfairly cut off their supplies by large multinational oil companies—specifically, 41 independent service stations will be out of gas this week in the Ottawa area because of these unfair market practices by Gulf Oil—I move, seconded by the hon. member for Selkirk-Interlake (Mr. Sargeant):

That the Minister of Energy, Mines and Resources immediately investigate the current marketing practices of large oil companies in cutting off supplies to independent gasoline dealers, in order to stop their unfair and unethical practices.

Mr. Speaker: The motion can be introduced for debate, under the terms of Standing Order 43, only upon unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

PRIME MINISTER'S STATEMENT ON TAXING ADDITIONAL REVENUES OF OIL COMPANIES—EFFECT ON TSE

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I have a question for the Prime Minister. As we know, the Toronto Stock Exchange oil index dropped down 109 points in one day, which is a 4 per cent swing from high to low, due to the Prime Minister's incredible and unprecedented statement during question period on Friday that he would—

—ensure that virtually 100 per cent of the revenues that would go to the companies as a result of increases in energy prices will, in fact, be regained by the Government of Canada—

● (1415)

Will the Prime Minister be announcing any further economic measures in relation to corporate taxes?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, if the hon. member is seriously interested, I suggest that he pay attention to questions in the House and also be present here for the budget tomorrow.

Mr. Hopkins: That will be a clear indication to the Canadian people of how well the Prime Minister of Canada answers questions in the House. I have a supplementary question. Is the Prime Minister aware of the serious effect of such rash statements, and will he try to break the stock market single-handedly again soon with such irresponsible and careless timing of his remarks?

Mr. Clark: The answer to the first part of the question is yes, and the answer to the second part is no.

ENERGY SELF-SUFFICIENCY BY 1990—EXPORT OF NATURAL GAS TO UNITED STATES

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Prime Minister, in the absence of the Minister of Energy, Mines and Resources, and it relates to the often stated proposal by his government of the intention to reach energy self-sufficiency by 1990.

I would ask the Prime Minister how he rationalizes the sale of 3.75 trillion cubic feet of natural gas to the United States with the statement by the Department of Energy, Mines and Resources on oil and gas supplies of November, 1979, stating that additional sales to the United States would make Atlantic Canada continue to be dependent upon foreign oil supplies.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I am not sure to which statement the hon. member is referring. It may well have referred to the statement of the Department of Energy, Mines and Resources with regard to heating oil, or to oil, and not to natural gas. In any event, since it came down in November, it was a statement which predated the publication of the National Energy Board report which indicated that the amounts recommended for export to the United States were clearly surplus to Canadian needs, and that those Canadian needs to which they were surplus included the possibility of significant substitution in eastern Canada.

Mr. MacLellan: Mr. Speaker, I would ask the Prime Minister about his statement on Friday not to extend the natural gas pipeline to the maritime provinces, thereby making the maritime provinces continually dependent upon offshore oil supplies and, once again, putting the Atlantic region in an inferior position to the rest of Canada.

I would ask the Prime Minister why his government does not extend, right now, the natural gas pipeline into the maritime provinces, thereby enhancing the possibility of an early extraction of natural gas from the Sable Island area and reducing the dependence of the maritime provinces on offshore oil.

Mr. Clark: Mr. Speaker, I am sure the hon. member's misrepresentation of what I said was not intentional. Our position is that if there is a desire on the part of the maritime provinces to have a gas pipeline extended beyond Quebec City, we are prepared to consider that with the utmost seriousness. Indeed, if they agree, we would be prepared to go ahead with such an extension beyond Quebec City.

Some hon. Members: Hear, hear!

Mr. Clark: But we are not going to force down the throats of Atlantic Canada a pipeline that they do not want. So we are waiting for the agreement of the Atlantic provinces.

Oral Questions

PROVISION OF NATURAL GAS TO EASTERN CANADA

Mr. John Evans (Ottawa Centre): Mr. Speaker, in a press release of December 4, the Foothills Pipe Lines group put forward some projections that there would be labour shortages in some of the key pipeline areas in eastern Canada and in western Canada where the Alaska pipeline and the Q and M pipeline and others would be laid down at the same time.

In view of the government's program to substitute gas for oil in eastern Canada, would the government give the assurance that these labour shortages will not delay the provision of natural gas for eastern Canada?

● (1420)

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, we will certainly take account of labour shortages and act to try to anticipate them. I am not sure whether the hon. member is suggesting that the position of the Liberal party is to oppose the Q and M pipeline and to oppose substitutions of natural gas for oil.

STOCKS OF HOME HEATING FUEL

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister. In its Friday statement on oil product supplies, the National Energy Board revealed that not only at the end of October were stocks in Canada of home heating fuel down by 6.3 per cent but, incredibly enough, exports from Canada for the same period of time were up by some 27 per cent. In a statement last Friday, the Prime Minister said the following:

We knew all along that shortages were possible.

He was referring to shortages of fuel oil this winter. In view of that statement, how could his government, during the six months it has been in office, possibly have permitted the exports to have taken place?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, in some of the cases where exports took place, they took place as a result, as I understand it, of the fulfilment of a condition having to do with the construction of certain refinery capacity in plants and in areas where there was not likely to be, and indeed will not be, any shortage this winter.

I think the hon. member will understand the reports to which we were referring from the National Energy Board are reports that give us, as up-to-date as possible, an assessment by the National Energy Board of the possibility of shortages in a particular region at a particular point in time. The latest information is that there is the possibility now of some interruptions, although they can be avoided if there is control upon exports and if there is conservation practiced. My understanding is that companies which had been in the practice of exporting previously have not been exporting since October or November.

Mr. Broadbent: Mr. Speaker, would the Prime Minister confirm that had his government been on its toes for the past six months in this regard, instead of being faced with a 6 per cent shortfall of home heating fuel in Canada, compared to last year, in fact we would have had a 6 per cent surplus?

If he will admit that, could he possibly explain, in the case of Irving Company, why that company was permitted to increase its exports very substantially during the precise period to which the Prime Minister referred in his comment on Friday, that the rest of us, particularly in Ontario and eastern Canada, could be anticipating shortages?

Mr. Clark: Yes, Mr. Speaker. First of all, I reject the invitation to make the statement that the hon member extended to me. With regard to the Irving plant, my understanding is that in November, Irving had very little in the way of exports; that in terms of Irving's service areas, no area has been short of heating oil or heavy oil; that last month Irving was denied a number of export licences because there was not a great surplus.

Mr. Broadbent: Mr. Speaker, there are no shortages yet, but it has been the Prime Minister and others who have warned about the shortages which will come this winter. Because I checked just before noon today, would the Prime Minister confirm that the National Energy Board now is still permitting exports to take place, and that it has before it applications for permits which will allow companies to export more home heating fuel later on this winter? In answering those questions, and I think the answer will be unequivocally in the affirmative—

An hon. Member: Then why ask?

Mr. Broadbent: —could the Prime Minister explain to the House and to the people of Canada why he has not issued an instruction to the NEB that no more exports of home heating fuel should take place in Canada this year?

Mr. Clark: Mr. Speaker, I will check into those matters on which the Leader of the New Democratic Party has informed himself, but they are details on which I have not yet been informed. I will not only look into the particular questions the Leader of the New Democratic Party has asked; I will also look into the existence of any other conditions that, if the case he suggests is in fact true, would have led the National Energy Board to make that kind of authorization.

● (1425)

[*Translation*]

REQUEST FOR PRECISE DETAILS ON SUPPLY SITUATION FOR INDEPENDENTS

Mr. Fabien Roy (Beauce): Mr. Speaker, my question, which is also directed to the right hon. Prime Minister, naturally deals with the energy issue. In his letter to us which was included as an appendix to *Hansard* of last November 6, the Prime Minister indicated the steps his government had taken to reassure the people of Quebec and the maritime provinces, that is to say, eastern Canada, concerning oil supply security.

He also indicated the steps his government had taken to maintain quotas and ensure supply for independent distributors. Could the right hon. Prime Minister advise us, taking into account everything that has been said over the past few days, where we stand now as far as supply for independent distributors is concerned?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, it would be necessary for me to check the exact situation of the independent distributors. I do not have the relevant information with me today. I should like, however, to mention to the hon. member that in the letters I wrote him I indicated the following:

Should we be faced with a disruption of oil supply sufficient to cause a national emergency, then I can assure you that the government is prepared to use the powers available to it under the Energy Supplies Emergency Act, 1979 to conserve supplies and to provide for their equitable distribution.

FUEL OIL—REQUEST FOR STUDY OF REDUCTIONS IN SUPPLY FOR INDEPENDENTS

Mr. Fabien Roy (Beauce): Mr. Speaker, I should like to ask the right hon. Prime Minister whether he was informed that independent distributors had their quotas reduced by almost half for December alone. I have an example for him. An independent distributor who had a quota of 98,000 gallons of heating oil had it reduced to 58,000 gallons in December, which means that his quota was reduced by 40,000 gallons. I should like to ask the right hon. Prime Minister whether he is prepared to inform the House today that his government will take every measure necessary to correct the situation forthwith.

Right Hon. Joe Clark (Prime Minister): First, Mr. Speaker, I am prepared to review and consider the situation referred to by the hon. member. Second, last week I indicated that the government intends to announce the names of the members of the supply board later this week.

* * *

[*English*]

NATIONAL REVENUE

PRINTING AND MAILING OF 1979 INCOME TAX FORMS

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the government House leader in his capacity as Minister of National Revenue. Not long before the House opened today, it was alleged to me that not only have the personal income tax forms for the 1979 tax year not yet been mailed out, but the printing of them has not yet been completed. This clashes with what the minister told the House on November 28, when he used words to the effect that they had been printed and the mailing was to be completed by early last week.

Could he tell the House, now, exactly what the state of affairs is and, in particular, if they were printed, the exact dates the printing was carried out, and if they were mailed, the exact dates on which they were mailed?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I cannot tell the hon. member the exact dates, but when I made the statement in the House during the course of the debate on Bill C-20, the forms were in fact ready. I am advised that the mailing has begun in respect of those forms. I want to assure the hon. member—and he should know, as a former minister of national revenue—that the decision had to be made when it was made, and the action taken when it was taken.

Mr. Gray: Mr. Speaker, since this is important in terms of the vote we will be taking on the closure motion later this day, I would ask the President of the Privy Council and Minister of National Revenue if he could give us the exact information before that vote is taken. Exactly when was the printing of these forms completed; exactly how many forms were mailed out, and on what date, and exactly how many forms remain to be mailed out? The minister should know that there is no absolute legal requirement within the law insisting that the procedure had to be carried out, as he said when he spoke in the House.

• (1430)

Mr. Baker (Nepean-Carleton): Mr. Speaker, the hon. member, as a former minister of national revenue, ought to know that the Department of National Revenue would act on behalf of the provinces with respect to property tax credit legislation, as it does with the child tax credit. These refunds would be delayed if the steps which I outlined in my speech on Bill C-20 were not taken. These steps were taken for administrative necessity, and the hon. member, being a former minister, ought not to be so silly as to deny that they are necessary.

Some hon. Members: Oh, oh!

* * *

[*Translation*]

FINANCE

POSSIBILITY OF ESTABLISHING DUTY-FREE ZONE BETWEEN CANADA AND UNITED STATES

Mr. Bernard Loiselle (Verchères): Mr. Speaker, my question is directed to the Minister of Finance. Last July he gave us to understand that the formula to establish a duty-free zone between Canada and the United States deserved serious consideration. Can the minister say whether he is still in favour of such a duty-free zone between Canada and the United States, and does his position reflect the position of the government?

[*English*]

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I have never said whether I favour a duty-free zone between Canada and the United States or any other kind of zone. What I suggested, and what I suggest again today, is that it is time

for Canadians to assess very carefully the options that they have for the future, including questions such as whether we should have freer trade between us and the United States, a North American common market, or a policy of more Canadian independence and more Canadian control over Canadian industry.

I have indicated that these are matters which should be seriously studied and on which the public should be informed so that they can make a conscious decision in the next few years as to our economic future. What I favour is a complete study, a weighing of the costs and benefits and a conscious decision by the Canadian people as to what direction we should take.

[*Translation*]

INQUIRY WHETHER HOUSE COMMITTEE WILL STUDY ADVANTAGES OF PROPOSAL

Mr. Bernard Loiselle (Verchères): Mr. Speaker, I have a supplementary question. If the minister is so interested, can he tell us if he has formed a committee to consider the pros and cons of that matter and, if so, when can the House expect to receive its recommendations?

[*English*]

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, what I am in favour of is not proceeding blindly down a path which leads to we know not where, as the last administration did. I am in favour of adopting a course consciously. No committee has yet been appointed, but I have asked the officials of my department to have a preliminary look at these questions and to prepare the data.

I agree with the Senate committee which studied this issue, and the Economic Council of Canada, that these are matters which should be seriously looked at before we decide what is the most reasonable way to determine our future on these matters.

* * *

INTERNATIONAL TRADE

CONSIDERATION OF INCREASED EXPORTS OF GAS TO U.S. IN RETURN FOR MARKETS FOR MANUFACTURED GOODS

Mr. David Berger (Laurier): Mr. Speaker, my question is for the Prime Minister. Five weeks ago, in answer to questions in this House, the Prime Minister stated that the effect of the Buy American act on Canadian exports of urban transportation equipment was a very serious concern to the government, and that the matter was on the agenda for discussion with President Carter.

The Minister of State for International Trade stated in the House the next day that he had discussed the matter that very morning with the U.S. ambassador. Last Thursday morning the *Gazette* reported that Bombardier may have to move its 800-employee transit vehicle manufacturing operation to the United States because of that act. Last Thursday evening, the government announced increased gas exports to the United States.

Mr. Speaker: Order. Would the hon. member put his question.

Mr. Berger: Yes, Mr. Speaker. As I said, last Thursday evening the government announced increased gas exports to the United States.

Some hon. Members: Order.

Mr. Berger: Was any consideration given by the government to tying one to the other, that is, to provide increased gas exports to the U.S. if they provide us with markets for our manufactured goods?

Hon. Michael Wilson (Minister of State for International Trade): Mr. Speaker, the hon. member is quite right, that the possible move of Bombardier to the United States is a very real concern of this government. It is a matter on which I had discussion in Washington last Thursday. To specifically answer the question on whether consideration has been given to tying the two matters together, the answer is no.

Mr. Berger: Mr. Speaker, my supplementary question is to the Minister of State for International Trade. After the minister's discussions with the United States, would he now give an indication as to our chances of obtaining amendments to that act?

Mr. Wilson: Mr. Speaker, I think that there is a very good chance that we will be able to settle this matter on a satisfactory basis for the urban transportation industry. Our ambassador in Washington has had discussions with the new administration for the department of transportation in the United States. He advised me last week that there is a good opportunity for a satisfactory agreement. At this stage, I do not have any details which I can put before the House, but as soon as I have something I will do so.

* * *

FINANCE

HIGH INTEREST RATES AND GOVERNMENT CUTBACKS— DETRIMENTAL EFFECT ON CULTURAL ENTERPRISES

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I have a question for the urbane, refined and cultured Minister of Finance.

Mr. Knowles: He isn't here.

An hon. Member: Did they change ministers?

Mr. Rose: According to press reports, a number of labour-intensive Canadian cultural enterprises, including the Stratford Festival, smaller theatre companies and the Canadian book publishing industry, are reeling under government cut-

backs, high interest rates or a combination of both. Is the minister aware of the tragic effect this policy is having on the Canadian book publishing industry and its employees—10 per cent of whom have been laid off already—and what contingency plans has the government to ensure employment stability within that industry and the survival of Canadian book publishing?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I have greater faith in the Canadian book publishing industry than does the hon. gentleman. My seatmate has already announced a policy to help the Canadian book publishing industry. As far as the high interest rate condition is concerned, that of course has its effect on all businesses. We are hoping for improvement as soon as our policies get a grip on the economy. I can assure the hon. gentleman that his worries and concerns are shared by the government, but we have more optimism for the future of the industry than he does.

FUNDING OF THEATRE COMPANIES

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I will extend the minister's sympathy to the industry and assure them that we know that the government has a grip on that industry. My supplementary question is to the Secretary of State. Have any officials of the Stratford Festival approached him with regard to funding discrimination, and is the minister considering reallocating the $10 million budget for the National Arts Centre in Ottawa to assist the smaller theatre companies across Canada, in general, and Stratford in particular?

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, with respect to the Stratford Theatre Company—a very important theatre company to all of Canada—the Minister of State for Federal-Provincial Relations has raised this matter with me many times. I have had meetings with representatives of the Professional Association of Canadian Theatres in an attempt to develop some long-term and positive policies with respect to professional theatres across Canada. I think we are making good progress in that regard.

* * *

COMMUNICATIONS

PROPOSED CHANGE IN BILLING BY BELL CANADA

Mr. Bill Domm (Peterborough): Mr. Speaker, my question is for the Secretary of State. It stems from recent discussions which I have had with Bell Canada and the CRTC that there is an impending likelihood that a study by Bell Canada will take place to determine a new means of billing Canadian consumers. My concern is that this—

Mr. Speaker: Would the hon. member put his question.

Mr. Domm: My question is, would the minister use the authority of his office to ensure that this new study is not a means by Bell Canada to increase consumer rates?

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, the proposed experiment by Bell Canada of usage-sensitive pricing is a controversial topic and one with considerable implications in terms of possible increased charges to individual subscribers. Even though there has been no clear decision as yet on whether or not the proposal and the experiment put forward by Bell two months ago is acceptable, I will inquire of CRTC to make sure that there is no momentum given to this issue which would, in effect, contribute to a decision that would not be in the public interest.

* * *

● (1440)

[*Translation*]

IMMIGRATION

ALLEGED WITHDRAWAL OF GOVERNMENT FROM AID PROGRAM FOR VIETNAMESE REFUGEES—CONSULTATION WITH PROVINCES

Mr. Bob Kaplan (York Centre): Mr. Speaker, in the absence of the Minister of Employment and Immigration, I will put my question to the acting minister.

It relates to the Vietnamese refugee program. Last week, when the Minister of Employment and Immigration appeared before the committee and announced the end of the Vietnamese refugee aid program, he said that he had consulted with his provincial counterparts, including Mr. Couture, the Quebec minister of immigration, and that they had given him their support. Mr. Couture denies that these consultations ever took place and he says that he is opposed to the withdrawal of the program. My question to the minister is this: Is Mr. Couture lying on this subject? Would the minister be willing to take his advice and restore the program the way it was?

[*English*]

Hon. Lincoln M. Alexander (Minister of Labour): Mr. Speaker, I thank the hon. member for that very important question. As I understand it, Mr. Couture was concerned about the fact that we not receive some 10,000 refugees which was the understanding of all the parties involved. In terms of who is telling the truth, I must state that I stand by the Minister of Employment and Immigration, who indicated that he had consulted with the provinces and they were in agreement with his plan, given the fact that the total number involved is 50,000.

As the hon. member knows, there was a recent release, under the date of December 6, which has now placed more emphasis on the private sector in order that moneys can be freed to assist those who are suffering in Cambodia which, in all, is still part of the refugee question. In other words, we had

the 50,000 limit, but we are involved with the Kampucheans and also with other refugees.

[*Translation*]

REQUEST FOR RE-ESTABLISHMENT OF AID PROGRAM

Mr. Bob Kaplan (York Centre): A supplementary question, Mr. Speaker. When he appeared before the committee, the minister also said that he had consulted with and been given support by the private sector. We know now that they are almost unanimously opposed to the proposed changes in the program. Therefore, what we have here are two instances of ineffective consultations and one instance of denied consultations, namely, by Mr. Couture. Will the minister undertake new consultations, or will he restore this excellent program to what it was before?

[*English*]

Hon. Lincoln M. Alexander (Minister of Labour): Mr. Speaker, I think it has already been indicated by the minister that there is, indeed, a great need in Cambodia. We have not given up the refugee program one bit, but there are two prongs to it: one happens to be the boat people, and the other happens to be those in Cambodia who are suffering from lack of food, who are in need of temporary shelter and who are in need of medical aid. Therefore, this is a good cause.

In terms of reversing ourselves, I have no knowledge at this time whether the minister will or will not, but my understanding is that he intends to proceed in accordance with the press release, which he has now on his desk, dated December 6.

* * *

CONSUMER AFFAIRS

REPORTED TAKEOVER OF NEWSPAPER CHAIN BY ARGUS CORPORATION

Mr. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. There are now confirmed reports that the Argus Corporation is proposing a major takeover bid of the FP newspaper chain. Under these circumstances, we would have one of the largest economic conglomerates in the country taking control of one of the major newspaper chains.

I should like to ask the minister if the government has expressed any concern over this action in relation to how it would affect the public interest of this country. In particular, has the minister instructed the director of combines investigations to undertake an inquiry as to whether this proposed takeover would be in the public interest, and whether the government has any involvement in the case?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, the government has expressed concern. The director of investigations will certainly look at this matter.

[Mr. Alexander.]

Mr. Axworthy: A supplementary question, Mr. Speaker. Considering the imminence of the takeover bid, does the minister have any timetable in mind as to when the director of combines investigations will report? Does the minister also intend to make a public statement about the government's concern regarding this proposed takeover, and does he intend to take any immediate action to declare a moratorium on the takeover until the director has had an opportunity to fully assess and study the implications?

Mr. Lawrence: Mr. Speaker, as the hon. member knows, the director of investigations is an independent office. I imagine the director will require some time before he will be in a position to indicate whether a formal investigation is required.

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[*Translation*]

TRANSPORT

DAMAGE TO POINTE AU PIC WHARF—REQUEST THAT REPAIR BE EFFECTED AS SOON AS POSSIBLE

Mr. Charles Lapointe (Charlevoix): In view of the absence of the Minister of Transport, the minister of state for maritime transport and the Parliamentary Secretary to the Minister of Transport, I shall put my question to the right hon. Prime Minister. I should like to know whether the government has been advised of the very extensive damage caused to the Pointe-au-Pic wharf, which is one of the most important economic factors in that area, and whether the government would be willing to consider allocating special funds to undertake the urgent repairs to that marine structure with a view to saving this economic tool which is of such importance to the riding of Charlevoix?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I should like to discuss the matter with the minister.

* * *

AIR TRANSPORT

INQUIRY WHETHER QUÉBECAIR GROUP WILL BE FAVOURED IN PURCHASE OF NORDAIR

Mr. Dennis Dawson (Louis-Hébert): In view of the absence of the same people, Mr. Speaker, my question will be directed to the right hon. Prime Minister. Since he is an expert on easy solutions, and since the Gagnon group has now withdrawn its offer to buy Nordair, and now that Québecair is the only group left, does the Prime Minister intend to announce to the Canadian people before the holiday season— before Christmas—that the Québecair group's offer to purchase Nordair will be looked upon favourably?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the sale of Nordair is a matter which is now under consideration

by the government. The Minister of Justice discussed the matter with some of the interested parties in the Nordair charter before the announcement alluded to by the hon. member. I have not yet had a chance to discuss that conversation with the Minister of Justice. I should like to do so with both him and the Minister of Transport.

INQUIRY WHETHER EARLY DECISION WILL BE MADE TO SETTLE PROBLEM

Mr. Dennis Dawson (Louis-Hébert): Mr. Speaker, on a supplementary, now that there is only one group from Quebec, and that the main reason the Minister of Justice is involved in the matter is that, as minister representing Quebec concerning his counterpart, he takes care of Quebec problems, can the Prime Minister tell the House whether, now that a serious group has offered to purchase Nordair, he and the Minister of Transport—and not only the Minister of Justice who sits in the other place—will reach a decision so that the matter can be settled? They have been in government for six months now, so a decision could now be expected and now that the situation is easy to solve, and since the Prime Minister likes easy solutions, will he soon be in a position to make a statement to the House?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the question is now under consideration by the government. As the hon. member has just recognized, only three or four days have elapsed since the situation changed with regard to Quebeckers interested in Nordair. With the change in circumstances, we shall now probably look into the matter in depth this week.

* * *

[*English*]

CRIMINAL CODE

REVIEW OF GUN CONTROL LEGISLATION

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, may I put a question to the President of the Privy Council? In view of the fact that a notice of motion has already been introduced by the Solicitor General which would give the Standing Committee on Justice and Legal Affairs the authority to completely review and amend the whole aspect of gun control legislation, I should like to ask whether the President of the Privy Council would tell us on what date the committee will be given the necessary authority to delve into this legislation?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, it is unlikely, given the calendar of the House between now and the expected adjournment date for Christmas, that we could deal with the matter before then. It would be my intention to discuss the matter with the House leaders in terms of time. It is our intention to proceed with the reference as quickly as we can after we come back in the New Year.

ENERGY

SENIOR CITIZENS' DISCOUNT ON HOME HEATING FUEL

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the right hon. Prime Minister. It is based on the fact that some of the multionational oil companies, Imperial Oil and Shell in particular, have given notice to their agents in Canada to terminate the two cents per gallon discount on home heating fuel that has been available to senior citizens.

In view of the fact that this action must be offensive to the Prime Minister, coming as it does just after the government has talked to Imperial Oil about an increase in the price of gasoline, will the Prime Minister, either himself or through his ministers, make strong representations to the oil companies in this country to continue to make available to senior citizens a discount on heating fuel?

● (1450)

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I am surprised at the information the hon. member gives the House: it is the first I have heard of it. I am concerned about it, and I will be in touch with the companies that have been cited.

As the hon. member knows, it is the intention of the government to ensure as much as we can that actions which the government takes with regard to increases in fuel costs will not fall disproportionately upon the elderly of the country, but that, indeed, they will be helped by government programs. I would think as a matter of general principle that should be followed by the private sector as well.

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[*Translation*]

CULTURAL AFFAIRS

OPEN HOUSE CANADA PROGRAM—ALLEGED TRANSPORTATION MONOPOLY TO CP AIR

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, my question is for the Secretary of State and deals with the Open House Canada program, an excellent program established by the former government which enables a great many young Canadians to visit their country and meet other young people of different backgrounds. Can the minister tell us whether it is true that his department has decided that CP Air instead of Air Canada shall provide transportation for these young people? If so, why; on what criteria has the minister based his decision, and does this decision not run counter to the government's policy of favouring Air Canada when public funds are involved?

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, I am under the impression that the hon. member is misinformed.

[*English*]

FINANCE

RECOVERY OF TAX EXPENDITURE UNDER BILL C-20

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, my question is for the Minister of Finance. In view of the government's determination to ram Bill C-20 through Parliament, thereby depriving members of a full opportunity to put questions to the minister and to come forward with reasonable amendments, can the minister inform this House how he intends to recover the mammoth tax expenditure under the bill? Will it be by the introduction of capital gains tax on the sale of principal residences of Canadians, or will it be by scratching the registered home ownership savings plan? How will the Canadian people pay for the election goodies?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, the hon. member was certainly scratching when he made those suggestions. We are hopeful that hon. gentlemen opposite will stop their obstruction of this tax credit legislation in the next few days so that it can go through before Christmas. The way it will be paid for is this: the taxpayers of Canada who are now home owners, who pay federal taxes, who have mortgages or who pay or do not pay municipal taxes, will retain in their pockets next year $575 million that they would otherwise have had to pay the government in taxes. However, if hon. gentlemen opposite had their way, the taxpayers of Canada would not be in a position to do that and would pay $575 million more next year, $1,200 million the year following, up to $2,900 million. I hope they will see reason and allow the taxpayers to keep that.

Some hon. Members: Hear, hear!

* * *

RESEARCH AND DEVELOPMENT

ACHIEVING OF LEVEL ESSENTIAL TO ECONOMIC DEVELOPMENT IN 1980s

Hon. Judd Buchanan (London West): Mr. Speaker, my question is for the Minister of State for Science and Technology. At committee, the National Defence officials indicated that the cost of the new fighter aircraft in 1982 dollars would be approximately $3.5 billion. What guarantees can the minister give Canadians that such a massive expenditure of taxpayers' funds will help to achieve the level of research and development that his government has stated is so essential to the economic development of Canada in the eighties?

Hon. Heward Grafftey (Minister of State for Science and Technology): Mr. Speaker, I can assure the hon. member that officials of my department are on the review panel for the new fighter aircraft. We are ascertaining to as great an extent as possible that research and development offsets and technological transfers will be maximized as much as possible.

Let me repeat, that my officials are monitoring this matter very, very closely. I appreciate the hon. member's interest. I can assure him that everything possible is being done with either of these aircraft—as he knows, the choice has not yet been made between the aircraft—to ensure that the R and D offsets are as great as possible.

[Mr. MacDonald (Egmont).]

Mr. Buchanan: Mr. Speaker, all available information indicates that there will not be one ounce of Canadian technology in these fighter aircraft. Can the minister indicate how much indigenous, high-Canadian technology will be in the aircraft and how much will be simply paint-by-numbers or work-to-drawings type of assembly?

Mr. Grafftey: I am sure that when the last government narrowed the choice down to these two, they did not agree with what the hon. member has just said. One is never satisfied: I am the first to admit, with the hon. member, that we are never satisfied with the totality or the quality of the R and D offsets. But we are making sure, by monitoring this matter as closely as possible, that they are going to be maximized as much as possible in terms of R and D done in Canada from whoever gets this contract.

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POST OFFICE

DIRECTIVE FOR TWO PER CENT REDUCTION OF STAFF

Hon. J. Gilles Lamontagne (Langelier): Mr. Speaker, my question is to the Postmaster General. The President of the Treasury Board has issued a directive for a 2 per cent reduction of staff in each department. In the Post Office, these cuts would mean a requirement of about 3,600 person-years in the remaining four or five months of this year.

Since the Postmaster General told us last week in committee that, and I quote, he cannot tolerate a 2 per cent cut in person-years in the Post Office, because if he did he could not even maintain the limited service that he is trying to maintain under very difficult conditions—that was his public answer to the Treasury Board—can the Postmaster General tell us if he has received a favourable answer to his ultimatum to the Treasury Board making the Post Office an exception to this arbitrary directive?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, the statement that I made was to a committee of this House. That statement and that information stands. It is the best assessment that we in the Post Office can give it. It has been transmitted to my colleague, the President of the Treasury Board. There will no doubt be discussions. I remain of the opinion, and it is soundly based, that a 2 per cent across the board cut in person-years is not possible at this time.

[*Translation*]

PUBLIC SERVICE

ALLEGED CONTRIBUTION OF DEPARTMENT TO REDUCTION IN POSTAL SERVICE

Hon. J. Gilles Lamontagne (Langelier): Mr. Speaker, we did not, of course, get a clear and specific answer from the President of the Treasury Board. In view of the promise made by this government to eliminate 60,000 civil service jobs, could the Postmaster General tell us what has been his department's contribution up to now to this generous promise as a result of which postal services are eliminated or reduced just about everywhere in Canada?

[*English*]

Hon. John A. Fraser (Postmaster General and Minister of the Environment): No, Mr. Speaker, I cannot give an exact answer except to say this: under my direction there has been strict adherence to the principle which was enunciated earlier by this party, and then by this government, that there would be no reduction in person-years except by attrition. I have pointed out, as the hon. member well knows, publicly to a committee of this House that the difficulty in the Post Office is that we are having a serious problem in maintaining service and that it is not a department of government that can withstand severe cuts in personnel.

Hon. J.-J. Blais (Nipissing): Mr. Speaker, I have a supplementary question for the Postmaster General. We have now heard this minister indicate twice that he has taken positions that are diametrically opposed to the decisions or the policies of this government, first in terms of opening the mail and now in terms of the 2 per cent cutback. In view of the fact the minister has made public declarations on two of the major issues that affect his department, should he not be successful in persuading the members of the cabinet of the position that he has made public is he ready to submit his resignation?

Mr. Speaker: Order, please. The question is, of course, hypothetical by its very nature.

* * *

AGRICULTURE

COMPENSATION FOR POTATO GROWERS

Mr. Lorne Nystrom (Yorkton-Melville): My question is for the Minister of Agriculture. It concerns a very serious problem in the Atlantic provinces, namely, the fact that many potato growers in the Atlantic provinces have seen all or part of their crop rot because they cannot find markets for it. This is the third year in a row that potatoes have been sold at less than the cost of production.

Can the minister guarantee the producers in that part of Canada that there will be compensation so that they will at least get back the cost of production? Can he assure the House there will be a pay-out under the stabilization plan to the potato farmers in eastern Canada?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the hon. member touches on a very serious problem. I have answered questions on this very subject over the last number of days. As of today, no, I cannot stand here and say there will be a stabilization payment for the 1978 crop year; nor can I, in all honesty, say there will be participation on behalf of the federal government with reference to the diversion program that the maritime producers want.

● (1500)

I fully appreciate the difficulty in which the potato producers of Canada find themselves. This afternoon I am meeting with two of my provincial counterparts to discuss this whole situation.

Mr. Nystrom: In the light of the fact that Irving Oil, of all companies, has bought out a potato processor in Prince Edward Island, and that Europeans are now purchasing potato farms in the Atlantic provinces, will the minister take the initiative and begin discussions with the provincial governments and the producers with a view to forming a potato marketing board or commission along similar lines to the Canadian Wheat Board, so as to ensure producers some protection?

Mr. Wise: With reference to the hon. member's first question, it seems to me he is talking more about land use or land tenure control, and that, as I am sure he will appreciate, is an area which lies directly within the control of the provincial governments. With reference to his second question, that is the number one item we intend to discuss this afternoon. I am pretty certain that my officials have been successful in setting up meetings with all my provincial counterparts in eastern Canada for dates prior to the Christmas recess.

* * *

[*Translation*]

PUBLIC SERVICE

ACTION TO BE TAKEN AGAINST PERSONNEL GUILTY OF POLITICAL ACTIVITY IN QUEBEC REFERENDUM CAMPAIGN

Mr. Gaston Isabelle (Hull): Mr. Speaker, my question is directed to the Solicitor General. In a recent newsletter, the Public Service Alliance allowed its members to take part in non-political and non-partisan activities in the Quebec referendum campaign, thus endorsing the position taken by the Public Service Commission. Now, Mr. Speaker, unless one is very naive, it is obvious that political and partisan activities will take place during the Quebec referendum campaign. I therefore ask, what will be the grievance procedure against civil servants who might break the law to the effect that only a candidate in an election can file a complaint with the Public Service Commission? Since there will be no election or candi-

date as such, what will be the procedure to file a complaint against those obstinate civil servants?

[*English*]

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, I will get the cabinet minister directly concerned to reply in writing to the hon. member.

[*Translation*]

TABLING OF LEGAL ADVICE RECEIVED BY PUBLIC SERVICE COMMISSION

Mr. Gaston Isabelle (Hull): In that case, does the Solicitor General intend to table the legal opinion or opinions that the Department of Justice is reported to have sent to the Public Service Commission on the interpretation of section 32, because I understand that the legal opinions, one sent in July, the other in October, were contradictory? Can the Solicitor General table these documents or clarify this matter immediately?

[*English*]

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, I know nothing of any single legal opinion on that subject, much less about two of them. But, as the hon. member knows, it has not been the practice of past administrations to make public legal opinions coming from the Department of Justice. However, I will check into the matter and make sure the hon. member receives a written reply.

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PRIVILEGE

MR. ETHIER—ALLEGED ALLOCATION OF FUNDS TO POLITICAL GROUP—MR. NYSTROM—CONSERVATIVE MEMBERS OF TASK FORCE ON GRAIN—RULING BY MR. SPEAKER

Mr. Speaker: Order, please. There remain outstanding two questions of privilege, one raised by the hon. member for Glengarry-Prescott-Russell (Mr. Ethier) and the other by the hon. member for Yorkton-Melville (Mr. Nystrom). Brief interventions were made by both ministers involved and neither minister seeks the floor again. One intervention was by the Minister of Agriculture (Mr. Wise) with respect to the matter raised by the hon. member for Glengarry-Prescott-Russell and the other by the Minister of Transport (Mr. Mazankowski) in regard to the question of privilege raised by the hon. member for Yorkton-Melville.

Both questions of privilege make reference to a practice which was admitted to by the Minister of Transport and, to a lesser extent—or to a less formalized extent—by the Minister of Agriculture, in the sense that in the months since the election and the formation of the new government committees which were in fact entirely committees of the government caucus were encouraged to carry out investigation work in their particular fields and, in addition to being encouraged, were in fact financially supported through government funding. In some cases this entailed assistance in travelling, in some cases in defraying staff charges or research advice and in others in the printing and publication of documents.

There was an additional grievance advanced by the hon. member for Glengarry-Prescott-Russell, namely that the committee work resulted in a report which was essentially for internal use and was published therefore only in the English language, the language of the members involved, and that since it was supported by public funds it ought to have been published in both languages.

The House has, I think, given very serious consideration to both problems raised; I certainly have done so. As I indicated to the House in the course of the discussions, in addition to the excellent presentations made by the two members involved there was an intervention by the hon. member for Winnipeg North Centre (Mr. Knowles) which related particularly to the second question and which I think hon. members might like to refer to. It was an excellent summation not only of the arguments on both sides but also, if I may say so, of the feelings of the Chair, feelings which I tried to express during the course of the discussion.

Very much along the lines of that reasoning, having examined the points raised by both members, I have concluded that it is most difficult for the Chair to determine these circumstances with technical precision—especially since, in one case at least, there has been an order in council passed and to place in conflict with the House an order in council and, therefore, to decide that there is a limitation on the order in council in confrontation with the privileges of the House. What I am saying is that this may very well be the situation but it is a very difficult point for the Chair to decide, and before making such a decision I would want very much more detailed information and would wish to hear far more argument.

However, I am able to say to the House that while I am absolutely satisfied—as I am sure the House is—that the practice initially entered into by the government since the election was entirely in good faith, and while it may in fact be defensible against the argument of privilege of the House, I hope hon. members will understand that it is a rather dangerous practice to embark upon. I refer to the practice of supporting from public funds a committee composed of members of any one caucus. In theory, I suppose, it is not likely that government funds would be used to support a single activity of an opposition caucus, but in any case that is no better.

The support of public funds, where applied to parliamentary activities, ought, I think, to apply across the floor of Parliament, particularly so since there has been a recent alteration of our practices, one that has been heartily endorsed, encouraged and, indeed, slightly expanded by the current administration; that is to say, the provision of funds for researchers for individual caucuses. This being the case, that fund is available for individual caucus committees to carry out research, to be used in whatever way the particular caucus sees fit.

I am sure the House will accept that these committees fulfil a useful function in providing information and communication with the public with respect to important policies and decisions, but while these are confined to one caucus it seems to me to be preferable that it is strictly the caucus research budget that would be employed to that end. Where public funds are used, I do not want to take the extra step and indicate that those public funds can be applied only to standing or special committees of the House. That may not necessarily be the case at all. It may be that public funds can in fact be used for ad hoc committees of the House, as was the application here. I am simply saying to the House, though not in a formal finding of privilege, that in my opinion the greater wisdom would be to ensure that in every case where this is done, where public funds are used to support such a committee even if it is an informal committee, such a committee consist of members of more than one party in the House. I think that is a wise practice to follow. Whether or not it conforms entirely to our practices and precedents or the departure from them that has been raised here is in confrontation with the privileges of members of the House, I do not need to decide at the present time.

I hope the House will take the sense of the argument, which I think is a very serious argument, and the sense of the Chair in this respect, that it is a practice which ought to be considered very carefully before it is entered into again. If it were to be attempted again, I would think the House ought to be consulted.

* * *

BUSINESS OF THE HOUSE

Mr. Gray: Mr. Speaker, I should like to raise a point of order with respect to House business. On Friday, December 6, the government House leader said that Friday, December 14, would likely be the first day of the budget debate. I wonder if he would be in a position to confirm that it will be the first day and, if not, when the first day will be.

• (1510)

Mr. Baker (Nepean-Carleton): Mr. Speaker, I have no reason—at this point in any event—to change that date as the first day or to suggest a change in that date as the first day of the budget debate. I realize what the hon. member is referring to and his concern about that, and I undertake to him that if there is a change in that I will communicate it to him either directly or through his House leader. I realize that the hon. member does not want to be caught by surprise. It is not my intention to catch the House by surprise either.

Point of Order—Mr. Lapointe

INCOME TAX

MAILING OF PRINTED TAX FORMS

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, the hon. member for Windsor West (Mr. Gray) put a question to me as to the date of the mailing of the forms. I can indicate a reply to that question. Part of it is contained in a speech I made in the House on November 28, 1979. The forms were put into envelopes about November 21. My speech was on November 28. The tax forms were sent to the Post Office prior to December 1 with an embargo put on their mailing until December 1, so the forms are in fact going as I had indicated in my speech would take place.

With respect to this I just want to repeat what I said in the course of that speech. Given the circumstances with respect to this, the mailing is two weeks later already this year than it has been in prior years.

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[*Translation*]

POINTS OF ORDER

MR. LAPOINTE—ABSENCE OF MINISTER FROM HOUSE

Mr. Charles Lapointe (Charlevoix): Mr. Speaker, I rise on a point of order with respect to the question period today. As you know, we now have in cabinet a Minister of Transport (Mr. Mazankowski), a Minister of State (Transport) (Mr. Howie) in charge of water transport, and a Parliamentary Secretary to the Minister of Transport (Mr. Jelinek), and they managed today to be absent all three of them at the same time. I would like to remind you that, in the past, having had the honour to serve as Parliamentary Secretary to the Minister of Transport under the previous government, there was a rule in force at that time for the question period to the effect that when the Minister of Transport was absent, I, as parliamentary secretary, had to be present in the House. I would like to know whether it is still the opinion of the Prime Minister that parliamentary secretaries have no importance in the new government. Also, now that there are two ministers of transport rather than one, for the information not only of hon. members, Mr. Speaker, but of the people who want to get answers to the problems in some areas in Canada, I would like the Prime Minister to tell us whether he is going to instruct his cabinet colleagues that at least one representative of every department should be present during the question period.

[*English*]

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, there could be an implication raised by the comments of my hon. friend as to the habits of attendance of the two ministers about whom he has directed his remarks. I think he knows—and he will accept from me the assertion—that the Minister of State (Transport) (Mr. Howie) and, indeed, the Minister of Transport (Mr.

Mazankowski) are two of the most faithful adherents in the House, and that the only reason they would be away would likely be because of public business.

I am advised that the Minister of Transport is in Winnipeg today meeting with the western transportation ministers, and I do hope that the hon. member would think that that is part of ministerial practice. The government has taken the view from the beginning that, except for the necessary attendance of ministers at meetings elsewhere, their appropriate place is in the House of Commons, and I think we have adhered to that pretty well.

[*Translation*]

MR. ETHIER—REQUEST FOR PRESENTATION OF REPORT IN BOTH OFFICIAL LANGUAGES

Mr. Denis Ethier (Glengarry-Prescott-Russell): Mr. Speaker I understood earlier when you ruled on our two questions of privilege, namely that of the hon. member for Yorkton-Melville (Mr. Nystrom) and mine, that there might have been an error. After I stated my point of privilege, I attached a motion to it, and I said:

> That the Minister of Agriculture (Mr. Wise) be asked to appear before the Standing Committee on Privileges and Elections so that it be ordered that the said report be withdrawn and not made available to anyone until all hon. members can get it in either of the two official languages.

I believe, Mr. Speaker, that you ruled on the propriety of that report. But I said during my intervention, and I repeat today, that a less than scrupulous government can do what it wants. That is not what I want to say. I asked for a report in my own language, and I did not hear anything about that. If it is your decision that those reports can continue to be released in English only, I must say it is a sad day for us French Canadians and that this promotes the cause of Mr. René Lévesque in Quebec.

[*English*]

Mr. Speaker: I think the hon. member will realize in reading what I have said today that the document to which he referred became, in that context, an internal document, and it was so treated in terms of the actual report itself. The public document to which he referred, the press release, may be what he was referring to as being in one language. However, I understood that his complaint was with regard to the report of the internal caucus committee. I have already indicated to the House that that is one reason why there is a severe danger in making such reports and then supporting them with public funds. The minute they are supported with public funds there is the demand that they be presented in a bilingual form, respecting the Official Languages Act, and that, therefore, is an unwise activity.

[Mr. Baker (Nepean-Carleton).]

ROUTINE PROCEEDINGS

[*English*]

STATISTICS CANADA

APPOINTMENT OF COMMISSIONS OF INQUIRY TO REVIEW OPERATION OF AGENCY

Hon. Sinclair Stevens (President of Treasury Board): Mr. Speaker, I wish to inform the House today of several steps I am taking to deal with questions and concerns relating to Statistics Canada.

First, I do not want my remarks to imply that I consider Statistics Canada to be ineffective or deficient in carrying out its mandate. While I have listened to the crescendo of complaints and criticisms of the agency, I am also well aware that Statistics Canada is vitally important to Canadians and to Canadian institutions and businesses, and that to many of those who deal directly with it, Statistics Canada is one of the best agencies of its kind in the world. For example, I received the following comment just a few days ago in a letter from the general manager of Data Resources of Canada:

> We currently reap the benefits of the best statistical collection agency in the world.

That view is shared by others who have been in touch with me directly to express their support for Statistics Canada and, in particular, to commend that agency's technical know-how.

It is worth noting here how critical it is that we can continue to have the utmost faith in this agency. Think of the legislation based on its figures and the programs and decisions involving processes which cannot do without Statistics Canada data. Let me cite a few examples. The consumer price index is used for indexing of old age security and family allowances and in support of COLA clauses in collective agreements, public service pensions and personal income tax.

The labour force survey is used for virtually all labour market policies and planning. The census underlies all social and economic planning and programming. Trade figures have a great relevance. Gross national product statistics are vital, and the monthly employment and unemployment releases are critical. In short, in a modern society about everything we do requires some sort of measurement, and without Statistics Canada we cannot function as a modern society.

Because of Statistics Canada's importance to Canada and because of my desire for a full and constructive review, the easiest thing for me to do would be to agree to a public inquiry into Statistics Canada, possibly by a parliamentary committee.

I have been critical of the agency in the past, and I have no interest in concealing any inadequacies which might exist. I am greatly concerned, however, that if we do not deal sensitively with the perceived and real problems of Statistics Canada, we may destroy the agency's credibility, morale and, ultimately, its effectiveness. I say this because it appears that many of Statistics Canada's alleged problems are inextricably bound up with human relationships and attitudes, not with the basic methodologies used by the agency.

I have decided, therefore, to initiate a comprehensive but private examination of Statistics Canada's operations, with the undertaking to Parliament that I shall make public the conclusions of the examination, subject only to the protection of innocent people. Because of the unusually complex and technical nature of the work of Statistics Canada, I am adopting some very special measures in this examination. First, as I have already indicated, I asked several management consultants to make proposals to me for studies of Statistics Canada's management processses and structures. I have accepted the proposal by Price Waterhouse Associates, and I expect their report by February.

Let me deal with the terms of reference for their study. First I will speak about the objectives. The over-all objectives of the inquiry will be to identify areas for improvement in the management, organization, personnel and communications processes in the agency, to recommend practical solutions that may be implemented expeditiously, and to provide advice on the terms of reference and work plan for a review of the methodology employed.

● (1520)

Now I should like to speak about the scope. This study will include a review of the agency's mandate and objectives and the relevant policies and practices affecting its organizational structure; a review of the agency's organizational structure; a review of the division of responsibilities, authorities and accountability in the decision-making process; an examination of the way in which resources are deployed in the agency; an analysis of policies and influences outside the control of the agency that might affect its policies, plans and programs; a review of the procedures followed in matching the qualifications of individuals with job skill requirements; an assessment of manpower and succession planning and other practices affecting human resources and human relations; the development of guidelines for a methodology audit and the provision of co-ordination and liaison with the technical audit team; an analysis and an assessment of quality assurance practices and procedures as they relate to the application of methodology and execution of plans and programs in general; a survey of the internal and external quality audit process, including surveillance over incoming and outgoing materials; an assessment of the methods employed in transmitting information in and between sections and upwards and downwards in the agency; an examination of the process for communicating with users and the news media, including guidelines for the preparation of releases and security over confidential information.

Finally, let me refer to the timing. The study will commence today, December 10, 1979, and a report will be presented to me in early February of 1980.

I should like to go on to the second item. I am negotiating with a well-known international expert learned in statistical science to study the technical and statistical production aspects of the agency's work. As the person is not a national of Canada and does not live in Canada, I am sure the House will understand that it takes a few days to negotiate a suitable contract with this gentleman. I shall announce the expert's name and the terms of reference of his study in a few days' time, however.

In order to help me in the co-ordination of these two studies and to assist their reports, I have secured the assistance of three senior public servants: the Clerk of the Privy Council, the Comptroller General of Canada, and the Secretary of the Treasury Board, to act as an advisory committee to me.

I am also taking a third step, which I do not wish to see misunderstood or given undue importance. I shall recommend to the governor in council that Mr. Edmund Peter Newcombe, Q.C., be named the commissioner under the Inquiries Act to investigate allegations regarding Statistics Canada made by Mr. Boris Celovsky or others. I must emphasize, however, that I have absolutely no reason to believe nor, for that matter, to disbelieve some of the observations that have been made. The commissioner will help us to dispose of these observations one way or another.

I have indicated that I shall make the conclusions of these reports public. I expect they will demonstrate that Statistics Canada, with whatever problems it might have, is, nonetheless, strong and reliable and its professional integrity is fully intact. We might learn that we have loaded the agency with so many demands for reports and data and have charged it with such difficult technical tasks that some problems are almost inevitable. Let me assure you, Mr. Speaker, that if problems of a continuing nature are revealed, be they in methodology, personnel or organization, they will be corrected. In due course, if Parliament sees fit, I am quite prepared to have the report's conclusions, together with my plans for any remedial action, referred to a parliamentary committee for review.

Finally, let me make one thing clear. While Dr. Peter Kirkham, chief statistician, took no part in the final decisions I have announced today, I advised him of them, of course, after the decisions were made. He assured me of his full co-operation, that he welcomes my approach and he is confident Statistics Canada will emerge with its credibility undoubted.

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, I will give the President of Treasury Board (Mr. Stevens) a C minus for courtesy in sending copies of his statement to the leader's office only at about two o'clock. I received one copy only after he came to the House. We got the copy but I think it is fair to suggest that it would have been better had we received it earlier and, furthermore, had it contained the terms of reference of the inquiry to which he referred in his statement. At this time I will say only that perhaps this is due to inexperience, but we are asking him and other ministers to perform in that sense the same way as they asked us to do when we were on the other side.

With regard to the substance of the statement, may I say that perhaps in any circumstances there should be notice of such a statement, but in this case when the issue arose because of questions asked in the House of Commons, most particularly by the hon. member for Ottawa-Vanier (Mr. Gauthier) and

myself, I suggest that it is even more important for that kind of co-operation to be forthcoming.

Having said that, we welcome the fact that the minister has now acceded to the recommendations that this issue be aired. He has been careful, as I would commend him to be and as we would be, not to proceed on the basis that there is guilt before proof, that there is proof that the methodology and the economic information provided by StatsCan is in fact bad or erroneous, but recognizing that it is now in doubt. Most certainly, there is no attempt here to destroy the credibility of StatsCan but rather to maintain it to the maximum degree possible and in fact to restore it in the face of some questions that have been cast upon it.

The information we receive from Statistics Canada is extremely important; it is not just dull statistical data that we are getting here. The minister has indicated the usefulness of that agency in preparing information on the cost price index and all the economic decisions that are taken as a result of that information, such as the indexing of programs, labour relations and negotiations, and a host of very important economic and financial considerations based upon the flow of information. He has mentioned two or three others, and I have mentioned another one, to emphasize the importance of the accuracy of information such as the balance of payments information which we get from time to time stemming from Statistics Canada's collection of information.

I can remember when, a little over a year ago, a trade deficit was reported in one month which the following month was corrected to a trade surplus. I think the present government might have faced this same problem very recently. That is not just an accident or a casual error that can be corrected by some improvement in the arithmetic because speculative investment in the Canadian dollar took place as a result of that information. The dollar went down and corrective action was taken and millions if not billions of dollars were spent as a result of that decision. The correction took place, but that did not change what had occurred as a result of the interpretation of what turned out to be inaccurate or incorrect information. So accurate information is extremely important.

We commend the decision to proceed with this inquiry on the administrative, personnel and management side of that agency and, as we coaxed the minister to do and as he has now done, to move beyond that to look at the methodology of how information is collated, distributed and interpreted. To me this is even more important than the first, although they may in fact be related.

● (1530)

We commend him for the commitment to make this report public. He has sort of hedged a little on making the process or the actual inquiry public, but will make public the final report by the consultants who look at it. Perhaps I can understand why that is done.

Very much depends upon the quality and the reputation of the consultant who is finally selected. I understand that the firm named will do the management consultant analysis on the administrative personnel side. The other side, that is the question of accuracy of the information it conveys to us, is extremely important. I am a little intrigued by the suggestion that the person involved will be an international expert in the field, which of course means foreign. We will delay judgment on that until the minister is in a position to advise us who it might be and what indeed his credentials and reputation are. We will be looking at that very, very closely.

The minister went on to talk about the naming of a commissioner under the Inquiries Act to investigate the allegations regarding Statistics Canada made by Mr. Celovsky. We will accept that guardedly at its face value. The minister said that he did not wish to be misunderstood or to be thought to give undue importance to this additional inquiry which he announced today. I think all of us in the House will want to follow that very closely to ensure that there is no undue pressure brought to bear against anybody who has had the courage to state his mind, even if it is critical of the operations of the agency.

We are glad that we have received from the minister concurrence in the recommendations we have made at this time, which resulted from the stimulation we gave him when we raised the question in the House a few weeks ago. We look forward with a great deal of interest to the results of all the inquiries which he announced today. We hope that he will proceed with dispatch with the naming of somebody to look after the methodology, which I think in the end is the most important aspect of this approach.

Mr. Bob Rae (Broadview-Greenwood): Through Mr. Speaker, I want to register a very serious complaint to the President of Treasury Board (Mr. Stevens). Not only did we not receive this document until well into the question period, but we did not receive the document as it was read by the President of Treasury Board. The report which he read—

Mr. Knowles: He is not even listening now.

Mr. Rae: If he will take the courtesy to listen to what I have to say to him, the report which he read was significantly different from the one presented to me. I see the minister shaking his head. I should like to tell him that it was. The guts of what he read had to do with the terms of reference for the report which Price Waterhouse will make. I have not seen those terms of reference. The minister departed from the text he left with me and took off on the guts of this report to the House concerning the very significant report Price Waterhouse will make on Statistics Canada. If that is respect for all the parties in the House, I think we are in for a very sad and difficult Parliament. Is that the standard of consultation we can now expect from the President of Treasury Board?

Mr. Breau: For just a few more months; it will not be very long.

Mr. Stevens: Mr. Speaker, I rise on a point of order. Let me hasten to assure Parliament and at least to attempt to dispel the righteous indignation which seems to be welling up in the

NDP. Any changes I made were simply of a non-substantial nature. I referred to the terms of reference and read them into the record because, as the hon. member knows, in the document delivered to him it was proposed that those terms of reference be tabled. Unfortunately, for technical reasons, the French version was not available in time. I thought that rather than delay the tabling until tomorrow, I should read it into the record, which I did.

Mr. Breau: In French?

Mr. Rae: I can assure Mr. Speaker that any righteousness or any righteous indignation which I feel is completely justified, even with the explanation we have just had by the President of Treasury Board. I do not see any reason why we should be expected to respond on 45 minutes' notice to a major statement concerning Statistics Canada, and then find, even as the minister is reading his statement, that the guts of what he has to say with respect to the terms of reference are missing from the heart of the report for what he calls technical reasons.

[*Translation*]

Mr. Speaker, I would like to say to the President of the Treasury Board (Mr. Stevens) that translation matters are not technical matters. They relate basically to the attitude of the government towards bilingualism and the principles of bilingualism, and it is not good enough for the President of the Treasury Board to come and tell us that he is not in a position to give us a full report of what he is going to say, suggesting he is unable to do so for reasons of translation. I must say, Mr. Speaker, that it is an intolerable attitude as far as opposition parties are concerned. It is not good enough for the minister to hide behind technical problems of translation and tell us there was not enough time. I would say to the minister that if it is a question of time, then let us take the necessary time to have them translated and to do everyone the same courtesy.

[*English*]

Dealing with the substance of the report, the one thing I would say to the President of Treasury Board is that there is a certain irony in the presentation of the report itself. On the one hand, he said that he has complete confidence in Statistics Canada and that he does not want there to be any morale problems. Then he announced not one commission into the condition of Statistics Canada but three. Rather than having appointed three, the minister would have been far wiser to have appointed one commission, the membership of which could be drawn from the areas of expertise that he has outlined.

We are quite prepared to recognize the necessity of a major study on all the fronts which he suggested. I see the minister is shaking his head. As usual he is "so willing" to accept suggestions coming from the other side! I would suggest to him that not only will there be problems of morale which will be devastating as a result of the establishment of these three commissions, but the very real danger that what is not solved before one commission then will become a problem for another commission, and that what is evidence before one commission will become second-hand evidence before yet another commission. Also there is the potential of conflicting reports among the three different commissions. I would suggest to the minister, with all respect, that it may well cause very significant personnel and other problems in the future.

I suggest to the minister that that, coupled with the attitude and the reputation of this government with respect to its public servants and the attacks which the minister himself launched on Statistics Canada while he was in opposition, does not bode well for the future of Statistics Canada. We in my party are in full support of the notion that there should be a commission of inquiry armed with the necessary expertise to deal with the technical matters concerning the technical and statistical techniques used by Statistics Canada. We think that there is need for a commission which will take into account the problems of morale, personnel and general management orientation of Statistics Canada. We are prepared to recognize that. However, we are deeply concerned that this government has chosen to throw not only one commission into Statistics Canada but three. We are deeply concerned about the possibilities of conflicting terms of reference among them.

• (1540)

Finally, we must say to the minister that we have some concern as to the protection of the independence, the integrity and the ability not only of Statistics Canada but of all the personnel of Statistics Canada to withstand the onslaught of not one but three inquiries.

That having been said, we support the notion that there should be a commission of inquiry. I hope I am not correct and that my fears are not borne out by events, but I suggest to the minister that by setting up three separate commissions of inquiry into Statistics Canada he is asking for trouble. Had he established one, it seems to me it would have been possible to have assured members of Statistics Canada that there was not a witch hunt going on but that this was a serious inquiry which had a good deal of good intention behind it. I think there is some ground for concern on the part of employees at Statistics Canada who will ask themselves what are the real intentions of the government.

I do not give the minister a C minus, I give him a failing mark for having failed to show us the minimum courtesy of giving us the terms of reference of the Price Waterhouse study which, as the minister knows, goes to the guts of this inquiry. Quite frankly, we have some real concern about the necessity of having three commissions in relation to Statistics Canada when the minister said at the outset that he has full confidence in Statistics Canada as it now stands. If the minister has full confidence, why should he have three commissions?

[*Translation*]

Mr. Speaker: Order. The spokesmen for all parties have been heard, but as before, I am ready this afternoon to allow questions to be put to the minister. I will begin the questioning with the hon. member for Beauce (Mr. Roy).

Statistics Canada

Mr. Fabien Roy (Beauce): I want to make a few brief comments on the statement just made by the minister and of which I heard at the same time as my colleagues, since it was handed to us in the middle of the question period. I would like to ask the minister why a public announcement was made today when the minister said in the first paragraph of his statement:

I do not want my remarks to imply that I consider Statistics Canada to be ineffective or deficient in carrying out its mandate.

The minister does not want people to entertain any doubt as to the role assigned to Statistics Canada. Mr. Speaker, in my opinion, the first concern of every member here, on either side of the House, is that Statistics Canada must remain above suspicion. This agency must not be a political instrument in the hands of the government. It must be ready and willing to serve all members of Parliament, because Statistics Canada has historically been, and shall be even more so in the future, a guide for all members of Parliament and all political groups in this House. In the first place, the reports issued by Statistics Canada are used to figure the consumer price index, and this in turn is the basis for indexing Public Service pensions, personal income tax, old age security pensions, family allowances and a number of—

Mr. Speaker: Order, please. The hon. member for Beauce is entitled to put questions to the minister pursuant to Standing Order 15(3) and he should put them forthwith.

Mr. Roy (Beauce): Thank you, Mr. Speaker, although I can hardly understand why I should be treated differently this afternoon, when other members from the Liberal party and the New Democratic Party have had their chance to make their own comments, because it is stated in Standing Order 15, on page 10:

A spokesman for each of the parties in opposition to the government may comment briefly thereon and members may be permitted to address questions thereon to the minister.

The rules are the same whether they apply to the New Democratic Party or to the Social Credit Party of Canada.

I therefore respectfully submit that it is my right and privilege to add a few comments on the minister's statement as my colleagues have done.

Mr. Speaker, I can see that several members of this House would like to chair our proceedings, but nonetheless I would ask the minister, coming back to the first question, why he decided to announce publicly a private investigation of confidential documents at this point, rather than wait until he has more detailed information and to come up before this House with a concrete proposal. This would have prevented the credibility of Statistics Canada from being jeopardized.

[*English*]

Mr. Stevens: Mr. Speaker, in replying to the hon. member I would simply say that it has always been our undertaking that we would announce the appointment of the management consultants to look into Statistics Canada, and that we would not only name the management consultants who were retained but would set out the terms of reference for the management consultants to follow.

[Mr. Speaker.]

Secondly, we felt that rather than incorporate in the management consultant terms of reference framework, if you like, an expert to look at the methodology, the expert should come from outside Canada. Incidentally, we felt that if we simply turned to somebody who was learned in statistical information within Canada there might be some suggestion that he was not objective enough to pass on Statistics Canada. As a result, we chose to go outside Canada to retain an expert in statistical science to pass on the methodology of the Statistics Canada operation. Incidentally, that is why, in answer to the question by a member of the NDP as to why we did not incorporate this all under one, I said we felt there was merit in divorcing the two; having the internal Canadian study dealing with organization, personnel and management, with the outside study dealing in a very objective way with the technical side of Statistics Canada and methodology.

Finally in answer to the hon. member's question, the reason we wanted to make it public that Price Waterhouse are commencing today is that I did not want to delay making a statement to the House, as it may well have become public, through the usual brown envelope or leak fashion, that Price Waterhouse was already conducting a study. I felt that I should inform the House at the first opportunity.

I once more apologize for the fact that the terms of reference are not available in both official languages for tabling. They were not settled until a few hours ago, and unfortunately the French version is not ready. I thought the second best thing, in order to get it before the House as quickly as possible, was simply to read it into the record.

Mr. Knowles: Mr. Speaker, may I put one question to the President of the Treasury Board. In his statement today about Statistics Canada he emphasized the importance of its work in connection with the indexing of old age security and other pensions and benefits. As the President of the Treasury Board will recall, in October I raised with the Prime Minister the question of a special index for senior citizens related to the things they have to buy. Outside the House that day the President of the Treasury Board said he would give serious consideration to that proposal. May I ask if any action has yet been taken on that?

Mr. Stevens: Mr. Speaker, I am pleased to reply to that question. I did follow it up and a report has been prepared. If the hon. member feels that it would be helpful, I could either deliver it to him personally for his consideration or I could table the report in the House.

Mr. Knowles: Mr. Speaker, in the interest of freedom of information I suggest that it be tabled.

Mr. Stevens: Mr. Speaker, I would be pleased to table the report.

● (1550)

Mr. Evans: Mr. Speaker, the President of the Treasury Board indicated that they decided that a Canadian could not objectively look at the methodological questions dealing with Statistics Canada. Perhaps I am mistaken, but is it not true that the contracting and staffing regulations of the Government of Canada as promulgated by the Treasury Board indicate that non-Canadian citizens can be retained by the Government of Canada only when it can be clearly shown that there is no Canadian capable of doing the particular job? Could the President of the Treasury Board indicate whether such a search was conducted to determine whether or not a qualified Canadian was available to do the job and, if such a search was conducted—as is supposedly required by the Government of Canada in such cases—is the minister saying that he could not find a qualified Canadian in the area of statistical methodology to carry on this study?

Mr. Stevens: Mr. Speaker, perhaps the hon. member has overlooked the main thrust of what I was saying. It is not in any way a reflection on the capabilities of those who are educated in the statistical sciences in Canada. It is very, very difficult, if not impossible, to find such a statistician who does not have ongoing activity with Statistics Canada at the present time. These people are using the data and talking to Statistics Canada personnel, if not daily, at least on a weekly basis. Consequently, if we do retain such a person, he or she may in our mind not be purely objective. He will certainly be capable, but there could always be the suggestion that he did not have that degree of objectivity that one would like as would somebody who does not have an ongoing connection with Statistics Canada.

We consulted management consultant firms and people in government as to whether it was wise for us to go outside Canada for a suitable person. To eliminate any question concerning objectivity, it was unanimously agreed by the people whom we consulted that we should secure the services of one or more experts outside Canada who are world renowned as statisticians and let them pass on their views on methodology within Statistics Canada, and that is what we are proposing to do.

Mr. Evans: Since the minister is undertaking a procedure which is in violation of his own regulations, does he intend to expand upon this particular principle in other studies which will be done by the government and allow other government departments and agencies also to expand upon this principle of hiring whomever they consider to be the most qualified person, regardless of the fact that there may be a Canadian who is equally as qualified but who, in the minister's judgment or whomever, may not be as objective as one might like in conducting the particular study? I am quite concerned because it is not only a question of objectivity. Would the minister indicate whether objectivity or the ability to conduct an objective study is no longer to be the criterion for selecting contractors for the federal government?

Mr. Stevens: Mr. Speaker, I realize that the hon. member is desperately trying to make a point, but once again he has overlooked what I think is the very significant point in what we have done. We have deliberately gone to persons who are recognized in the world as being experts on this question of statistical data and the operation of institutions such as Statistics Canada. We have asked them to pass judgment on our Statistics Canada and, in so doing, have taken the most objective approach conceivable to ensure, if they do return a report that Statistics Canada is undoubtedly credible or, on the other hand, that there are problems, that we have a truly arm's length, objective study and review of the organization. I would think that most members of the House would welcome such a review.

What the hon. member seems to be concerned with are the regulations of the Treasury Board. In our opinion, that regulation was not applicable to a special situation such as Statistics Canada where one finds, as I have mentioned before, that most of the people we would normally turn to in Canada have an ongoing relation with Statistics Canada. I would not challenge the objectivity of the report, but it might be challenged by somebody down the road as not being as objective as one would like.

Mr. Murphy: Mr. Speaker, my question to the President of the Treasury Board deals with the morale of the employees. It seems to me that the people within Statistics Canada have already suffered from the statements made by the minister, the opposition and other members in this House. I am concerned that the minister has not dealt with the concerns of the employees. I think that throughout the government service there is low morale at this time because of the reports of privatization and the proposed cutback of 60,000 employees. What is the cost of this study, not only in terms of dollars, but in terms of morale?

Mr. Stevens: Mr. Speaker, we will be indicating the dollar cost of the Price Waterhouse study, and the international authority, which will probably be revealed later. With regard to the cost to morale, I do not think there will be any cost, other than a general building up of morale with respect to the activities of Statistics Canada.

Mr. Speaker: I will conclude the questioning with the hon. member for Broadview-Greenwood (Mr. Rae) and the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre).

Mr. Rae: Mr. Speaker, the President of the Treasury Board has rejected one part of my argument. We could have different points of view with regard to the need to establish a separate inquiry commission concerning the technical activities of Statistics Canada. However, I do not believe that we dealt directly with what I was attempting to get at, and that is the potential conflict between Price Waterhouse and the commissioner, Mr. Newcombe. As the minister knows, the allegations that have

been made by Mr. Celovsky which have appeared in the press and of others relate not only to the question of the technical aspect of the work of Statistics Canada, but also to the personnel practices of Statistics Canada.

Given that there is this overlap between these two inquiries, the Price Waterhouse inquiry and the inquiry of Mr. Newcombe, what guarantees have the employees of Statistics Canada that there will not be an unfair leapfrogging, if you like, going from one commission to another, in an attempt to achieve some kind of redress? What means do we have to guarantee that there will not be an unfair abuse of the inquiry process into Statistics Canada?

I think that this is a legitimate concern, that there should be one inquiry, that it be limited in time, and that the report be objective, rather than having a series of inquiries of an ongoing nature and a number of allegations which, I would suggest, have no end unless there is a clear summing up. I think it would be easier to have one commission.

Mr. Stevens: Mr. Speaker, assuming that that was a question—

Mr. Rae: There was a question mark in there at one point.

Mr. Stevens: —I will try to reply. I think we are dealing with two different perspectives. It sounds as though the concerns of the hon. member are exactly our concerns. That is the reason we felt that we should allow the Price Waterhouse study to go on in the normal way, that such management consultant studies would be expected to carry on regardless of the nature of the company, be it Statistics Canada or some other type of business organization.

With regard to Mr. Celovsky, we felt that it was very important that we get somebody from the legal profession to hear him out as to the nature of his allegations and what the commissioner's feelings are. We are saying, almost contrary to what the hon. member is worried about, that by separating the two we hope to get to the substance of it. Or as I say in the statement, we hope the commissioner will help us dispose of Mr. Celovsky's observations one way or the other. Once we have his report I think we will know where and how to act. In the meantime, that should not in any way clutter up the ongoing study of Price Waterhouse and their report, which should be in my hands in the early part of February.

• (1600)

Mr. Lefebvre: Mr. Speaker, I have a question for the minister. I was not able to follow all the debate after his statement but I understood that one of the reports referred to was available in only one of Canada's official languages. The minister promised to table one of the reports he referred to. I should like him to ask for unanimous consent of the House if he intends to table any document which is available in only one of Canada's official languages, and that he ask that it be made an appendix to today's *Hansard* so that tomorrow everyone can read it in either or both of Canada's official languages.

[Mr. Rae.]

Mr. Stevens: Mr. Speaker, as the hon. member indicated, he did not hear the whole debate. I had mentioned at one juncture that, much to my surprise, the document I intended to table had been delivered, for translation reasons, in one language. Rather than wait and table it tomorrow or to ask the unanimous consent of the House to table it in only one language, I chose to read it into the record. So it can be seen tomorrow in *Hansard*.

Mr. Speaker: Order, please. The document that the hon. President of the Treasury Board referred to was, I believe, some report which I am sure would be in existence, because there was another reference. Perhaps that should be cleared up before we close the matter. The President of the Treasury Board undertook to table a report; was that another document?

Mr. Stevens: Yes, Mr. Speaker. If I may, I should like to clarify that. The initial document which I was unable to table today is called, "Terms of Reference of the Ministerial Inquiry into Statistics Canada".

Mr. Lefebvre: That is what I meant.

Mr. Stevens: That is what I read into the record. The second document or report that I referred to was in answer to the hon. member for Winnipeg North Centre, which deals with the possibility of having a CPI come out in relation to the cost of living, more accurately expressed for older people in the country.

Mr. Knowles: Does the minister have that?

* * *

PETITION

UNEMPLOYMENT INSURANCE ACT—POSITION PRESENTED BY RIVIÈRE-VERTE, NEW BRUNSWICK, WORKERS

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the third report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Madawaska-Victoria (Mr. Corbin) and finds that it meets the requirements of the Standing Orders as to form.

[*Translation*]

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, under the provisions of Standing Order 67(8), I ask that the text of the petition be now read by the Clerk of the House.

[*English*]

Mr. Speaker: The request made by the hon. member is in keeping with our practice under the Standing Order that he cited.

[*Editor's Note: The Clerk Assistant read the petition to the House, which reads as follows:*]

[*Translation*]

PETITION

TO THE HONOURABLE THE HOUSE OF COMMONS IN PARLIAMENT ASSEMBLED

The PETITION of the undersigned residents of the municipality of Rivière-Verte in the Province of New Brunswick who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable House will therefor provide a remedy,

HUMBLY SHOWETH

THAT the revisions to the Unemployment Insurance Act and regulations make distinctions among the citizens of the Province of New Brunswick according to the economic area where they reside;

THAT these arbitrarily set distinctions do not grant the same rights and privileges to all Canadian workers;

THAT this practice can only lead to an erosion of the equal entitlement of workers to unemployment insurance benefits without distinction of economic areas;

THAT the erosion of rights on a discriminatory regional basis does not promote public good and social peace;

WHEREFORE YOUR PETITIONERS HUMBLY PRAY

THAT the Government of Canada take the necessary action to find them work;

THAT the Government of Canada make the necessary amendments to the Unemployment Insurance Act so that benefits will be paid after a minimum of ten (10) weeks as was the practice in the past and also that it consider paying these benefits retroactively;

THAT the economic area where they reside be classified in the same category as Restigouche County and not Carleton County as is now the case.

The petition bears the signature of Mrs. Isabelle Therrien, Mrs. Monique Sirois and Mrs. Isabelle Lizotte.

* * *

[*English*]

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

On the Order: Motions.

December 7, 1979—*Mr. Murphy:*

That the first report of the Standing Committee on Indian Affairs and Northern Development, presented to the House on Friday, December 7, 1979, be concurred in.

Mr. Speaker: The hon. member for Churchill (Mr. Murphy) has given notice of a motion which is shown on the notice paper in his name as follows:

That the first report of the Standing Committee on Indian Affairs and Northern Development, presented to the House on Friday, December 7, 1979, be concurred in.

The hon. member may be aware that his motion appears to the Chair to run in conflict with the practices of the House. I do not know whether or not the hon. member is prepared to defend his motion today on procedural grounds. I would refer him, among other precedents, to page 420 of the *Votes and Proceedings* for June 18, 1973. He will find there that it is the practice of the House, which was interpreted at that time and on several other occasions, that when estimates are referred to the several standing committees, it is the business of those standing committees to deal with the estimates and with the estimates only, and to report back the estimates. If there are any aspects of the estimates reported back to the House that ought to be the subject of comment or vote, that takes place only on the allotted day on which all those estimates are deemed to have been reported back to the House and taken into consideration. That is the practice of the House.

In this particular case the hon. member seeks concurrence in a report on estimates from the committee to which his motion refers, a report which I believe, on the face of it, is secondary or complementary to one which had in fact dealt with the estimates. This auxiliary report, as it were, makes other recommendations. The importance or nature of the report does not matter for the moment. The fact is that in making the other recommendations the committee is clearly going beyond the scope of its order of reference, which was to deal with the estimates.

If we were to take this motion into account at this time, we would be embarking upon a course which departs from previous practice, that is, of confining argument on the approval of the estimates as they come from the standing committees to the allotted day upon which they are all taken into account.

Again I say that the hon. member for Churchill may not be prepared to defend his motion at this time. If he wants some time to take the matter under consideration, we can set aside his motion for today and reserve it until he has had an opportunity to argue the point if he wishes.

Mr. Rod Murphy (Churchill): Mr. Speaker, I will let the motion stand at this time.

Order stands.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 99, 207, 246, 448, 473, 475, 476, 527 and 687.

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

[*Text*]

RCMP—SENIOR POSITIONS—CIVILIAN MEMBERS

Question No. 99—**Mr. Cossitt:**

Are there any civilian members of the RCMP or civilians employed by the RCMP in senior positions and, if so, what are their names, job designations and annual salaries?

Order Paper Questions

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs):

Yes.

Name	Job Designation	Salary Range
Mr. M. R. Dare	Director General, Security Service	$42,700—$58,500
Mr. R. H. Jones	Security Service Officer	$35,052—$39,430
Mr. P. M. McLellan	Assistant Director, Canadian Police Information Centre	$33,600—$46,200

This reply is based on the understanding that "Senior positions" are those in which the minimum of the incumbent's salary range is $33,600 or more.

EMPLOYMENT AND IMMIGRATION—NUMBER OF EMPLOYEES

Question No. 207—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Department of Employment and Immigration's payroll on March 31, 1979?

Hon. Ron Atkey (Minister of Employment and Immigration): (a) 21,473, (b) 2,554.

PUBLIC SERVICE COMMISSION—RECRUITMENT FOR SCIENTIFIC RESEARCH— FRANCOPHONES

Question No. 246—**Mr. Roy (Beauce):**

Did the government recruit employees for scientific research during the fiscal years 1968-69 to 1978-79 and, if so (a) how many in each year (b) what was the percentage of Francophones?

Mrs. Diane Stratas (Parliamentary Secretary to Secretary of State): I am informed by the Public Service Commission as follows:

Yes, the government has recruited employees for scientific research during the fiscal years 1968-69 to 1978-79. See list below for the distribution by fiscal year.

Scientific Research Occupational Group

Recruitment to Research Manager Sub-Group from Outside

	Total	Anglophone	Francophone No.	Francophone Per cent	Unknown*
1969	0	0	0	0.0	0
1970	10	8	1	11.1	1
1971	6	6	0	0.0	0
1972	3	2	1	33.3	0
1973	4	3	1	25.0	0
1974	5	4	1	20.0	0
1975	5	4	1	20.0	0
1976	3	2	1	33.3	0
1977	2	1	1	50.0	0
1978	2	2	0	0.0	0

Recruitment to Research Scientist Sub-Group from Outside

	Total	Anglophone	Francophone No.	Francophone Per cent	Unknown*
1969	20	16	0	0.0	4
1970	81	73	3	3.9	5
1971	91	86	5	5.5	0
1972	102	96	6	4.9	0
1973	122	118	4	3.3	0
1974	94	92	2	2.2	0
1975	93	90	3	3.2	0
1976	65	63	2	3.1	0
1977	83	77	6	7.3	0
1978	104	98	6	5.8	0

[Mr. Cossitt.]

Total for Both Sub-Groups as Shown Above

	Total	Anglophone	Francophone No.	Francophone Per cent	Unknown*
1969	20	16	0	0.0	4
1970	91	81	4	4.7	6
1971	97	92	5	5.2	0
1972	105	98	7	6.7	0
1973	126	121	5	4.0	0
1974	99	96	3	3.1	0
1975	98	94	4	4.1	0
1976	68	65	3	4.4	0
1977	85	78	7	8.3	0
1978	106	100	6	5.7	0

* Percentage is based only on the population whose preferred working language is known.

Defence Scientists Occupational Group

	Total	Anglophone	Francophone	Per cent Francophone
1975	13	11	2	15.4
1976	49	46	3	6.1
1978	47	35	12	25.2
1979	3	2	1	33.3

Data of defence scientist available from 1975 only. Group formerly employed under DRB for which Public Service Commission was not the appointing authority.

The main reasons why the Francophone community is so poorly represented in the scientific research area are:

(1) Due to greatly diversified areas in which scientists are employed there are not enough Francophone graduates to cover all the scientific fields. The universities in Quebec, which are our main source of Francophone PHD's, although turning out highly qualified graduates cannot hope to cover every field of research.

(2) On many occasions scientists whom we would have employed had no interest in working outside of the province of Quebec. The Public Service Commission has made special efforts to convince scientists that the National Capital Region area is a bicultural area but we have had little success.

(3) Treasury Board secretariat has completed a study that indicates that the problem of imbalance also exists in the provincial public service of Quebec where a high percentage of positions are filled by Anglophones. The provincial government is attempting to rectify that situation. Under those circumstances the federal government will be in competition with the provincial government for scientists in the same field.

VETERANS AFFAIRS—EMPLOYEES IN P.E.I.

Question No. 448—**Mr. Herbert:**

How many Department of Veterans Affairs employees are presently in Prince Edward Island and what are their duties?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Twenty-five head office positions have relocated or are in the process of relocating to Charlottetown as part of the advance party

Finance

1 Finance Officer
1 Finance Clerk
1 Insurance Accounts Supervisor
2 Insurance Accounts Clerks

Administrative Services

1 Chief of Administration
1 Head Material and Management
1 Head of Office Services
1 Central Registry Clerk
2 Word Processor Operators
1 Mail Room Clerk
1 Mail Sorting and Distribution Clerk
1 File Management Clerk

Veterans Services

1 Chief Veterans Insurance
1 Supervisor, Treatment Statistics
2 Death Claims Clerks
1 Policy Contract Clerk
1 Morbidity Classification Clerk
1 Statistics Edit Clerk
1 Stenographer

Personnel

1 Senior Staffing Officer
1 Staffing Assistant
1 Receptionist

CANADIAN GRAIN COMMISSION

Question No. 473—**Mr. Herbert:**

In each of the past five years, what amount was transferred to the Canada Grain Commission for Working Capital pursuant to section 13 of the Canada Grain Act?

Hon. John Wise (Minister of Agriculture): None.

AGRICULTURAL COMMODITIES STABILIZATION ACCOUNT

Question No. 475—**Mr. Herbert:**

As at March 31 in each of the past five years, what amount was outstanding in the accounts of Canada in respect of the Agricultural Commodities Stabilization account?

Hon. John Wise (Minister of Agriculture): None.

CANADIAN GRAIN COMMISSION

Question No. 476—**Mr. Herbert:**

As at March 31 in each of the past five years, what amount was outstanding in the accounts of Canada in respect of advances to the Canada Grain Commission for Working Capital pursuant to section 13 of the Canada Grain Act?

Hon. John Wise (Minister of Agriculture): None.

FRANKING PRIVILEGES

Question No. 527—**Mr. de Jong:**

Has the Postmaster General considered allowing franking privileges to members of provincial legislatures?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): No.

POST OFFICE—ST-ZOTIQUE, QUEBEC

Question No. 687—**Mr. Herbert:**

Is a post office scheduled for construction in St-Zotique, Quebec and, if so, in what year?

S.O. 26

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Yes, fiscal year 1982/83.

[*Translation*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

ENERGY

ADDITIONAL EXPORT OF NATURAL GAS

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I ask leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the announcement by the Government of Canada allowing the export of an additional 3.75 trillion cubic feet of natural gas, an unacceptable sellout of our needed energy resources, coming at a time when Canadians face a winter threatened by even greater oil shortages.

It is imperative that an emergency debate take place today, Mr. Speaker, for reasons even more pressing than those which led to a similar debate in the Ontario legislature before the weekend. This House should be given an immediate opportunity to debate the serious continuing energy supply situation which has been exacerbated by the decision to export much additional natural gas which should be kept here in Canada.

● (1610)

Mr. Speaker: In accordance with the terms of Standing Order 26, the hon. member for Oshawa (Mr. Broadbent) gave the Chair the appropriate notice, so I have had an opportunity to consider whether or not the subject of the hon. member's motion is in fact proper to be considered pursuant to Standing Order 26, and therefore whether it should precipitate a special debate.

There are two paragraphs of the rule upon which I rely in not finding the motion an acceptable one. The first is paragraph (16)(*a*) of the rule, which reads as follows:

> The right to move the adjournment of the House for the above purposes is subject to the following conditions:
>
> (*a*) The matter proposed for discussion must relate to a genuine emergency, calling for immediate and urgent consideration;

The phrase "genuine emergency" is not capable of precise definition necessarily, but I must take into account the fact that the word "genuine" is used for a specific reason by the drafters of the rule. While I can never say it rules out forever a

situation in which the emergency itself is a matter of dispute, it seems that the word "genuine" implies that the rule should be used where at least the emergency itself is not a matter of argument.

The question of a genuine crisis, an emergency in the country, is not one which generally in and of itself is not subject to argument. Again I say I could never rule out forever because there could always be a situation which I cannot anticipate. Basically I am inclined to rule against the application of this rule where the very emergency itself is a matter of interpretation or a matter of argument.

Therefore in this situation where the government maintains it is appropriate to take a step, the opposition, and the hon. member for Oshawa in particular, maintain that it is not only not appropriate but that it precipitates an emergency or crisis. That seems to become a matter of argument. Therefore, the question whether the word "genuine" would be applicable seems to come into doubt.

The second paragraph to which I would refer is subparagraph (5) of the rule:

> In determining whether a matter should have urgent consideration, Mr. Speaker shall have regard . . . to the probability of the matter being brought before the House within reasonable time by other means.

I cannot, of course, ignore the fact that tomorrow evening the House is scheduled to receive a budget. Even though the budget debate may be deferred a day or two until Friday, there is, I believe, an impending vote of confidence in our normal practices on the entire economic policy of the government in the most direct and forthright way. I do not know how the House could improve on that practice. Therefore, under that paragraph I would be disinclined to allow a debate of this sort.

For those two reasons I am not prepared to accept the hon. member's application at this time.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF THE HOUSE

ALLOCATION OF TIME TO CONSIDER COMMITTEE OF THE WHOLE STAGE OF BILL C-20

The House resumed, from Friday, December 7, consideration of the motion of Mr. Baker (Nepean-Carleton):

> That in relation to Bill C-20, an act to amend the Income Tax Act to provide tax credit in respect of mortgage interest and home owner property tax, one sitting day shall be allotted to the further consideration in Committee of the Whole stage of the bill; and
>
> That, at fifteen minutes before the expiry of the time provided for government business on that day, any proceeding before the committee shall be interrupted, if required, for the purpose of this order and, in turn, every question then necessary in order to dispose of the Committee of the Whole stage of the bill shall be put forthwith and successively, without further debate or amendment.

[Mr. Speaker.]

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I believe that I spoke for approximately three minutes on Friday. Therefore I have another six or seven minutes. I will operate on that premise, if it pleases you, Mr. Speaker.

You will recall, Mr. Speaker, that members were listening carefully to the point that Bill C-20 appears to have broad support across Canada, particularly in western Canada. I suggested that the measure appears to be popular everywhere in this country. Do the 17 Liberal members who opted to miss the vote on second reading disagree with this? Do the three Liberals who voted for the measure disagree with this statement? What about the five NDP members who missed the vote? Is it a coincidence—

[*Translation*]

Mr. Corbin: Mr. Speaker, I rise on a point of order. The hon. member who has the floor is commenting on the vote we had the other day in the House. I suggest that this is quite contrary to our practices and our Standing Orders, Mr. Speaker, and that pursuant to our Standing Orders, the hon. member should stop forthwith making these remarks on the vote, its quality, as well as on those who were present and those who were not.

[*English*]

Mr. Speaker: The hon. member is perhaps getting into a hazardous area in casting reflections on the reasons or motives for members voting in the House. I do not think he did that in his remark, but it is a dangerous area. Incidentally, it is convenient now to formally advise the hon. member that his time expires at 4.22 p.m.

Mr. Kilgour: I was going to point out that my information is that about 69.8 per cent of the constituents of the hon. member for Regina West (Mr. Benjamin) live in houses; in the riding of the hon. member for Saskatoon East (Mr. Ogle), 65 per cent; in the riding of the hon. member for Mission-Port Moody (Mr. Rose), 77 per cent; in that of the hon. member for Comox-Powell River (Mr. Skelly), 71 per cent; and in the riding of the hon. member for Timiskaming (Mr. Peters), 69 per cent. I will not pursue that line of unfair accusations against members opposite.

The hon. member for Gander-Twillingate (Mr. Baker) was quoted as saying that "the party is wrong", referring to the party opposite, "and I am right; I listened to all the arguments against the bill and they do not hold any water".

[*Translation*]

The hon. member for Roberval (Mr. Gauthier) made the following statement on December 4, as reported on page 2010 of the official report of our Debates for that day, and I quote:

> We have been asking this for years from various governments and especially from the Liberals in the 17 years they have been in power. We have asked for the measure that was partially introduced today, that is, to give the same benefits to single family home owners as to owners of multiple rental units. The Liberals have always benefited big housebuilders by giving them every possible exemption, but never did they do anything for the small home owner.

[*English*]

Some members opposite have suggested that this bill favours only the wealthy. The fact is that the wealthy do not have mortgages; they pay them off as quickly as they can and then use their credit at the bank to borrow money for business purposes from which they make business loans and investments, the interest on which is deductible. I do not see any experts on these matters in the House, but if members opposite have any doubts there are a lot of members who can explain that to them.

This bill is aimed at helping middle-income Canadians, the unsung, unhelped millions of Canadians who have been the most hurt by the huge deficits of recent years and the inflation created by the previous government. One thing that inflation does is take away from those who work, save and plan for their retirement and give to the speculators, the bankers and those who buy land, pieces of gold and other things that do not benefit the economy in any way, shape or form. That is what inflation does to this country. That is why middle-income Canadians have been hurt by the government for approximately 16 years. This measure is a modest step to help middle-income Canadians with mortgage interest and property taxes this year.

We on this side are determined to have this legislation enacted before the end of this year. I wonder if the ten members opposite who stood up last Friday to prevent us from extending the hours will show up for the debate before and after Christmas.

I wish to reinforce a couple of points that were made regarding the use of Standing Order 75C to allocate time for debate. We have already spent seven days debating this measure. What has been added to the sum of human knowledge by any member opposite during those seven days? Last Wednesday members opposite had all day in which to propose amendments. Which of them had any amendments to propose? Which one of them stood up to propose amendments? Yet they complain now that they have no time in which to do so. When they had the chance they did not put any forward. This illustrates the hypocrisy of members opposite with respect to time available in this debate.

● (1620)

Members of the opposition say they need more time to debate this matter further. But why were so many of them absent while this measure was before the House? Again, if they want more time, why did so many of them raise spurious questions of privilege last Friday? In particular, why did four of them, including the Leader of the Official Opposition (Mr. Trudeau), get up to make exactly the same points although the Speaker had given a clear ruling on the matter under consideration?

I would remind the House that Standing Order 75C was introduced by the former government in 1969 and has been used on 23 occasions since then—

Time Allocation

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order. I regret to inform the hon. member that his time has expired.

Hon. J. Gilles Lamontagne (Langelier): Mr. Speaker, I am very glad to be able to say a few words on this motion of closure put forward by the government. It seems to me to be another case of a government flip-flop. They always talk about open government. To me, open government is not a government which imposes "*le bâillon*", as we say in French, after a few hours of debate on clause 1 of a bill.

I should also like to remind hon. members on the other side that 12 days ago, on November 28, I was the one who proposed a vote on the second reading. It was fortunate for the government that the hon. member for Parry Sound-Muskoka (Mr. Darling) rose to carry on the debate in order to bail out the President of the Privy Council (Mr. Baker), thus avoiding a vote which we would probably have won.

[*Translation*]

Mr. Speaker, during the initial debate, I described Bill C-20 as being extravagant, irresponsible and unfair, and I still maintain it is all those things. The fact that the government is trying to prevent us from debating the bill adequately gives us the distinct impression that the other side of the House has lost all sense of responsiblity and all sense of proportion over the problems confronting Canadians. It also gives us the impression, which might not be far from the truth, that the other side is governing for the rich of the country and thinks that the problems of the have-nots will solve themselves while others are reaping the benefits. We see in the media the enormous profits made by certain companies and certain sectors of the economy. Yet a great many Canadians are struggling to make both ends meet in the face of inflation and all the other economic hardships of this day and age. We are being blamed for delaying passage of this bill. Some say that we have forced the government to resort to muzzling.

Mr. Speaker, I suggest that this is somewhat of a joke being played on hon. members and even on their own party. What has this government done since May 22 last? They waited five months before deciding to call back the House, and finally once it was back, they waited two months before introducing such an important bill.

I was reading a couple of days ago the speeches delivered on Friday during the debate on this motion. Naturally, I read carefully the remarks made by the hon. member who is perhaps the most experienced and the most respected of us all, the hon. member for Winnipeg North Centre (Mr. Knowles), who was quoting a statement made by the President of the Privy Council, who now sits on the other side but was then a member of the opposition. The hon. member for Winnipeg North Centre was quoting the following statement made by this hon. member:

[*English*]

This is a black day for Parliament and for this country.

Taking into account everything this government has done so far, we might believe we are going back to the dark ages.

[*Translation*]

Mr. Speaker, it seems scapegoats are constantly being sought out by that side of the House. Attempts also seem to be made to cover up the obvious lack of experience and lack of realism amongst the government members, by blaming their errors on everything around them including, naturally, the opposition parties.

Mr. Speaker, it is high time they took serious action with regard to inflation, unemployment, the budget deficit, and that they assumed their responsibilities. But no, they keep on doing the same thing. At the present time the government, in my opinion, is doing nothing more than spreading confusion. We never know what they are going to do next. They seem to be in a constant state of uncertainty. We are going to Jerusalem, but then we are not going. Oil will be rationed, but then it will not. Energy will be controlled, but then it will not. The better off, the oil companies, are being favoured with higher energy prices while rumours spread to the effect that there will be an excise tax that will add from 20 to 40 cents to the cost of gas and heating oil. The government takes care, of course, of private industry and corporations. That is all very well but with this increase in the cost of oil, they seem to forget completely about the workers who have to use that oil to go to work. They also forget those who are not as well off, who are trapped by inflation and by their heating bills and who have to find the money, whether they like it or not, to meet the cost of their daily needs. The Parliamentary Secretary to the Minister of Finance (Mr. Ritchie) also said, I believe, that if we are short of energy, controls may be applied.

The present government, Mr. Speaker, is in the process of spreading disarray, uncertainty and concern among the people. They do not seem to realize that an increasing number of Canadians, men and women, live on the threshold of poverty. You need only take a look at the latest statistics of the Senate committee or the commission on poverty to see that because of inflation and because the cost of energy and the cost of food are going up as they have been from last year to this day, the percentage of people living below the poverty line will certainly increase within the next few months.

Mr. Speaker, as I have been saying for some time, I think this government should focus its efforts on more serious problems instead of catering to a privileged group of home owners and spending $575 million this year and $3 billion in four years. It should certainly concentrate its efforts on some objectives like the reduction of inflation, job creation and Canadian unity rather than continuously trying to find some means to advantage a class of our society that does not really need it now. It should seek to help other people in several other fields.

To conclude, Mr. Speaker, I merely wish to ask the President of the Privy Council (Mr. Baker) who is not in the House now, if he really wants us to resume debate on Bill C-20 in Committee of the Whole and if the President of the Privy Council or the Minister of Finance really intends to study carefully the amendments that we are going to propose and those that might come from other opposition parties. It is very important for our democracy that the opposition, whose responsibility it is to improve bills proposed by the government, be taken seriously and contribute to bills that will help not just a privileged group of home owners but also many Canadians and Quebeckers who would find it much easier to make ends meet in the disastrous situation created by this government.

• (1630)

[*English*]

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, we have heard a lot of fluff in this debate, but the fluffiest contributions came from the President of the Privy Council (Mr. Baker) and the Minister of Finance (Mr. Crosbie). The first myth—I would even say the first big lie—which has to be confronted head on and seen clearly for what it is by the Canadian people is the lie that we have to get this bill through before Christmas so that the Canadian taxpayers will be able to get a credit for 1979. That is simply untrue. It is recognized by everybody who has any understanding of the nature of our legal system that it is untrue, and it is recognized by anybody who has taken a look at the legislation, which makes it clear that it applies to 1979 regardless of when it is passed. So the theory put forward by the President of the Privy Council is that we are somehow under an obligation.

In his role as the executive assistant to the Queen's Printer, which he seems so determined to carry out in this House, he tells us that they had to get the forms out, there was no choice; that the agenda for this government is set by its printers, that the forms have already been sent and that therefore we have to pass this bill before Christmas. Not only does that put the cart before the horse, but it is also completely untrue, and it is time somebody called this government's bluff.

The second argument which has been made by the government is that we in this party have been holding up this legislation because we do not want to give the Canadian home owner anything.

An hon. Member: Right.

Mr. Rae: That is not true. That is a lie. That is another lie. I will tell the House why it is a lie. It is a lie because what we on this side of the House have been saying is that both home owners and renters should get the benefit of any change to our tax system. I hear the hon. member for Brampton-Georgetown (Mr. McDermid) squawking. He squawks every time I get up. However, the Minister of Finance said that we in this party were holding up this legislation and we did not want to give home owners anything, and that is a lie. We are holding up this legislation, we are asking questions about this legislation and we are putting forward amendments to this legislation which are on the desk of the Minister of Finance, and which

have been on his desk for a week, because we are concerned about renters, pensioners and people with no income.

The hon. member from Edmonton who spoke for the Tory party said that we on this side of the House have put forward no amendments. That too was a lie. It is completely untrue to say we have put forward no amendments, and the Minister of Finance knows it.

So what are we left with? I am sorry the President of the Privy Council is not here to listen to what I have to say, but we are left with a government which, I suggest, has caused its own problems. Were it not for the inflammatory speech which was made on second reading of Bill C-20 by the President of the Privy Council, we would not be in the position we are in now. He told us that it did not matter which amendments we put forward because the forms had already been printed and the government had no intention of listening to us. Were it not for that speech it would have been quite possible for us to go through second reading, which was coming to an end—and the President of the Privy Council knows it was coming to an end—and go into committee, where we could have dealt with the amendments, as we should have dealt with them, on their merits.

The government could have told us its position. If the government did not want to accept our amendments, we could have been told. But that is not what the government did. I am sorry about what the President of the Privy Council did because it was a major mistake, and he should not be surprised that he has suddenly inflamed the opposition. I would have thought that a member of the government who was so recently and for so long a member of the opposition—and who will shortly again be in the opposition—would have recognized the position in which we find ourselves.

In the best of faith we have put forward a series of amendments for the simple reason that we want to see a tax credit going to all Canadians regardless whether they own property and regardless whether they have mortgages. That has been our policy all along. That will be our policy through the debate. We told that to the minister at second reading, and it has been no secret. Unlike the Liberal party, which cannot decide whether it wants to give nothing or everything, we have decided we want to give everything, and we have made that position clear for a long period of time.

An hon. Member: How will you pay for it?

Mr. Rae: We have made it quite clear how we would pay for it. If you go through those tax expenditures you fellows released yesterday and which the Tory party released last week, there is ample room in taxes which are not being collected, more than enough to cover the necessary expenditure for a tax credit which is universal, and the government knows it.

The President of the Privy Council made an inflammatory speech in which he waved a red flag at us, saying that the forms had gone off anyway, the printing had gone ahead and there was nothing the government could do. That is precisely what we came to expect from the Liberal Party of Canada, the tactic of closure, of shutting off debate, of having to get things through before Christmas and the creation of artificial schedules and artificial timetables which have nothing to do with the legal requirements and which have nothing to do with the law.

All of these things—

Mr. Kilgour: Mr. Speaker, I rise on a point of order. I was not in the chamber at the time but I understand that the hon. member for Broadview-Greenwood (Mr. Rae) indicated that a statement I had made was not correct. I do not know whether he used the word "lie", but everything but.

An hon. Member: He did.

Mr. Kilgour: Did he? He used the word "lie", and I ask him to withdraw—

Mr. Knowles: The hon. member was not here.

Mr. Kilgour: Despite the chatterings of the oldest member of the Privy Council, or not the oldest, the youngest—

Mr. Munro (Esquimalt-Saanich): The most recent.

Mr. Kilgour: —I ask that that statement be withdrawn.

Mr. Rae: Mr. Speaker, if the hon. member wants to look at *Hansard* tomorrow and raise this matter as a question of privilege, I will be glad to answer. I personally do not think I breached any privilege. I simply said that what he said was an untruth. He said we had not presented any amendments. I said that was a lie, and I will say that again.

Mr. Kilgour: Mr. Speaker, I think it is well known, even to the hon. member for Broadview-Greenwood, that "lie" is an unparliamentary word. I would ask for a ruling from Your Honour with respect to that and that the hon. member be permitted now to withdraw it on the basis that it is clearly unparliamentary language, a fact which is known to every member in this House, even members in the corner.

Mr. Rae: Mr. Speaker, the point of my submission today has been to suggest to the government—

Mr. Baldwin: Mr. Speaker, I think the Chair should consider the point of order raised by the parliamentary secretary. I know that in the heat of passion generated by a raging debate of this kind sometimes we let our emotions get away with us, and we say things we should not.

● (1640)

Some years ago I myself had occasion to say that some statements made by the then prime minister were a lie, and I was compelled to withdraw it, which I did. I know that the hon. member feels very strongly about this. I admire and respect him as a very bright member with a future. He has some problem mathematically with regard to some of the issues which face this House, but I want to say honestly that Your Honour should give some consideration to the statement

made. I heard only part of it—I was outside—but if he did say it was a lie, then I think he should withdraw it.

Mr. Speaker: The House will know from the interventions that have been made that the point at issue, as always, is not what the hon. member can say but how he can say it. The problem does not relate to the ability of the hon. member for Broadview-Greenwood (Mr. Rae) to differ with the statements to which he has made reference in his intervention and to indicate that they are, in his opinion, wrong or that they are categorically different from his own view of the circumstances or of the facts. No member is deprived of the right to make those interventions, and in fact debate is the very place for them, to challenge statements made on the other side of the House and to disagree.

However, the practice in terms of the etiquette of the House is that interventions, no matter how vigorous or how strident, always be made in parliamentary form. It might have been possible and accepted on past occasions that the word "lie" be used in some context, and it is indeed possible to use it, as the hon. member did at the beginning of his speech this afternoon, as "the big lie" or things of that sort. The precedent books will turn up examples in which the Chair has examined the use of the phrase and said that in a particular context it was acceptable. However, in general terms, as soon as the hon. member referred to an individual member—that is to say, the statements of the Minister of Finance (Mr. Crosbie)—and as soon as he indicated that in making those statements the Minister of Finance was lying, it seems to me that the hon. member has clearly departed from our practices and has clearly said what he is entitled perhaps to say but in a way in which he is not entitled to say it in the chamber. Therefore, I would ask him to withdraw the remark and perhaps put it in more parliamentary language.

Mr. Rae: Mr. Speaker, I want to make it quite clear that I did not want to attribute any motive, in so far as the word which I used could be ascribed as attributing a motive, and I would withdraw the word and replace it with the word "untruth", which I hope will be acceptable to Your Honour.

I can assure the House that I was not even particularly passionate when I was speaking. It was nothing compared to what I can be. But in so far as a motive could be ascribed to either the hon. member from Edmonton or the Minister of Finance, naturally, quite happily and generously I withdraw the word "lie" and replace it with the word "untruth". But I hope that the confusion that has been created—and it is my own fault—by the use of that word will not obscure the thrust of my intervention. The thrust of my intervention is that the government has been attempting to convince the people of Canada—

Mr. Kilgour: Mr. Speaker, I rise on a point of order. The hon. member has said that he withdraws the word "lie" and replaces it with the synonym "untruth". I have Beauchesne's here and I see there are about 35 Speaker's rulings with respect to the word "lie". I assume, sir, that your direction to the hon. member would not simply be to allow him to withdraw a word and replace it with a synonym which, to all intents and purposes, means the same thing.

Mr. Speaker: Order, please. There are two points to be made. In the first place, no member has the right to replace language that he has withdrawn. It is a freedom that members seem to take unto themselves when they make what has now become a characteristically ungenerous withdrawal of unparliamentary remarks. When members do withdraw their remarks, their ingenuity in finding a way to withdraw the offending words and still keep the sword in, as it were, is quite remarkable, and this was no exception.

However, it is not open to a member to attempt to replace retroactively language which he previously used. He can withdraw the offending phrase, which the hon. member says he does completely. In addition, the problem is that no expression which has been found to be unparliamentary can be categorically and always described to be unparliamentary until the context is seen. Therefore, attempting to reverse now and decide on the context to be put on the language by the hon. member, even if he could rephrase his language in the way he wishes to do, would be most difficult for the Chair.

I think that the point which has to be made in all these circumstances is the one that has been accepted by the hon. member, and that is that there are some constraints, not upon the message he can deliver but only on the form in which he can do it. He has accepted that and he has withdrawn it. I think that every member must be permitted to do that and that must resolve the matter procedurally.

Mr. Rae: Mr. Speaker, the point of my intervention has been to say that the government has been attempting to convince the Canadian people that the people who are obstructing this legislation are the opposition. I want to suggest to the government that that is completely untrue. The case is that we have a serious difference of opinion within the House of Commons as to the nature of the tax credit, which is a major reform of our income tax system and which some of us have been studying for some time. To suggest that members of the opposition should lie down and let a piece of legislation through because of some Gallup polls which have been put forward by the government and which are waved at us from time to time is, I suggest, an abuse of the democratic and parliamentary process.

The government does not seem to recognize that there is a legitimate difference of opinion in the House as to the merits of the proposal, that there are serious amendments which have been put forward. As I said before, we have played no games with the government. We have submitted our amendments, we have let them see our amendments, we have not concealed a thing. We have done it in a constructive spirit and we have indicated from the very first day on which I spoke in this debate on October 20 what our position was going to be with respect to amendments.

Now we are told that the government is not prepared to consider any of our amendments, that all our amendments will be considered, on a prima facie basis, unreasonable. That

attitude, coupled with the untruth I have suggested that unless this legislation is passed before December 31, somehow we are robbing the Canadian taxpayer of a benefit—and that is an untruth because, as hon. members will know, the legislation provides that it should apply in 1979 regardless of whether or not it is passed in 1979, so that it can be passed in 1980—

Mr. Jarvis: Be practical. When are they going to file?

Mr. Rae: Let me suggest to the Minister of State for Federal-Provincial Relations (Mr. Jarvis) that he has created the problem by mailing out the forms prior to passage in Parliament.

Mr. Kempling: You haven't been around here long enough.

Mr. Rae: The chief whip, in his usual style, suggests that I have not been around here long enough. Perhaps some people have been around for so long they have forgotten the most elementary basis of parliamentary government, a matter that goes back to the origin of Parliament in the seventeenth century, that the control of supply must remain with the House. I would point out that the control of supply does not remain with the government, the Queen's Printer or whoever has to publish the tax forms.

● (1650)

If it is a question of holding up the mailing of tax forms for an extra ten days, I suggest the government has its priorities all wrong. It would be far better if Canadians understood that debate took place in Parliament, and that as a result of the debate a delay took place in the submission of a piece of legislation to this House. It would be far better if Canadians understood that, as a result of that debate in the House of Commons, there was a delay of a number of days in the sending out of tax forms. I submit there is absolutely nothing wrong with that. To suggest otherwise is to mislead the Canadian people. It is to tell the Canadian people that the Queen's Printer and the government together are dictating not only the schedule but the measures and legislation which will be passed by the House before we have had a chance to consider them.

Mr. Speaker: Order, please. I regret to inform the hon. member that his allotted time has expired.

[*Translation*]

Mrs. Céline Hervieux-Payette (Mercier): Mr. Speaker, after having witnessed Friday last the show given by the Minister of Finance (Mr. Crosbie) allow me to give my opinion a little more soberly on the subject matter of Bill C-20, an act to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax. In that area as in many others, the Progressive Conservative government has tried to improvise rather than develop a housing policy. It wanted to meet three objectives or promises; first, keep one of its election promises made on the basis of surveys; second, give the necessary impetus to construction to spur the economy; third, help the owners of single-family dwellings burdened by land taxes and now crushed by the mortgage interest rate which has now reached a record level.

Mr. Speaker, while the Liberal opposition recognizes that we have to assist owners, it deplores that the Progressive Conservative government has not made more original proposals. If we only take into account the mortgage interest rate set under this government, the benefits of such legislation are cancelled. I suggest that the government should tackle the cause of the problem instead of its effects. It should look for a scapegoat other than the previous administration since the Gallup poll showed clearly that the public is not satisfied with this excuse.

Mr. Speaker, the Progressive Conservative government must understand that it will not buy the credibility it lacks with its tax credit program on mortgage interest. What is expected from it is much more a sense of responsibility and the capacity to govern the country in the best interests of all Canadians.

As to the second objective of this program, here is what Mr. Barry Gander, a construction expert, had to say about it in the December 1979 issue of *Construction* magazine, and I quote:

> In fact, if the government is under the impression it has "taken care" of the construction sector problem with its tax credit program on mortgage interest, this impression will be shattered to pieces when it realizes that 75 per cent of the construction is non-housing construction.

And he added:

> The lesson to be learned from the intentions announced by the government during the present parliamentary session is clear: aside from a few measures of regional impact, industry needs much more diversified policies than those which were announced up to now and we would like to be informed of those policies before rather than after some of our businesses go bankrupt.

You have only to refer to the government buildings construction programme, where most of the projects have been cancelled throughout the country. This programme would have met the needs of the construction industry. The government has not even given it the least thought as a means of putting the construction industry back on its feet. This is one of the numerous examples shown by the present government of its inability to take wise and non-partisan decisions which are not inspired by electoral considerations. Canadians have now realized they were fooled on May 22, and a measure such as Bill C-20 will not help them regain their confidence in a government which shows no leadership.

Economically, it relies on the private sector or on the provinces. The case of Alberta can probably be solved without too much difficulty. But as far as the Atlantic provinces, Quebec and the other provinces are concerned, we need more than pious wishes. To date, Mr. Speaker, what kind of agreement has this government concluded with the private sector to ensure the revival of our economy? How many Crown corporations were sold?

As to the third objective, namely, helping owners in difficulty, in its July 1979 report, the Toronto Real Estate Board

makes suggestions which seem interesting to us, and particularly which are less costly than the suggestions made in the bill. Under the heading "Tax Credits and Incentives", their report says on page 27, and I quote:

[*English*]

It is feasible to introduce a simple income-tests refundable tax credit which would provide benefits to lower income groups.

[*Translation*]

And the report reads further:

[*English*]

The deductibility of mortgage interest payments should be reviewed; such a review should give careful consideration to delivering the greatest benefits to the lowest income groups.

[*Translation*]

We realize, Mr. Speaker, that Bill C-20 is very far from that recommendation. The lack of planning, the lack of concrete measures for renters in this bill, the lack of respect for the parliamentary system by the Minister of Finance who ridicules the business of the House, and sends the tax forms even before the discussions on the bill have been completed, as well as the lack of a—

Mr. Caouette: Mr. Speaker, would it be possible to know whether we are discussing Bill C-20, or a motion which has been put forward this afternoon?

[*English*]

The Acting Speaker (Mr. McCain): It is on the motion on Standing Order 75C.

[*Translation*]

Mrs. Hervieux-Payette: Perhaps the hon. member has not read the bill. I think I am dealing with the subject matter. That is quite clear. So in view of that, coupled with the lack of a budget setting out the government's priorities, no responsible member of this House could support this measure. The philosophy and the leadership of the government are clearly expressed in this statement made by the Prime Minister (Mr. Clark) during his weekly press conference of November 30 last, when he said, and I quote:

[*English*]

Our judgment was that it was far preferable to try to move the bill quickly through Parliament and allow the people of Canada to take advantage of the tax credit early rather than have an extensive debate with wide discussion of amendments now, which would mean that no benefits would get to Canadians for another year.

[*Translation*]

Quite simply, after six months, the government is proposing a bill which, when it is fully in force, will cost some $3 billion, yet the Prime Minister wants to limit the debate to its barest minimum. Not only that, but he wants to muzzle the opposition less than two weeks after the House has started discussing the bill. This is the same Prime Minister who emphatically spoke of deficits during the campaign and who refuses to tell Canadians how they are going to pay for this ostentatious and discriminating piece of legislation. The population of Mercier cannot be fooled, no more than the rest of Canadians who, with tomorrow's budget, will learn much of the Progressive Conservative's inability to govern.

Mr. C.-A. Gauthier (Roberval): Thank you, Mr. Speaker, for giving me the floor. I shall try to speak on this motion instead of on Bill C-20 because I understand that the motion we are studying this afternoon has to do with time allocation on Bill C-20. I do not understand why we should extend ad infinitum the time allocation on that bill. I have never been in favour of motions under 75C, especially when introduced by the former government in relation to a so-called omnibus bill. May I call it five o'clock, Mr. Speaker.

● (1700)

[*English*]

The Acting Speaker (Mr. McCain): Order, please. May I remind the House that the time allotted for this debate under Standing Order 75C was two hours. One hour and 54 minutes has now elapsed. The debate will, therefore, be interrupted six minutes after resuming debate at 8 p.m.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. McCain): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Halifax West (Mr. Crosby)—Air Transport—Proposed sale of Nordair—Consideration of bid of Eastern Provincial Airways; the hon. member for Madawaska-Victoria (Mr. Corbin)—Unemployment—Alarming situation of the unemployed—Request for announcement of government policy; the hon. member for Manicouagan (Mr. Maltais)—Employment—Canada Works Program—Request for supplementary funds.

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

PRIVATE MEMBERS' MOTIONS

[*Translation*]

Mr. David Kilgour (Parliamentary Secretary to President of Privy Council): Mr. Speaker, as the hon. member for Lévis

(Mr. Guay) is not here today, I think that all hon. members will agree that we should proceed now with motion No. 12. May we do so with the unanimous consent of the House?

[*English*]

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

Some hon. Members: Agreed.

The Acting Speaker (Mr. McCain): The House will now proceed to motion No. 12.

* * *

[*Translation*]

INCOME TAX

POSSIBILITY OF GRANTING FISCAL ADVANTAGES TO VOLUNTEER FIREMEN

Mr. Armand Caouette (Abitibi) moved:

That, in the opinion of this House, the government should consider the advisability of amending the Income Tax Act in order to exclude from taxable income all indemnities received by a volunteer fireman in the exercise of his duties, as well as to allow such firemen to deduct from their income $1,000 for all expenses incurred in the exercise of their duties.

He said: Mr. Speaker, I am delighted to deal for the third time with this motion which I moved for the first time some three years ago. Since then, I have received a great many letters from and made a great many contacts with firemen from various municipalities throughout Canada indicating that it is about time the government once and for all look into the situation of these people who are doing Canadians a first-rate service, so that income tax-wise they may get their fair share.

Mr. Speaker, the interest of several hundred Canadians who perform the duties of volunteer firemen is at stake here. As I said a while ago, this is the third time I have spoken on this motion in this House. Each time, the Liberal government, through its backbenchers, managed to defeat the motion. Of course, Mr. Speaker, all the parties represented in the House spoke of the need to pass the motion. However, they made sure beforehand of having enough speakers to use up the time allotted and so kill the motion. I therefore ask my colleagues today, both government members and members of the opposition, to overlook their parliamentary hesitations and realize the importance and necessity of passing this motion. I sincerely believe, Mr. Speaker, that the House, that all hon. members, would benefit from putting an end to this cynical comedy that recurs constantly when a motion of this type is introduced by an hon. member.

Mr. Speaker, I should like to quote a press release I received from the Quebec Federation of Professional Firefighters which strongly supports the resolution of the volunteer firemen of the province of Quebec asking that an income tax exemption be granted them on the money they earn in the exercise of those duties. That resolution was signed by Mr. Alfred Morin,

president of the Quebec Federation of Professional Firefighters. And I also received from the Canadian Fire Chiefs Association the report of the 60th annual conference which was held between August 24 and 28, 1975, in Mississauga. In the report, there was a resolution which reads as follows:

Introduced by the volunteer section of the Fire Chiefs Association of British Columbia regarding the increase in the income tax exemption for all volunteer firemen;

Whereas volunteer firemen must face an increase in their responsibilities and their functions as a consequence of the rapid growth in population and in construction;

Whereas it is ever more expensive to ensure those essential services to the collectivity;

Whereas the Income Tax Act which provides for a $300 exemption for expenses incurred as a consequence of the functions of volunteer firemen has not changed since its inception 29 years ago;

Be it resolved that the Canadian Fire Chiefs Association asks the minister concerned both in the federal and in provincial governments to bring up the exemption to $1,000, with the recommendation to the committee on resolutions to approve that resolution.

Mr. Speaker, we can see from that request by the Canadian Volunteer Firemen Federation that they are asking for a supplementary exemption not only to the federal government but also to all the provinces. Later, I shall be able to say specifically that some provinces decided to follow the Professional Fire Fighters Federation and to change their income tax act.

But before that, Mr. Speaker, I should like, for the benefit of the members of this government, to read from the speech the hon. Minister of Energy, Mines and Resources made last year on the same motion. He said, and I quote:

Having heard the proposer of this motion and the hon. Parliamentary Secretary to the Minister of Communications speak with such determination in the interests of this resolution I want to indicate on behalf of my party that we support the motion and are prepared to support the amendment in order to get it through private members' hour.

Let me put this in perspective. It is fine to have speeches in support of this very commendable motion, but I do not want to witness these speeches past six o'clock.

Now, Mr. Speaker, I believe in what was said by the Minister of Energy, Mines and Resources when he was in the opposition and I hope that the message has been conveyed to his government colleagues, so that they will refrain from talking out the motion past six o'clock.

• (1710)

We are in this House, Mr. Speaker, to speak on behalf of our voters and only a greater feeling of equity and justice should guide our proceedings. It is in that sense that I am humbly asking all my colleagues to consider my motion.

I would like in the first place to point the reasons specifically warranting that request for an increase with tax exemption from $30 to $1,000. Firstly, Mr. Speaker, volunteer firemen are ordinary workers often with a low income. They must regularly use their car to get to the scene of the fire and they must face all the dangers involved in their duties as volunteer

firemen. Those people must also pay their cleaning costs and often the loss of clothes or personal items such as a watch, a ring and other things.

And as far as their family life is concerned, volunteer firemen are on call in rotation in order to provide this service to the people. In addition, under the present tax legislation, volunteer firemen are getting harder to recruit for many municipalities. Mr. Speaker, many municipalities have represented to us how extremely difficult it was now to recruit individuals who are willing to go and help couples and families who have the bad luck of having their home destroyed by fire.

Volunteer firemen render a valuable service to the Canadian community either on a voluntary basis or at a very low rate of pay, and often at the risk or their life. Let us imagine how much more it would cost Canadian taxpayers if they had to pay the regular price for such services. These firemen perform exceptional duties at any hour of the day or night. For instance, I remember that a few years ago, in my home town, in the riding I have the honour to represent, volunteer firemen were called upon to fight a fire in a house where 18 people lived. When they got there, they realized that 11 persons were already dead.

Nevertheless, all local volunteer firemen mustered enough courage to answer the call even though it was 40 below. They wanted to try and save as many human lives as possible. By dint of hard work, they managed to save the other seven persons who were also caught in that house.

Mr. Speaker, for all these reasons, I will be the first to do what I asked other hon. members, that is not to talk out the bill. Mr. Speaker, I should like to make another comment. Volunteer firemen work freely for the community, they serve it in all sorts of ways, for little or no pay. They provide an invaluable service to our sparsely populated cities. So the government should recognize this, tax-wise.

As I said earlier, I have here a bill proposed at the Quebec National Assembly asking the provincial government to raise the tax exemption for volunteer firemen from $300 to $1,000. That may have been too much for the government but there was at least some increase since the exemption in Quebec went from $300 to $600. That may not be very big but it is an improvement which could be significant if the federal government also did its share.

[*English*]

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, I find the motion interesting, and I congratulate the hon. member for Abitibi (Mr. Caouette) for introducing it. I agree with half of the motion and I will discuss that in a moment.

This gives me an opportunity to say thank you to all volunteer firemen right across Canada. The two communities which I represent, Brampton and Georgetown, now have full-time departments and some of the best equipped and finest fire fighting troops one can find anywhere. Both communities had volunteer fire brigades at one time. Many of the volunteer firemen are still around, and I thank them for their protection.

Since volunteer firemen first received the right to deduct some of their expenses from their income tax, costs have risen drastically. I would support an investigation into the possibility of amending the Income Tax Act to increase their expense allowance. However, I am concerned about their exclusion from taxable income and the indemnities received for fighting fires, because it may set a precedent.

There are many volunteer organizations which could quite easily come under the same type of proposal. I am concerned that if we exclude certain portions of the taxable income from indemnities received for duties performed—whether they be on a voluntary basis or whatever—we would be setting a precedent and as a result many other community organizations would claim the same exclusions. However, I do support the hon. member for Abitibi in his request that the government look into increasing the deduction for expenses.

The types of problems which volunteer firemen face, such as having to go to a fire direct from their place of business, often results in ruined clothing, whether it be suit or whatever. The cost of clothing is going up, as is the cost of the fuel which firemen use in rushing to prevent and fight fires in their various communities. Once again, I congratulate the hon. member for introducing this motion and indicate my support for one half of it. The other half would cause some considerable grief to the government.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I would like to add my support to this motion and commend the hon. member for bringing it before the House. Volunteer firemen are an example of volunteerism at its very best. These men are called upon at all hours of the day and night and must leave their families and/or their work. They do this work as a public service and as good citizens. It is asking too much of them to pay from their own pockets for the cleaning of their clothes, purchasing of extra clothes, gas to get to the fire and so on.

The very least we could do is to go as far as the province of Quebec has gone and bring in a tax exemption of $600. Personally, I feel that an exemption of $1,000 would be more reasonable. If there are differences in the motion which hon. members cannot go along with, these, of course, can be settled through amendments in second reading. There is no reason to defeat the motion because we do not agree with every item in it. In conclusion, if there has been an exemption in the past of $300, then an exemption of $600 or $1,000 for today is very practical.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I would like to add my support and congratulations to those already received by the hon. member for Abitibi (Mr. Caouette). Without repeating too many of the comments and suggestions which have already been made, it is a very worthwhile motion because it recognizes the very worth-while services provided by firemen to small communities.

The one suggestion that I would like to make on this particular motion is that it should be broadened to include

many of the other groups which provide rescue service within the community. The volunteer firemen are one of the best examples of dedication to public service. On the west coast of Canada there are people who have acted in a number of capacities, such as coastguard rescue agents, for which they receive no pay whatsoever. Some have also provided a great deal of personal equipment. I should like to give a couple of examples of individuals who have provided equipment and incurred expenses on the west coast in order to provide the same kind of service as that provided by volunteer firemen.

● (1720)

On Pender Island there is a rescue agent who has provided approximately $80,000 of equipment over a number of years. There is a vessel and some specialized rescue equipment which has been used in over 300 marine incidents. He has not received a penny for this. Operating expenses are covered but his outlay for specialized rescue equipment has been substantial.

Another example is a rescue agent in Campbell River who also works closely with the volunteer fire department. He has spent something in the order of $12,000 to provide VHF and HF radios. He monitors emergencies frequently and responds to them. He has donated a $10,000 boat for rescue service. It was mentioned in this House not too long ago that this particular individual was involved in a rescue in which a seine vessel overturned in one of the most dangerous pieces of water in western Canada, Seymour Narrows. Two members of the armed forces rescued people from inside the vessel. These divers were presented with medals for bravery but the private citizen I mentioned had to replace his torn wet suit and wrecked scuba diving gear at his own expense.

I believe there is an element of justice in the proposed motion, Mr. Speaker. I should like to congratulate the hon. member for bringing it forward and would ask the government to take it under advisement. People who provide similar services at their own expense and quite willingly should be recognized. I should like to lend my voice to supporting the motion, Mr. Speaker.

[*Translation*]

Mr. Bob Kaplan (York Centre): Mr. Speaker, I would simply like to say that I, too, support this motion. This is an initiative that has been supported by everybody for a long time. I would just like to point out to the House that many hon. members on our side also support this motion. I thank and congratulate the sponsors of the motion and I hope it will be referred to committee.

[*English*]

Mr. Tom McMillan (Hillsborough): Mr. Speaker, I had not intended to speak on this motion but I was so moved by the eloquence of other members, particularly the mover of the motion, that I felt compelled to be identified with the sentiments expressed in their speeches and to lend what support I can, as a private member, to the motion.

My riding of Hillsborough essentially covers the greater Charlottetown area of Prince Edward Island. It is made up of several communities apart from Charlottetown—Sherwood, Parkdale and East and West Royalty. While it is a small community, it contains a number of very successful, well-developed, well-equipped and technologically sophisticated fire departments. More important than the technology, and even more important than the equipment and the endowment of those departments in terms of budgets, is the resourcefulness, the dedication and community spirit of the firemen.

I should like to congratulate the members who have spoken on the motion before me, Mr. Speaker. If I may be allowed, I should like to congratulate in particular the mover, the hon. member for Abitibi (Mr. Caouette), and the seconder, the hon. member for Roberval (Mr. Gauthier). Their speeches were not only a credit to themselves and to their ridings but to the firemen across the country on whose behalf they were speaking. Their remarks also reflect an awareness of the special role of firemen in the country and an awareness of the role of volunteerism in Canada and elsewhere.

It is true that more and more Canadians expect government to do almost everything for them. As government becomes more expansive and encroaches more and more on the private sector, it is a threat to volunteerism. I am sure that that threat is one of the reasons this government has seen fit to appoint a special body to examine the role and opportunities of different kinds of voluntary organizations.

Nowhere is volunteerism more important than in the sphere of fire fighting, Mr. Speaker. I mentioned my riding of Hillsborough and referred to the fact that it consists mostly of the city of Charlottetown and includes Sherwood, Parkdale and East and West Royalty. I should like to cite a few facts regarding fire fighting in my riding which I am sure will be equally true of other communities across the dominion.

In Hillsborough there are three fire departments, Charlottetown, Sherwood and Parkdale. The Charlottetown fire department comprises 57 members, 52 of whom are volunteers and five of whom are full-time. The department depends very significantly upon the contribution, dedication and community service of the voluntary sector. The volunteers receive $2,300 per year. That is not a remuneration although it covers some, but not all, of the expenses they incur in the fulfilment of their role. I am told that the Charlottetown fire department answers something like 350 calls per year and that every fireman, without exception, is required to turn out for each and every call.

Some of the volunteers lose pay from their jobs for the time spent at fires. That is very significant, Mr. Speaker. In effect, they are paying for the right to fulfil their role as fire fighters. The fire chief in Charlottetown has informed me that, in his judgment and in the judgment of his colleagues across the country, the motion we are discussing today is welcome and that he supports it 100 per cent.

I have mentioned the city of Charlottetown, which is my own city and which lies within the riding of Hillsborough. Another community that I should like to mention, to illustrate

the importance of the motion's being implemented, is Sherwood, which is smaller than Charlottetown. In that village of less than 10,000 people there are 30 members of the fire department. Every single one is a volunteer. Today they receive something like $1,000. Again I stress that that is not salary, payment, recompense or remuneration. It is merely a part coverage of expenses incurred by firemen in the performance of their duties. For some that $1,000 will cover pretty well all their expenses. For many more there are other out of pocket expenses they will be called upon to meet themselves.

● (1730)

I want to elaborate on that point because I think it is important. It is especially significant in terms of the motion we are discussing this afternoon. Sometimes those of us who are laymen wonder how much is incurred by a fireman by way of expenses. One would perhaps assume that with fire trucks, hoses, water and everything else being looked after by the fire department, there would be very few out of pocket expenses for the individual member of the fire department. That is a misrepresentation; it does not accord with the facts. Everything from clothing to extra car insurance to, for example, time lost on the job as I mentioned earlier, is involved in the fulfilment of the duty of a fireman in every community, not just in my own.

The fire department in Sherwood, the smaller community I was referring to, had something like 92 responses last year. In addition, it had 44 training sessions. Therefore, we are not just talking about the time firemen take out of their busy lives, their personal and family affairs, to put out fires, but also about the time they devote to training. That has to be calculated into any equation involving the estimation of the sacrifice made by our firefighters in every community in this great dominion.

In Sherwood, and again it is just an illustration, members are required to put in five complete weekends per year on duty at that particular station. That represents a tremendous sacrifice. It is one of the conditions that motivates me this afternoon to speak as vigorously as I can on behalf of the motion.

I wish to use one final illustration. I referred to Charlottetown, the capital city of Prince Edward Island, and the smaller community of Sherwood, which is in my riding as well. I might also cite the example of Parkdale. It, too, has a fire department. It is manned by dedicated and community-minded people who make the same kind of sacrifices as those made by volunteer firefighters in Charlottetown and Sherwood. The fire department of Parkdale consists of 28 members. Every single one is a volunteer. Not one is recompensed other than by way of looking after some of the expenses incurred in the fulfilment of the duty of being a fireman in that particular community. Each fireman is allotted or allocated $400 to cover his or her expenses. That does not go very far in this day and age, especially when one considers the very expensive commodities such as clothing that are involved in being a fireman, not to mention time lost from earning one's livelihood.

[Mr. McMillan.]

In the community of Parkdale, the firemen responded to something like 50 to 60 calls last year. I understand in other years the number of calls has been even higher. One can imagine how much sacrifice is made by the firemen in that community when he considers there are only 28 members to respond to as many as 60 calls. You can see how thinly their resources are spread and what sacrifices are made in that community by firemen who are so dedicated and community-minded.

I conclude by saying how much I support the motion. It is an excellent one. The motion would have the Income Tax Act amended so that firemen could deduct from their incomes $1,000 for all expenses incurred in the exercise of their duties. It would give them absolution from taxes on all indemnities paid to them in the fulfilment of their duties. The motion is one that I support vigorously, without qualification, with great pride and with enthusiasm. I urge members on all sides of the House to give it their endorsation as well.

Mr. Ron Ritchie (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I too congratulate the hon. member for Abitibi (Mr. Caouette). All of us know, and it has been reiterated a few times in the last several minutes, how important volunteer firemen, their activities and their commitment, are in a great many communities in this country, not only communities wholly reliant on voluntary efforts, but communities which cannot from their own funds support a sufficiently paid fire force and therefore must have it supplemented by volunteers.

The hon. member will be glad to know that he is not alone, apart from hon. members who voiced their support in the House this afternoon. The Department of Finance has been receiving a great many representations, perhaps over some years, but certainly recently, on this subject. I think it might be useful to put a certain perspective on the actions that are proposed.

Most of the representations that have been received in recent months have dealt with the second part of this resolution, the proposal that the allowable expense be increased for income tax purposes. Very few have dealt with the first part, that any indemnity received by volunteer firemen not be included in taxable income.

Certainly as far as the allowance goes, if that allowance was right in the first place, the allowance cannot be considered large enough today if it was large enough originally. I think that allowance goes back to the year 1953, if recollection serves me right, and it has been an unchanged allowance through that period. We all know how much inflation has occurred since that time and how much costs have gone up.

I am told there are some costs incurred, to which volunteer firemen are subject to, which have not been mentioned in the chamber this afternoon. I am told that volunteer firemen often, or perhaps always, cannot get insurance to cover the times when they are rushing to a fire in their own cars. Some people paid very dearly for that part of their volunteer effort.

On the other hand, not every one who has made representations to the Minister of Finance is wholly in favour of the principle of this resolution. It might be better to say they may be in favour of the principle, but have concerns of their own. We have also heard there are other volunteer people, some of whom are active in rather hazardous occupations, who have expenses somewhat analogous to those incurred by volunteer firemen. We have had representations from some volunteer groups that their volunteers should have a comparable allowance and they should have it before that of the firemen goes up. I mention this only as a matter of information.

I would like to comment on the first part of the hon. member's motion, the proposal that the indemnity of volunteer firemen not be included in taxable income. Here I share at least a question with the hon. member for Brampton-Georgetown (Mr. McDermid), that this is a part of the proposal that should win less instant acclaim than the second part of the proposal. It certainly does raise a principle which, if applied here, no matter how great the contribution of volunteer firemen is, and I agree it is very great, raises a principle that could be applied elsewhere and be extended perhaps indefinitely. Having said that, having raised the question, I would again congratulate the hon. member on his initiative and on his commitment in bringing forward this motion.

● (1740)

[*Translation*]

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I welcome this opportunity to speak on the motion, and first, to commend the hon. member for Abitibi (Mr. Caouette) for bringing it forward. When we think of the constituency and the area represented by our colleague, I understand his reasons for doing so, aware as he is of the problems and difficulties faced by the majority of small municipalities and also by larger centres in absorbing the cost of a fire brigade. Such a proposal will allow municipalities to see that the government accept, and support, the voluntary work done at the local level, which is totally acceptable. Each and everyone of us should commend the hon. member and see to it that the government implements this as soon as possible.

As I said, Mr. Speaker, in smaller municipalities and particularly in eastern Quebec and the Gaspé Peninsula, where most communities average between 2,000 and 8,000 population, it is extremely difficult, if not impossible, to provide fire fighting at the ratepayers' costs.

The availability of volunteer firemen provides security for those people, the knowledge that in case of fire, at any hour of the day, they can count on people from their own area. This is why the motion put forward by my colleague from Abitibi deserves support. Some may be concerned with the $1,000 income tax deduction, but it must be realized that not all municipalities can count on people like company presidents or lawyers or doctors to serve as volunteer firemen in the normal course of life. Their duties preclude this and I feel it is to be expected rather than that people with more leisure time should provide this kind of voluntary service. For this reason I do not believe that a $1,000 deduction would unsettle or contradict the famous principle referred to by my colleague from York East, the fact that such a deduction could apply in other fields of society.

I therefore am in total agreement with the motion put forward by my colleague from Abitibi, on both items involved, that of excluding from taxable income any allowance received by a volunteer fireman and of allowing for a $1,000 deduction from their revenues, which could encourage a greater number of individuals in our small municipalities to co-operate in these volunteer firemen groups. In this way, the Canadian government would recognize and encourage the people in our small municipalities to volunteer their services in order to provide security for all their fellow citizens.

Mr. René Cousineau (Gatineau): Mr. Speaker, I wish to take just a few moments to support my hon. colleague from Abitibi and commend him on the motion he has presented today. If there is somebody who is underestimated in our society, it is certainly the fireman and particularly the volunteer fireman. He is the first to be on the spot every time there is a fire or a problem threatening the community's security. Mr. Speaker, this motion is commendable and I repeat that I strongly support it. I suggest that the government proceed with it as soon as possible in order to give benefits to this group of individuals who do a great service to their fellow citizens every day.

[*English*]

Mr. Peter Ittinuar (Nunatsiaq): Mr. Speaker, I, too, would like to support the hon. gentleman's motion on volunteer firemen. All our firemen in Nunatsiaq are volunteers. Last year in Frobisher Bay, alone, a town of 2,500 people, there were no fewer than seven fire-related deaths. A school in my home town of Rankin Inlet was destroyed by fire. In Eskimo Point a power station was destroyed by fire. Three further deaths in Rankin Inlet last year were related to fire, revealing a lack of adequate equipment and training. Volunteer firemen do their best and deserve all the help we can give them. I think my people in Nunatsiaq would fully endorse this motion put forward by the hon. member for Abitibi (Mr. Caouette).

Mr. Knowles: Question!

The Acting Speaker (Mr. McCain): Is the House ready for the question?

Some hon. Members: Question!

Motion (Mr. Caouette) agreed to.

Mr. Knowles: Six o'clock.

Mr. Jarvis: Mr. Speaker, I wonder if we might call it six o'clock.

Some hon. Members: Agreed.

Time Allocation

The Acting Speaker (Mr. McCain): It being six o'clock I do now leave the chair until eight o'clock p.m.

At 5.48 p.m. the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF THE HOUSE

ALLOCATION OF TIME TO CONSIDER COMMITTEE OF THE WHOLE STAGE OF BILL C-20

The House resumed consideration of the motion of Mr. Baker (Nepean-Carleton):

That in relation to Bill C-20, an act to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax, one sitting day shall be allotted to the further consideration in Committee of the Whole stage of the bill; and

That, at fifteen minutes before the expiry of the time provided for government business on that day, any proceeding before the committee shall be interrupted, if required, for the purpose of this order and, in turn every question then necessary in order to dispose of the Committee of the Whole stage of the bill shall be put forthwith and successively, without further debate or amendment.

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I continue what I was saying before supper about the motion introduced by the minister to limit the time of debate on Bill C-20. In my opinion, Mr. Speaker, if all members of this House want to be serious, I believe the discussion on this bill has lasted long enough. This is a bill made up of two clauses, the first one giving the principle of the bill and the second one determining the tax cuts being proposed by the ministry.

We have to be serious; after seven days of debate and so many speakers during those seven days—just on the official opposition side more than 25 members spoke and I think they had the time, Mr. Speaker, to give the lines of thought of their party, as well as those of their colleagues, the Liberals, who voted with us on second reading of this bill. I believe they also agree with us on this bill. I think a lot of people are watching us tonight. A lot of heads of families are waiting for this bill to try to reduce somewhat interests in arrears because of the continuous rise in interest rates.

We have ourselves addressed this bill. Government members as well as members of the New Democratic Party have had the opportunity to suggest amendments to this bill. Again this afternoon I could hear members of the NDP or the official opposition say that they could not get their amendments

accepted. They knew beforehand that they could not do it, Mr. Speaker, because we had already been warned. The minister warned the House that he could not accept amendments which would increase the budget. Indeed, according to usual practice, an amendment which forces the ministry to increase its budget is not acceptable. It constitutes a finance bill and cannot be accepted. This is why the minister said simply that he would review these amendments and that it would always be possible to come back to this bill after the holidays.

If everyone were sincere and would stop playing politics, we would all agree that it is time this evening to take a serious stand before the Canadian people and to take the action that people are expecting from serious politicians who were elected to help them, at least partially, to solve their problems. It has been said during the debate that this bill provides no extension and is too restrictive. Others have said that it is too costly. It is a great thing to sit here and listen to speeches.

Mr. Speaker, since I only have three minutes left, I would like to appeal to all serious-minded members in this House. As your leader would say, let us stop this nonsense and try to be serious. We, of the Social Credit party, believe, first that this has gone on long enough, and second, that this bill is a priority. We have made our speeches. We have been asking for such a bill for many years, Mr. Speaker, and we now urge the minister to act as soon as possible before he gets discouraged. Mr. Speaker, for the first time in this House, we are witnessing approval of the basic principle of the Social Credit party in the area of housing.

Members are right to applaud because it is true. No one has ever listened to, or wanted to listen to, the housing reforms proposed by the Social Credit party. The opposition members believe that Social Credit is only a matter of dollars and cents. It is not. They should read the reforms proposed by the Social Credit party. It is a complete social reform, the monetary reform represents only one-thousandth of it, a social reform that puts the wealth of our country at the service of human beings instead of giving it to millionaires as you are doing. It is the first time, Mr. Speaker, that a bill will give some help.

In the last 20 years we have been asking that single family unit owners be given the same benefits as the big owners of multiple dwelling buildings. We have been asking for that for a long time. Never before has a government dared to do it. This evening, the party in power proposes a small amendment, I repeat, but at least it is a first step. This is why tonight we urge the minister to make sure by all means that this bill is passed before Christmas to give at least a big gift to family heads for the New Year. People are waiting for it. Millions of family heads, of young couples, are waiting for this.

● (2010)

Mr. Deputy Speaker: It being 8.10 p.m., the two hours allotted under Standing Order 75(C) for the consideration of the motion before us have now expired. In accordance with

that Standing Order it is my duty to interrupt the proceedings and put all questions necessary to dispose of this motion.

The question is on the motion of the President of the Privy Council (Mr. Baker). Is it the pleasure of the House to adopt the motion?

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

● (2020)

[*English*]

The House divided on the motion (Mr. Baker, Nepean-Carleton) which was agreed to on the following division:

(*Division No. 7*)

YEAS

Messrs.

Alexander
Allard
Atkey
Baker (Nepean-Carleton)
Baldwin
Beattie (Hamilton Mountain)
Beatty (Wellington-Dufferin-Simcoe)
Binks
Blenkarn
Bosley
Cameron
Campbell (Sarnia)
Caouette
Clark (Yellowhead)
Cook
Cooper
Cossitt
Crosbie (St. John's West)
Crosby (Halifax West)
Darling
Dick
Dinsdale
Domm
Elliott
Ellis
Elzinga
Epp
Fennell
Ferguson
Fish
Forrestall
Fraleigh
Fraser
Fretz
Friesen
Froese
Gamble
Gass
Gauthier (Roberval)
Gilchrist
Grafftey
Graham
Greenaway
Gurbin
Gustafson
Haliburton
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Higson
Holmes
Howie
Huntington
Janelle
Jarvis (Willowdale)
Jarvis (Perth)
Jelinek
Jupp
Kempling
Kilgour
King
Kushner
Lambert (Edmonton West)
Lane
Lawrence
Lewis
MacDonald (Egmont)
MacDonald (Cardigan)
MacKay
Malone
Mayer
McCain
McCrossan
McCuish
McDermid
McGrath
McKenzie
McKinley
McKnight
McLean
McMillan
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nylander
Oberle
Paproski
Patterson
Reid (St. Catharines)
Reimer
Richardson (Humboldt-Lake Centre)
Richardson (Beaches)
Ritchie (Dauphin)
Ritchie (York East)
Roy (Beauce)
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Siddon
Speyer
Stevens
Stewart
Stratas (Mrs.)
Taylor (Cowichan-Malahat-The Islands)
Taylor (Bow River)
Thacker
Thomson
Towers
Vankoughnet
Wakim
Wenman
Whittaker
Wightman
Wilson
Wise
Woolliams
Yewchuk
Yurko—120.

NAYS

Messrs.

Axworthy
Berger
Blackburn
Blaikie
Blais
Bockstael
Breau
Broadbent
Buchanan
Bujold
Bussières
Caccia
Chenier
Chrétien
Comtois
Corbin
Cousineau
Cyr
Dawson
de Jong
Deniger
Desmarais
Dion (Portneuf)
Dupras
Duquet
Ethier
Evans
Faour
Fleming
Foster
Fulton
Gauthier (Ottawa-Vanier)
Gourd
Gray
Guilbault
Harquail
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hovdebo
Ittinuar
Kaplan
Knowles
Lachance
Lalonde
Lamontagne
Lapierre
Lapointe
LeBlanc
Leduc
Lefebvre
Lessard
Loiselle
Lumley
MacGuigan
MacLellan
Malépart
Maltais
Marceau
McRae
Miller
Mitchell (Mrs.)
Murphy
Nicholson (Miss)
Nystrom
Ogle
Orlikow
Ouellet
Pelletier
Pepin
Peters
Portelance
Rae
Reid (Kenora-Rainy River)
Robinson (Burnaby)
Rompkey
Rose
Sargeant
Simmons
Skelly
Stollery
Tousignant
Turner
Watson
Whelan—85.

● (2050)

Mr. Speaker: I declare the motion carried.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I did not vote because I had agreed last week to be paired with the Minister of National Defence (Mr. McKinnon).

[*English*]

Mr. Speaker: The hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre).

Mr. Lefebvre: Mr. Speaker, I have a point of order. I understand that, under the rule, the House order would now mean one full day's debate. As the budget will begin at eight o'clock tomorrow night, should there not now be some arrangement about what exactly comprises a full day's debate? Will it be part of tonight, part of tomorrow, and part of Wednesday? That does not seem to be very clear at the moment. Perhaps the government House leader, with the leaders of the other parties—

Some hon. Members: Oh, oh!

Mr. Lefebvre: Would you mind if I have a couple of minutes? I speak to these experts on the back benches opposite

who have only been here a couple of weeks. I should like to get an answer from the government House leader, if possible.

Mr. Speaker: Order, please. Perhaps I can indicate that the precedents are clear, that the day upon which the House embarks upon the business which is the subject matter of an order pursuant to Standing Order 75C does not count as the first sitting day. Therefore, one sitting day remains to be allotted at the close of the business of today. If an entire day is not used tomorrow for that subject, because of the budget tomorrow night, then some further hours would have to be spent. The number is not certain. Perhaps in the interval between now and the start of business tomorrow, the House leaders could decide whether they could come to some agreement on that account.

Pursuant to Standing Order 54 I do now leave the chair for the House to go into Committee of the Whole.

[*English*]

INCOME TAX ACT

AMENDMENT TO PROVIDE TAX CREDIT IN RESPECT OF MORTGAGE INTEREST AND PROPERTY TAX

The House resumed from Wednesday, December 5, consideration in committee of Bill C-20, to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax—Mr. Crosbie—Mr. Laniel in the chair.

The Chairman: Order, please. When the committee rose on December 5, 1979, clause 1 of the bill was under consideration. Hon. members might be interested in what I am going to say. Because the order that has been adopted tonight provides, "that, at fifteen minutes before the expiry of the time provided for government business on that day"—meaning the day on which we will complete consideration of committee stage of Bill C-20—"all questions will have to be put." The danger is that the committee might be placed in some difficulty unless hon. members plan the work of the committee ahead of time.

During the day I heard some hon. members say to others that no amendments had been moved in committee, while others affirmed that some amendments had been moved in committee. I must say officially that the Chair has no amendment in front of it and no amendment can be in front of the Chair unless it is moved. Because we can only have one amendment in front of us at a time, and vote on only one amendment at a time, all those amendments of which the Table might have received notice are not officially in front of us until we reach them and make a decision on them.

If, by any chance, hon. members debate the bill on clause 1 up to 15 minutes before the end of the time allowed, the Chairman will have no alternative but to put the question on clauses 1, 2, 3, the title, and the bill, and will in no way be able to receive amendments at that time.

I just make that suggestion and I hope hon. members will take it into account when planning the work of the committee.

On clause 1—

Mr. Axworthy: Just to put your mind at ease, Mr. Chairman, I hasten to assure you that we intend to move several amendments to this bill. Any anticipation you might have of being able to go home early could be quickly discarded. We will be very glad to satisfy your request that changes be made to this piece of legislation.

Let me begin by observing that the Minister of Finance is unable to be with us this evening. I extend my sympathies to him, as I know what a difficult position he is in. He does not have an oil agreement, he does not have an agreement on pricing, and he does not have an agreement on most things that pertain to this government. We certainly understand that, in a moment of panic, he would flee the House very early, in the hope that he can arrive at some last minute negotiations.

By contrast, Mr. Chairman, I note the high rage and indignation he expressed previously about the fact that members of the opposition had not given him an opportunity to consider amendments. I am sorry he is not here to listen to and participate in this debate, which he has called one of the more important initiatives of his government. I suppose this is an indication of the priority the Minister of Finance gives to this bill. After he and his colleagues have flexed their muscles to deny totally the democratic rights and privileges of members of this House, he now feels sufficient disdain that he can leave even though, in his own words, this matter is of such great importance that he has reason to be elsewhere.

I welcome the presence of the Parliamentary Secretary to the Minister of Finance, knowing him to be a person of great reason and rationality—probably more so than the minister himself. However, we want to express our own concern that the Minister of Finance is not here because we believe that the amendments that will be brought forward are ones which will have serious consequences for this bill. It is unfortunate that the senior minister responsible for the legislation is not in his seat and therefore able to exercise his judgment as to whether the government is prepared to accept them or not.

• (2100)

One of the questions we certainly want to raise at the outset is whether we are going to be treated to the same sham performance we received previously, where the government is really not prepared to accept the amendments.

Some hon. Members: Oh, oh!

Mr. Axworthy: It would help if members opposite were able to restrain their own particular form of verbal pollution for a while so that we shall be able to get these amendments out and make our arguments. We are obviously debating the wrong bill. We should be debating certain game laws to keep those people in their seats, in their own particular wilderness experience, to be restrained so that those of us in this House who treat these amendments with a degree of seriousness are allowed to do our job. I would only ask some co-operation from members because what I say is important to them. I only hope

that through their behaviour in this House they might demonstrate how serious they are prepared to be.

In again examining the basic details of this bill, as has been expressed several times by members of our caucus, we have found a lot to disagree with, both in principle and practice. What gives us particular concern at this point in time is the statements made by the Minister of Finance.

What clearly is being demonstrated by the minister is that he does not know what his own legislation means. He has been so busy holding up his own gag routine he has failed to read the kinds of documents and papers prepared for him by his officials. He has made the most serious error any minister of finance can make, that is, the error of the sin of inaccuracy and misrepresentation about the intent of the bill. That may be all right if the minister is simply engaging in rhetorical flourish. However, when he is talking about the expenditure of $3 billion, a major change to the tax structure of our country, every Canadian has the right to expect the Minister of Finance at least to be precise and accurate in his statements, and not become so carried away with his verbal buffoonery that he ceases to tell this House exactly what the intent and purpose of this bill are.

I would like to comment in part on some verbal excesses of which the minister was guilty over the course of this debate. For example, he has accused members on this side of not caring about the middle-class home owner. He made some fairly violent accusations that members on this side are bleeding hearts and that only he, the Minister of Finance, is engaged in the crusade to defend the rights of the middle-class home owner. In fact, quite the opposite is true.

By the statement made in the document produced by the Department of Finance, which the minister obviously has not had the opportunity to read, called "Government of Canada Tax Expenditure Account", it points out that in the area of housing and urban renewal there are tax allowances presently amounting to $7 billion that are available to middle-class home owners. The non-taxation of capital gains on principal residences amounts to $2.5 billion of tax expenditure deduction. That is an issue that was introduced as part of the tax program of previous governments. For the moment, the non-taxation of imputed income on rental value of home ownership adds up to $3.7 billion of tax expenditures. The tax deductions allowed on the Registered Home Ownership Savings Plan amount to $115 million.

In other words, in total contrast to the accusations made by the Minister of Finance, the opposite happens to be true. Middle-class home owners are treated with a high degree of preference in our present tax act. The argument of members on this side has always been that when providing for further relief of pressures due to the high cost of housing, those pressures should be assessed according to who is most seriously affected.

We have made the case time and time again, drawn from the government's own documents, this time from documents produced by Canada Mortgage and Housing Corporation, that by far the most significant need is being felt by renters, particularly senior citizens and single parent families, with close to 50 per cent to 60 per cent of the people in that category paying over 30 per cent of their income for rent, which is a much higher proportion than the home-owning public.

Those are not figures manufactured in some sort of Liberal think tank. Those are documents produced by the government itself, documents that obviously the Minister of Finance has either been unwilling or unprepared to read and to use as part of his own tax documents. When he says to us, "Why should we not be giving tax credits to a specialized group, we give them for children, and for family allowance," we say there is nothing wrong with that in principle, but surely it should be measured according to those who must experience the most severe need.

We also want to point out that, totally contrary to the statements of the Minister of Finance that somehow all those people, even those with the lowest income, will be eligible for some form of benefit under this tax act, again the contrary happens to be true. When I use figures that only 6 per cent of the elderly own their own homes and therefore are not eligible for any benefits, the minister scoffs. The fact is that 70 per cent of the elderly do not pay taxes and therefore are not eligible for any kind of either property or mortgage tax credit.

The Minister of Finance committed the cardinal sin for a minister with that kind of portfolio by not dealing with the facts, not exactly dealing with factual data that can be corroborated by proper analysis and assessment. He was so excited by his own flourishes that he was not prepared to do what a minister of finance should do, that is, at least be prepared to document his statements.

If there is any indictment that we must make of the Minister of Finance, and one that seriously threatens his credibility in terms of the budget tomorrow, it is that he is not prepared to talk about the honest facts. The minister is simply not prepared to talk about what is; instead, he relies upon the perambulations of his own fertile and colourful imagination rather than on the kind of facts and data that should be produced.

Perhaps the most serious challenge and criticism that we would like to introduce under clause 1 is the fact that the Government of Canada is now committing itself to an expenditure of $3 billion four years down the road, without any proposal or proposition to this House as to what the economic repercussions of that $3 billion of expenditure will be. These are the economic managers! These are the people who tell us that they are going to be the tough guys, the ones who are going to approach economic management with a high degree of competence and a high degree of reality. However, they are the ones who are committing the Government of Canada, and therefore the taxpayers of Canada, to an expenditure which will amount to one-third of the present deficit, without knowing where the money is coming from or whether the economic conditions will justify it. In fact, that proposal for spending $3 billion and adding substantially to the cost commitment of this government is being introduced at a time when we are being

lectured daily by members opposite about the deficit problems, and when all kinds of forecasters are saying that four years down the road additional stimulus to the economy will not be needed.

While we are in a serious position now in terms of recession, we will be coming out of that recession two or three years down the road, and that added expenditure will simply add to the inflationary pressures. It will be far more serious when all the pressures as a consequence of these heavy expenditures are going to result in a heavier demand on housing. It will add 7 per cent to 8 per cent to the cost of housing. It will not stimulate construction of additional units, as might be the case if there were more selective targeting.

● (2110)

I would suggest to you, Mr. Chairman, that the $3 billion we are talking about represents almost three times the size of last year's CMHC budget under which close to 270,000 units of housing were produced, and of that number well over 150,000 were produced as a result of direct government stimulus. So we are spending $3 billion to get, on the average, some 20,000 units per year. Mr. Chairman, there are some people over there on the other side who pride themselves on their knowledge of economics. Do they think it is a "good bang for the buck" to be spending $3 billion to get 20,000 units, whereas we spent a billion dollars and got 270,000 units out of it? Do they consider that to be proper expenditure?

So, the first proposition we introduce is that it is essential the government should not commit itself automatically to a four-year expenditure. This is a point of view which has been supported by the hon. member for Peace River in the motion under Standing Order 43 he introduced last week. So it should be subject to review. The Secretary of State is also in agreement with the idea that there should be a sunset law applied to the mortgage credit program. We are in full agreement. We believe that a sunset law should be applied to this act so that, on an annual basis, Parliament would have an opportunity to review the expenditure and determine, in its wisdom, whether a commitment of money should be made. Each year a certain floor of expenditure would be established and under that floor we would have an opportunity to determine whether additional costs should be incurred by the government, whether economic conditions at that time permit additional expenditures to be made.

In these circumstances I should like to move the following amendment:

That Bill C-20, an act to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax, be amended

(a) by striking out line 16 on page 1 and substituting the following therefor:

"taxation year"

(b) by inserting the following:

Expiration and extension

1. (3) This section expires on December 31, 1980 unless, before that day an order in council is made to the effect that this section shall continue in force for another year.

Periodic extension

[Mr. Axworthy.]

(4) Where an order in council is made under subsection (3), this section expires on December 31, 1981 unless, before that day another order in council is made to the effect that this section shall continue in force for another year, and the governor in council may in like manner extend the application of this act from year to year.

The Chairman: Order, please. We are faced with a difficulty. The hon. member seems about to read further details of his amendment. But the committee is still on clause 1 and I can only receive amendments to clause 1. When we get to clause 2, members can move all kinds of amendments to clause 2. The amendment as to the effective date, or the proposal to reconsider the act some time after it is in force, relates to clause 3. We have to proceed in an orderly way.

Mr. Axworthy: I think you must have misunderstood, Mr. Chairman. This is an amendment to clause 1—to subclause (3) of clause 1. If you will look at the bill, you will see on page 1 there are clauses 1 and 2. We are amending subclause (2) of clause 1 and are adding a subclause (3).

The Chairman: Very well. I have sorted out the amendment in reference to the clause.

The question is on the amendment.

Mr. Axworthy: Mr. Chairman, because of the interruption I had no opportunity to read the whole of the amendment. There are further subclauses I wish to move as part of the general amendment, as follows:

Consideration of motion

(5) A motion for consideration of an order in council referred to in this section shall be laid before Parliament not later than three days after the order is made or, if Parliament is not then sitting, within the first fifteen days next thereafter that Parliament is sitting, and each House shall, in accordance with the rules of that House, take up and consider the motion, and all questions in connection with the motion taken up and considered by that House shall be debated without interruption and decided not later than the end of the third sitting day next after the day the motion is first so taken up and considered.

Effect of failure to approve of order in council

(6) If, at the conclusion of the consideration of an order in council pursuant to subsection (5), both Houses of Parliament do not resolve that the order in council be approved, it shall thereupon cease to have effect.

Effect of failure to resolve

(7) Failure of either House or both Houses of Parliament to resolve that an order in council referred to in this section be approved does not affect the validity of any action taken or not taken in reliance on the order in council prior to the conclusion of consideration thereof pursuant to subsection (5)."

The Chairman: The hon. member for Davenport.

● (2120)

Mr. Caccia: Mr. Chairman, in speaking in support of this amendment I can think of more than one reason why the party supporting the government, the Progressive Conservative party, ought to support this amendment. The first reason which comes to mind is that the idea of sunset laws was actually propounded in this chamber at length by the President of the Treasury Board. It was he who actually encouraged the government of that time to consider this concept. If I am not mistaken, the former leader of the opposition supported the President of the Treasury Board very strongly on the idea of

sunset laws when they were sitting on this side of the House and thinking perhaps this would be a good measure for any type of legislation which would have a long-range effect.

Having had this first great opportunity as the party in power to apply their own preaching and introduce this concept into this major piece of legislation, we on this side of the House are actually surprised that hon. members opposite would miss this opportunity. Were they asleep at the switch? Did the President of the Treasury Board forget all his preachings? Did hon. members opposite discover the realities of government, or did they just dump another of their highly held ideas once they crossed the floor to the other side?

In our view the proposal in this amendment should certainly be difficult for hon. members supporting the government to refute and reject, if they have any confidence and faith in the preachings of their leaders.

The second reason which comes to mind why this amendment ought to be supported is that Bill C-20, for the first time—at least in my memory—links municipal taxes to the federal taxation and fiscal system. It does it in a devious way, but nevertheless it establishes a link. It means, indirectly, that municipal taxes which can be deducted according to the principle of this bill would become in a way less of a concern for municipal politicians. They can turn to their constituents who are very much alarmed these days about high municipal taxes and say; "Why worry so much when you can deduct a portion of your municipal taxes, and if you are paying on a house you can eventually deduct it from your bill from Ottawa?"

Maybe a year from now, or later on, the Minister of Finance will begin to become worried about this link. He may notice that municipal politicians may be less concerned about keeping municipal taxes within certain bounds, since for the first time they can be partially deducted. A trend of this nature would be rather alarming, would it not? It would be alarming to see municipal politicians less on their toes in maintaining municipal taxes within the limits they have been able to keep them with some limited success so far.

This kind of link may have implications for the total fiscal picture in Canada. It may be a matter of concern for the Minister of Finance, and he may want, a year from now, to have the power, as so readily suggested by the amendment of the hon. member for Winnipeg-Fort Garry, to review the matter in the light of developments in the first year, in the second year or, for that purpose, in the third or fourth.

There are also other reasons why this bill should be reviewed at regular intervals. Some of them have already been given by speakers at second reading, and I will therefore review them very briefly.

It may well be that a year, two years, three years or four years from now, the government might re-think its position and come to the conclusion that perhaps it would be a greater stimulus to the housing industry to have a national rental assistance program or, for that matter, if this government is still in power—and God forbid—it may want to look at alternatives such as a mortgage interest subsidy on renegotiated mortgages. It may see perhaps greater merits to the alternative of having a residential operating cost rebate, a mortgage interest rate write-down for purposes of new homes, or mortgage interest subsidies to the apartment construction sector. You name it, Mr. Chairman; there may be a number of reasons, and the measures I just mentioned placed together would, in our opinion, provide a greater stimulus to the housing industry than the one which is before us here today.

One could bring the thought even one step further. One could think for a moment about the losses of revenue which will take place as a result of this measure and the limited stimulus this measure would have. One could think for a moment about what the Government of Canada, through the federal system and with its powers, could do if it had this revenue coming in, as it has until now, and think of measures in the social field which it could implement instead. This is an aspect which really worries me very profoundly and prompts me to support, as I am doing now, this proposed amendment.

For instance, with the revenue we are going to miss—which the state is not going to receive when this measure comes into effect—we could introduce programs which are badly needed in this country and for which, according to the Minister of Finance, there are not enough funds. We could introduce a program to subsidize mothers who stay at home to raise children, or people who look after ill or elderly relatives. Surely this is a costly program, but if we can afford this, why can we not look at alternatives which we could also implement? We should look at other options and choices before proceeding with this measure or going blindly ahead, as Bill C-20 does, without any sunset provision.

Another example of how this money could be better spent might be in providing grants to improve day care facilities or to improve maternity benefits under the Unemployment Insurance Act to provide working women with benefits over a longer period of time. Perhaps we could better spend money by bringing old age pension eligibility down to the 60 years of age level gradually over the years, but fairly soon. This would result in job openings for the unemployed.

There is a long list of what could be done as alternatives which the government might be able to finance if we were not to forgo this revenue. This amendment would at least give us a chance to re-think the whole approach a year from now.

I would like to add to the list an increment price policy for the protection of unorganized working people and those on fixed incomes. If one is not organized these days, does not have a union for protection and works in one of the industrial centres across this nation without the benefit of a strong union, it is very difficult to make ends meet. An income policy for people who are gainfully employed and who are active and productive, but who are in the lower economic scale in society, would certainly be highly desirable, or the implementation of what in 1973 in that most excellent orange working paper on social security was called an income supplementation plan for the working poor.

● (2130)

We could also reinforce Canada Works and create jobs in areas where they are needed, and bring Canada Works back into those areas where it has been completely cancelled and create jobs in the centres in Ontario and in other parts of the country where Canada Works no longer exists. Complementary to that, money could be better spent on producing incentives for employers to hire the unemployed, the handicapped, and all those looking for a job but who, for some reason or other, cannot find it at present. We could expand that list ad infinitum. However, the concept remains the same. It is important that Parliament have such an opportunity, having evidently failed to convince the government this time around to reconsider its measure, having failed to make it realize that this is an expenditure that is way above the possibilities that members opposite would accept under normal circumstances. But having made a promise during the campaign, without realizing that because of 36 per cent of the voters they would come to power, they see the necessity of keeping at least one of the many promises they cannot keep. They have to go ahead this year, but at least a year from now let there be here an opportunity to have this amendment adopted by the very people who were once proposing sunset laws. I can see here the President of the Treasury Board who looks the other way and smiles sheepishly because he does not know what to say now that he is on that side. This would give the House an opportunity for a second thought approach to such a policy.

As we all know, and as has been so eloquently described by the hon. member for Winnipeg-Fort Garry and others who have preceded me, this is a measure that disregards social priorities in this country. Also, in terms of the industrial stimulus, in terms of economic advantages for the future, it gives a very limited return, as was explained in an earlier intervention.

Mr. Chairman, we all know who will gain from this kind of measure. We all know that the people who have already paid for their homes will not gain from this measure, nor will the people who rent apartments or houses, and people who have to pay rent or who have to pay for a house will pay one way or the other for higher taxes or for reduced services to make up for this lost government revenue.

Who will gain if we do not have a regular screening of this measure through the House, as a minimum rational concession that the government can make? Obviously the mortgage companies will gain, and so will the banks and the money lenders. We all know in advance that the effects of this measure will, in essence, boil down mainly to the following: the cost of mortgages will go up in all likelihood and so will the cost of houses, so that in order to save a dime on the income tax, those who will benefit from this measure will have to spend $1 more on mortgage interest. That is really not good economics and it does not make sense.

As many others have said, we would rather have selective policies and social policies which aim at target groups in particular need, rather than this kind of giveaway. Evidently we do not have a majority in this House and we have to recognize the power of the governing party. Therefore we urge the government at least to accept this very reasonable amendment. There is nothing that the government need fear from having to come back here at regular intervals to scrutinize this measure again and to assess its pros and cons and its effect on the economy, to see whether or not it should be proceeded with for a second year, a third, and a fourth. That would seem to be a logical and non-partisan proposal which we submit to the government.

[Mr. Caccia.]

Mr. Baldwin: Mr. Chairman, I have some sympathy with the principle advocated by the hon. member for Winnipeg-Fort Garry. Given the right circumstances, it might be a measure worth adopting. However, I want to point out to him its fatal defect. This is a tax measure, and as such I think it is quite improper to have a situation arise where a tax measure could be set aside by the other place.

The result of what the hon. member proposes might be the following. It is what is known as a positive resolution, and as such the bill would not continue in existence beyond the time stated unless the order in council was approved by both Houses. I point out to the hon. member that a situation might occur where this House, representing the people, might vote for the continuation of the measure, while the other place, not representing the public, and representing also—let us face the political fact—a considerable majority of the official opposition party, could vote against the measure and we would find that the other place would then be setting tax policy. I think even my friend, the hon. member for Winnipeg North Centre, who has a deep measure of affection for the other place which he manages to conceal quite effectively from time to time, would probably agree with me on this.

If this were in the form of a negative resolution so that the measure continued unless it was set aside by a motion of both Houses, then the hon. member would, I think, be in a much more reasonable position. No doubt the Department of Finance will find ways and means by which this would cause all sorts of problems for the department and the administration. I have always found that department to be most ingenious in performing the right degree of mental and financial acrobatics—at least it did so under the previous government. I think it is much more sensible now. So I am not concerned with that. I believe it is not a bad idea to review the situation once in a while, but I cannot support this amendment which might put the Senate in a position of setting aside a motion of this kind, which would be quite against the constitutional practices of this Parliament.

Mr. Corbin: Mr. Chairman, I rise on a point of order. I wonder if the hon. member who has just spoken would entertain a very short and simple question?

[*Translation*]

The Chairman: Order. The hon. member for Victoria-Madawaska (Mr. Corbin) on a point of order.

[*English*]

Mr. Corbin: The hon. member who just spoke made the statement that the other place does not represent the public. Is it then his opinion that the Minister of Industry, Trade and Commerce and the Minister of Justice, both of whom are in the other place, do not represent the public and therefore should run for election?

Some hon. Members: Hear, hear!

Mr. Baldwin: That is a matter of high policy which I leave to my friend, the right hon. Prime Minister.

An hon. Member: He's been muzzled already.

Mr. Baldwin: I deal with the nuts and bolts of the tax situation—the nuts over there.

Some hon. Members: Oh, oh!

Mr. Blenkarn: I listened with interest to the proposal of the hon. member who is worthy of this tax and who made some proposals in connection with the sunset laws. But he must realize that sunset laws do not normally apply to tax measures. After all, we have a sunset law on every tax measure every year when the Minister of Finance produces his budget and his budget bills. All these tax allowances and measures are reviewed by the Minister of Finance once a year and are part of his budget performance. Surely the Income Tax Act is not wedged in stone or carved out for time immemorial. It can surely be changed. This is not a place for a sunset law.

• (2140)

I thought I would hear something interesting in support of a sunset law with respect to the tax policy, until I heard the hon. member for Davenport. He got into unemployment insurance, day care centres, the working poor, Canada Works and all the rest of a myriad of things governments do. These are expense items, not tax items. This is a tax item. This is an amendment to the Income Tax Act allowing for specific deductions to specific taxpayers who have to pay interest to own property. They have to be positive taxpayers and therefore can take advantage of a reduction in their personal income tax.

With his budget resolutions and his numerous tax changes every year, the Minister of Finance alters in a profound way the allowance individuals can take from their taxable incomes, and the rules under which their taxable incomes are determined. Undoubtedly tomorrow night we will get alterations to the Income Tax Act. Probably these alterations will make changes to what is deductible and allowable as an expense of whatever.

An hon. Member: How do you know?

Mr. Blenkarn: It happens every year. The hon. member asks how I know. I am assuming it will happen.

An hon. Member: Oh, you are assuming!

Mr. Blenkarn: There has hardly been a year in the history of this country where there has not been some change in the Income Tax Act with reference to persons or corporations. So, I assume that tomorrow night we will have evidence again of a suggestion and a total review, perhaps a sunset on the old system, and a new system coming forward with respect to how the taxes are to be levied on us as individuals and on the corporations of this country. Really, this is not a place for a sunset law at all. A sunset law should apply to items of expense and to items of government programs. This is not a matter for a government program. It is a matter of a tax allowance to individuals who happen to own their own homes.

I was most interested in terms of a housing policy, particularly with the hon. member who suggested that it seems to be the policy of the Liberal party to have capital gains taxes on single family houses, an imputed rate charge or something of that nature. If that is their policy, I would like to hear about it. Their last policy was AHOP. Their other policy was MURB. That looked after all their wealthy friends, but we have not had a concrete proposal from them other than a proposed sunset provision. Clearly they can do better than that.

They complained that this statute visualizes a change in the Income Tax Act for a four-year period. All right, that is what it visualizes. But there is nothing to prevent them from going to the people of Canada, after the act is passed, after they have amassed their friends in the New Democratic Party, and perhaps defeated us, because we are a minority government, and making it their policy in an election that this will be abolished.

In the last election this party laid out a plan of income tax allowance to home owners and a plan of tax allowance to home owners in respect of municipal taxes. We set it out in fair detail to all the people who voted in the country. We are now producing this plan. The other day they said that we have been in government for six months and have not done anything. Well, here is a thing we are doing; here is what we promised. If they do not want it that way, they can come out with a party policy in the next contest we may have, perhaps in three or four years after the act is fully in place. They can say that they do not want anything for the home owner. They can say that they do not want anything in terms of a tax allowance.

The hon. member for Davenport said that this provision does nothing for people who own their own homes absolutely. First I should like to tell him that if they are positive taxpayers they get an allowance against municipal taxes.

An hon. Member: It is $67.

Mr. Blenkarn: It will be $67.50 this year, and in four years from now it will be $250. That is 25 per cent of a $1,000 tax bill. That is a pretty good allowance, and it covers most of the houses in this country.

Some hon. Members: Hear, hear!

Mr. Blenkarn: When a person owns his own home, one of the things he wants to do is to be able to sell that home when he can no longer look after it, must sell it and perhaps rent an apartment. This tax measure increases the saleability of houses for people who have paid for their homes. Let us not forget that factor. The saleability of their homes is increased because the buyer can go out and borrow on a mortgage to pay them off, to buy the property and to deduct from his income tax payable part of the cost of carrying his mortgage. There will be a 2 per cent or 3 per cent, or in some cases, a 4 per cent allowance off his 12 per cent interest factor which he will pay on his first mortgage. It is an important allowance. It makes the homes of senior citizens or people who have paid off their homes, more saleable on the market, and increases the mobility of property. That allowance to many people will be equivalent to $125 per month. It makes it possible for them not to have to be renters, but they can be owners. Surely our social policy is to make it possible for people to own a piece of Canada and be a part of Canada.

Some hon. Members: Hear, hear!

Mr. Watson: Mr. Chairman, Bill C-20 will permit the government's mortgage interest and property tax credit plan to begin in the current taxation year. It will provide a maximum tax credit of $312 for mortgage interest payments, and a flat credit of $62.50 for property taxes in the first year. These credits will rise to $1,250 per year on mortgage interest, and $250 on property taxes when finally phased-in in the fourth year. The tax credits are deducted directly from federal taxes payable.

The tax credit for mortgage interest will be 25 per cent of the first $5,000 of interest paid, to a maximum tax credit of $1,250. Unfortunately the property tax will be a maximum flat rate of $250. It is set at that level because, while the government recognizes a significant interprovincial variation in provincial property taxes and tax relief measures, it does not seem to recognize fairness would require that there be a variation in the property tax credit as well.

Thanks to the criticism by the Liberal party, particularly directed to the original plan contained in the Conservative election platform, at least Bill C-20 is fairer than the original one proposed. The plan no longer contains a straight deductibility of interest from mortgage payments but has substituted tax credits.

The Americans have had a mortgage interest deductibility system in place for 66 years. But a large majority of American Congressman and Senators, both Republican and Democratic, feel that their system is inequitable, benefits above all the wealthy, yet is almost impossible to change, let alone eliminate, because of the large numbers of taxpayers who perceive that they benefit from the system.

Why did I vote against this bill at second reading? It was primarily because Bill C-20 is unfair to so many Canadians. There are 7.5 million households in Canada, but 4.4 million homes in Canada are occupant-owned. The remaining are rented and are not eligible for the benefits of this bill.

Some hon. Members: Oh, oh!

Mr. Watson: But unfairness to renters is only part of the inequities contained in this bill. Forty per cent of Canadian home owners do not have mortgages. There are more than 1.8 million Canadian home owners, many of them senior citizens, who do not have mortgages and will be ineligible for the mortgage interest tax credit. It is true that they will be eligible for the $250 municipal tax credit, but if they live in Quebec or in certain other areas of Canada where financing of municipal services is not included in house mortgages but is handled through the municipal tax system, the municipal taxes are consequently much higher and those people in those areas are doubly adversely affected.

• (2150)

[*Translation*]

The mortgage tax credit represents a rather large percentage of total property tax in certain parts of Canada. However, in Quebec the system for financing municipal services is quite different. Up until recently the price of land in Quebec did not include the cost of municipal services. The cost of services was covered by municipal tax bylaws which means that, in general, in Quebec the cost of municipal services is not included in the mortgage and is paid with the annual municipal property tax. Municipal services in other provinces are usually included in the price of the land and consequently are part of the mortgage.

Bill C-20 gives a proportionately much higher write-off in respect of mortgage interest than in respect of municipal taxes so home owners in Quebec are seriously disadvantaged by the provisions of Bill C-20. I ask the minister to consider an amendment whereby people in those areas of Canada where municipal services are financed by local tax by-laws and taxes rather than mortgages would have their property tax credit increased to $500. That I think could be done while at the same time keeping the maximum tax credit at $1,250, and that would ensure a much more equitable distribution of the benefits of this bill among the taxpayers in all areas across Canada.

[*English*]

I note that the Prime Minister is in the House and, if I may attract his attention for a minute, I would propose an amendment which I think should come from the government as it would involve an expenditure of money in a slightly different way from that contained in the bill, but not very much different. It flows from the difference in municipal tax financing arrangements which exist in Quebec as compared with those of other provinces.

To make it very clear, what happens when a new development is built in Quebec, is that instead of having the municipal services included in the cost of a lot, these services are financed by municipal bylaws which apply to a street that is being developed, and the buyer of a home, instead of having the lot cost more with the mortgage subsequently higher, pays a lower cost for the lot and a lower cost for the home, but pays

the cost of the services through municipal taxes. In Quebec the situation is that in almost every instance municipal taxes are double, or more, what they are elsewhere, but mortgages are less.

If the government really wants to be fair about this, I suggest a method that would be fair would be to allow, without specifying one province but simply specifying those areas in Canada where that type of municipal financing exists, the mortgage tax credit for municipal taxes up to $500 instead of $250, maintaining at the same time the present maximum of $1,500.

The Chairman: Order, please. The hon. member is actually putting forward a proposal which is not related in any way to the amendment before us. The hon. member made a speech on second reading. I have been very lenient, but the hon. member has not said a word about the amendment now before us, which proposes to limit the effect in time of the bill before us. The hon. member must understand that if I let him continue in this way it would be impossible for the committee to progress, and that would be quite unfair to other members. We have an amendment before us and I would hope that the hon. member will relate his remarks, at least to some extent, to that amendment.

Mr. Watson: Thank you, Mr. Chairman. I was taking advantage of the fact that the Prime Minister was present. I wanted to put that message across to him. I hope the government will have an opportunity to reflect on it in the next few hours, as I feel it would make the bill more equitable.

An hon. Member: Why don't you spend the money on sewers?

Mr. Watson: Let me return to clause 1 of the bill, Mr. Chairman, and I will refer to it in a general way. Many of our senior citizens are being forced from their homes by skyrocketing municipal taxes and do not have sufficient income to be paying income taxes and, therefore, are ineligible for the benefits offered by Bill C-20.

What does the present government want to do? Does it want to force older people out of their homes into senior citizens' homes built at public expense? Is this an adequate conception of social consciousness and fiscal responsibility? Does this make sense?

I voted against the bill on second reading because I believe it to be fiscally irresponsible, particularly when we compare the eventual $3 billion cost of this program in the fourth year with the total cost of CMHC programs in 1978, I believe some $600 million. Many of those programs covered with that $600 million were unfortunately phased out at the beginning of this year by the previous government in the name of fiscal responsibility and, in my view, in a mistaken concession to provincial requests to vacate the urban affairs field.

I would ask the government to think for a moment of the wide variety of programs that were providing benefits through the use of this reasonable amount of money, as compared with what is being proposed under this bill. Those programs ranged from 25 per cent of the cost of sewage disposal and storm sewers, to the Neighbourhood Improvement Program and many subsidy and grant programs. Somebody over on that side was making fun of this idea of assisting in the cost of sewage disposal plants, but if he were to ask the municipal manager of any town, the town council, or the mayor, about what they thought about this program, I think he would get a different kind of reaction than that expressed by members opposite.

This $600 million included programs such as the Neighbourhood Improvement Program, rental subsidies, subsidies for low and medium-income families and senior citizens. All of these subsidies, grants and initiatives, including CMHC direct loan and loan guarantee programs, cost the taxpayers a total of $600 million a year.

[*Translation*]

With that amount, we were able to fund a series of programs, for example, the New Communities program, the Land Assembly program, the Assisted Home Ownership program, the Non-Profit Housing Corporations Assistance program, the Co-operative Housing Assistance program, the Neighbourhood Improvement program, the Residential Rehabilitation program, including restoration assistance, buyer protection. There was a whole series of programs available to municipalities, benefits—

• (2200)

[*English*]

The Chairman: Order, please. It being ten o'clock, it is my duty to rise, report progress, and request leave to consider the bill at the next sitting of the House. Is that agreed?

Some hon. Members: Agreed.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AIR TRANSPORT—PROPOSED SALE OF NORDAIR—CONSIDERATION OF BID OF EASTERN PROVINCIAL AIRWAYS

Mr. Howard Crosby (Halifax West): Mr. Speaker, on December 5, 1979, I asked the Minister of Transport (Mr. Mazankowski) in this House whether the proposal of Eastern Provincial Airways to take over Nordair was under consideration and when a decision would be made. In response the minister confirmed that the disposal of Nordair was being

considered by the cabinet. This fact was subsequently confirmed by the Prime Minister (Mr. Clark) in the House.

My motive in asking the question and raising the matter of the Nordair takeover is clear. Many hon. members from Atlantic Canada, including myself, have a real interest in the continued growth, development, and expansion of EPA. We think that it is important that Canadians are made aware of the relevant facts.

It is appropriate to note that a few years ago during a major expansion, EPA relocated its main operational centre in Nova Scotia at the Halifax international airport. Today EPA has more than 300 employees in the area and spends more than $10 million locally. I am proud to say that many of those EPA employees—pilots, cabin crews, air mechanics and others—reside in the constituency of Halifax West.

Let me review very briefly the history of the Nordair matter. In the fall of 1977, or thereabouts, Air Canada acquired 84.6 per cent of the shares of Nordair, more than sufficient shares for effective control. The cost was said to be $12.50 per share, or more than $23 million in total. It was clear that continued ownership by Air Canada was not consistent with the policy for regional air carriers. Thus, Air Canada was directed to sell, although Nordair continued to operate as an air carrier.

Meanwhile, EPA continued to develop as an effective and responsible air carrier, but it suffered from the constraints of its operation—short, unprofitable routes, and lack of access to the more lucrative markets. Only recently has Eastern Provincial Airways been granted a direct route between Halifax and Montreal, but it has no access to Toronto and western Canada. EPA's future depends on an opportunity to expand its operation and gain access to these important air markets. The takeover of Nordair would provide that opportunity.

Nordair operates in Quebec and Ontario and has extended routes to Winnipeg and to Frobisher Bay in the north. It has a fleet of Boeing 737's which are compatible with EPA's similar fleet. Both are active in charter flights. The combined operation would provide economies of scale that would allow first class service on major routes and provide the possibility of improved services on the local routes for both passengers and freight. The end result of such a takeover is a strengthened regional carrier for eastern Canada, and improved public service with better route facilities and equipment.

For once an east coast firm would expand westward, and we would have a financially sound major air carrier in Atlantic Canada that would foster further development in the region. Unfortunately, little public attention has been focused on the situation, and the support that exists for EPA has not surfaced. That is not so in Quebec. The hon. member for Matapédia-Matane (Mr. De Bané) has been publicly reported as advocating a takeover of Nordair by Quebec interests. According to reports, he says that Nordair should be turned over to Francophone interests so that French Canadians will control at least one major airline.

[Mr. Crosby.]

I ask the government to reject that view. I ask the cabinet to give full consideration to the EPA proposal and decide in favour of Atlantic Canada by providing us with a major air carrier.

● (2205)

Mr. Otto Jelinek (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I should like to compliment the hon. member for Halifax West (Mr. Crosby) for being able to document his position regarding Eastern Provincial Airways and also to congratulate him on being able to squeeze three questions into the one he put to the minister on Wednesday, December 5.

The three questions concerned the proposed sale of shares in Nordair. They were, first, whether the proposal by Eastern Provincial Airways was under active consideration; second, what other proposals were under consideration; and, third, when a final decision on this matter could be expected. According to the hon. member, these questions were prompted by an article he read in the *Canadian Aviation* magazine wherein the minister is said to have indicated, and here I quote the article, "That he (the minister) was ready to make a decision on the sale of Nordair to one of the bidders, which includes Eastern Provincial Airways". In fact, as the hon. member knows, the Minister of Transport (Mr. Mazankowski) stated last Wednesday in response to the member's question that the matter of the disposal of Nordair was under cabinet consideration and that a decision was expected soon. I am advised that as of this evening, this is still the case.

With respect to whether or not EPA is under active consideration, I should like to say that all the proposals made have been carefully examined, including EPA. Of course, it is not possible for me to speculate tonight on what the outcome of cabinet's deliberations might be, but as far as the minister is concerned the course of action finally taken will have been based on full consideration of all the relevant factors, including all the proposals.

On the question of who the other proponents are, they and their proposals are treated as matters of a commercially confidential nature, unless the parties themselves have made this information public. Some have done so and some have not. Those reported in the press, and I confirm here, as interested buyers are: jointly A. F. Lizotte Inc., Makivik Corporation, La Fédération des Caisses d'entraide économique TIW Industries; jointly EPA, Algoma Central Railway and Quebec interests represented by Mr. J. C. Hebert; jointly Québecair, Société d'investissement Desjardins and other interests.

The cabinet, of course, will decide on what course of action the government will follow in the disposition of Nordair shares. This could conceivably involve a course of action other than simply a choice from among the proposals received to date, as a variety of options are open to the government.

I want to add, in closing, that as I mentioned in this House a couple of weeks ago the sale of Nordair will also be subject to the regulatory process.

[*Translation*]

UNEMPLOYMENT—ALARMING SITUATION OF THE UNEMPLOYED—REQUEST FOR ANNOUNCEMENT OF GOVERNMENT POLICY

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, this evening, I should like to deal once again with the problems of the unemployed in my riding of Madawaska-Victoria and northwestern New Brunswick generally. The problem I bring up also affects many other areas of Canada. Mr. Speaker, this is the second time I have brought up this matter on the motion for adjournment. The first time, neither the Minister of Employment and Immigration (Mr. Atkey) nor his parliamentary secretary deigned to grace this House with their presence and deal with the matter. Tonight, I notice their absence once again, with considerable regret and bitterness.

The first time I brought up this question on a motion for adjournment, the Parliamentary Secretary to the Postmaster General and Minister of the Environment (Mr. Reid) had been delegated to read the text prepared by the civil servants or someone else, probably the political advisers, in the office of the minister. In any event, the general tone of the answer to the questions I brought up at that time indicated that the government and its spokesmen are merely, as I have said repeatedly before, making politics on the backs of the poor seasonal workers now unemployed in northeast New Brunswick and elsewhere. The problem is very simple, Mr. Speaker. Last year, Parliament passed Bill C-14 to amend the Unemployment Insurance Act. The main purpose of that bill was to tighten up the unemployment insurance system with a view to putting a stop to the abuses from which it suffered. Members were well aware of such abuses.

● (2210)

This afternoon, I was speaking in private with the Parliamentary Secretary to the Minister of Employment and Immigration (Mr. McCrossan) and he told me that we were right in proposing this kind of amendment to the unemployment insurance scheme, and that it was not so much in the Atlantic region, in the maritimes, in the have-not provinces but in the rich, industrial regions that abuses took place. It was in those regions that there were abuses. And it is generally from there that we hear complaints about abuses to the system, not from the poorer Atlantic region.

But what puzzles me is that the minister, playing the political game, tries to blame the former government, the members on this side who voted for that legislation. What he forgets to say, however, is that it is he and his government who were elected last May 22 and who deliberately proclaimed the coming into force of sections 17 and 35, I believe, of the Unemployment Insurance Act. Originally, those sections were to come into force in June. The minister delayed the proclamation so that those sections, which specify economic regions under the act, would come into force on July 1, 1979. So I cannot understand how the minister can try to blame members on this side of the House for all the wrongdoing which may exist under the present application of the act, since it is he and no one else, he and his government who proclaimed the regulation and the other sections of the act. He must, therefore, assume full responsibility for it. It is about time for the minister to wake up and lend a sensitive ear to the plight of these seasonal workers.

Tonight also, Mr. Speaker—it is probably the Parliamentary Secretary to the Postmaster General and Minister of Environment who will again reply to me, as he is also the hon. member for the Niagara area—I should like to remind him that these seasonal workers who are no longer eligible for unemployment insurance benefits must leave their homes, cover sometimes a distance of over 700 miles and travel to his region in the Niagara peninsula and elsewhere in southern Ontario to help in the harvesting of vegetables, and I think it is quite unacceptable that a parliamentary secretary who is not really involved in the situation should be called upon to reply to me.

Mr. Speaker, I suggest that the Minister of Employment and Immigration is evading his responsibilities and I accuse him of not assuming the duties he agreed to carry out under his oath of office. And I regret that his parliamentary secretary who has been appointed by the minister to look into the shortcomings of the legislation and propose amendments to this act would not condescend either to come to the House to reply to an hon. member, preferring instead to send a third-rate "master-of-all-trades" to deal with something he does not know anything about. That is an insult to Parliament, an insult to the member for Madawaska-Victoria and an insult to the constituents I represent in this House. Never mind what the parliamentary secretary will tell us tonight, Mr. Speaker, I dismiss it because I feel it does not constitute at all a serious effort on the part of the government concerning the situation that prevails in my area. And if it is not the Parliamentary Secretary to the Postmaster General and Minister of Environment who answers but another one I will address to him the same remarks.

I blame the government for its lack of consistency in that situation. It is a government which does not want to govern, it is a government of students, an extremely boring government which does not have the courage, the guts and the inclination to care about the problems facing Canadians. It is a government simply interested in achieving strictly partisan objectives and which are agreeable to its political supporters. He did not show any interest in the workers of New Brunswick, the Atlantic provinces and Madawaska in particular. That is quite regrettable, Mr. Speaker.

● (2215)

Mr. Deputy Speaker: I regret to interrupt the hon. member but his allotted time has expired. The hon. Parliamentary

Secretary to the President of the Privy Council (Mr. Kilgour) has the floor.

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the time allotted to me is short so I will speak English to express myself more rapidly.

[*English*]

The parliamentary secretary to the minister in question is sick tonight. He left to go home to his bed and I am replying for him. The minister, also, is sick. I heard the cheap jibe from across the way that he was here this afternoon. Well, maybe he was here but he was sick.

Mr. Corbin: The government is sick.

Mr. Kilgour: Mr. Speaker, the minister promised to respond further with respect to the difficult situation in Edmundston, New Brunswick. I understand there have been no further demonstrations in Edmundston and I am informed the situation there is now stable. As was said, the situation in Edmundston is a difficult one and one of the reasons is legislation which was passed by the previous government. I refer specifically to the repeater provision in the Unemployment Insurance Act.

Members on this side of the House, when in opposition, fought against this provision, which was imposed by the previous government under Standing Order 75C. I am informed that the minister and deputy minister recognized the difficulty but that the cabinet decided no changes were to be made. In these circumstances it is sheer hypocrisy on the part of the hon. member for Madawaska-Victoria (Mr. Corbin) to pretend that this repeater provision was not enacted by the government of which he was a supporter.

Tomorrow, a federal-provincial meeting will take place at which changes will be discussed, and I trust agreement will be reached so that the repeater provision which is causing harm in Edmundston may be altered. In this, we hope to receive support from all provinces.

The hon. member, in his question, himself admitted, as can be seen if one looks at the record, that this question has gone on for over a year. In other words, he admits that the factors giving rise to the difficulties in Edmundston arose prior to the change of government. Of course, the lack of job opportunities is also causing problems, but we cannot resolve the problems of the past 11 years overnight. A review process has been initiated by the Minister of Employment and Immigration (Mr. Atkey) to look at the provisions of the legislation and to bring forward amendments.

With regard to the Canada Works program, 400 jobs have been approved for the constituency of Madawaska-Victoria. Attempts are being made to work with the provincial department of labour and use additional funds in that area. I see, Mr. Speaker, that my time is up.

[Mr. Deputy Speaker.]

• (2220)

[*Translation*]

EMPLOYMENT—CANADA WORKS PROGRAM—REQUEST FOR SUPPLEMENTARY FUNDS

Mr. André Maltais (Manicouagan): Mr. Speaker, I thank you for giving me the floor. I am very nearly embarrassed to speak before such a large assembly.

My question this evening is very important and concerns phase IV of the Canada Works program. The question that I want to ask this evening of the spokesman for the minister is this: will the Minister of Employment and Immigration (Mr. Atkey) really inject additional funds in the province of Quebec to counter the rising unemployment rate, which will certainly go up even more this winter?

I raised this question for the first time on November 13, and absolutely nothing has been done since then, even though these existing difficulties have been compounded by major ones in my riding in early fall.

An important development has occurred recently in my area, namely, the closing of ITT Rayonier, Quebec. Over 1,500 people have lost their jobs and we have not yet been able to find any answer to create direct short-term employment.

Mr. Speaker, is it normal that to this date there has been no new development in the case of ITT Rayonier, Quebec, concerning job creation through Canada Works since I advised the minister of the serious difficulty this specific case was causing to the people of my riding more than one month ago? When 1,500 people lose their jobs, it means that 6,000 people will be affected. This is therefore an extremely serious problem and even a real tragedy for the people of Port-Cartier.

I recall quite well that on November 13 I asked the right hon. Prime Minister (Mr. Clark) whether he had a solution to suggest in the specific case of Port-Cartier. He replied that he was himself looking for short-term answers to solve the problems caused by the closing of ITT Rayonier, Quebec. Phase IV of the Canada Works program provided opportunities for short-term solutions for these workers, but we have never received any reply, either in the negative or in the affirmative, from the Prime Minister.

I would therefore simply like to register that the people in our area have been discriminated against with regard to phase IV of the Canada Works program this fall. Amounts of approximately $2.6 million were allocated because of unemployment levels exceeding 16 per cent. This unemployment rate prevailed in the middle and lower North Shore and most projects were supposed to be aimed at this area.

Because the ITT plant closed down in Port-Cartier, a number of projects evidently had to be directed to that city, although the minister should have attempted to find extra funds to cope with that special problem. This is becoming unfair, Mr. Speaker, taking away moneys provided for a

certain observed rate of unemployment when there is an extra problem, trying to solve a superimposed specific problem with regular funds.

I therefore ask the minister's representative this evening whether it is possible, yes or no, to have an extra $400,000 for the people in Port-Cartier under the Canada Works program with a view to directly and concretely helping the people in that municipality. I feel it is unjustifiable and shameful to use the money provided for a given population without finding extra solutions to help people with extra needs. To be fair, the minister should use that $2.6 million for the people on the lower and middle North Shore, and add $400,000 for direct help to the people in the municipality of Port-Cartier.

In view of the late hour, I simply ask the minister to give a clear answer to those two questions: what concrete means will the minister use to create direct employment under the Canada Works program in Port-Cartier because of the ITT closedown? And when will the minister have his answer available? If clear thinking leads to clear speech, I ask the parliamentary secretary to give us the clearest possible answer.

• (2225)

[*English*]

Mr. Bob Jarvis (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I would certainly agree with the hon. member for Manicouagan (Mr. Maltais) that there is injustice in unemployment and that there is a great deal of injustice in his particular riding, an injustice created by five years of chronic unemployment, five years of excessive government spending, and five years without any programs that would come anywhere near to grips with the problems which exist in my friend's riding.

Some hon. Members: Hear, hear!

Mr. Jarvis (Willowdale): I would advise the hon. member that, first of all, with respect to his original question, there may have been an incorrect impression. The current budget on Canada Works for this fiscal year, exclusive of administration, is $134 million, to which must be added $18 million specifically earmarked for the Local Employment Assistance Program. I would further advise the hon. member that the proposal for the next fiscal year is to increase the Local Employment Assistance Program to $30 million, and it is our government's opinion that more emphasis on that program would be in order rather than on the Canada Works program.

I would remind the hon. member of the answer given by the minister when this issue was debated previously and the response to a particular question on the same issue in which he said no additional moneys would be provided for the Canada Works program. The object of the government's policy is to increase the capacity of the private sector to stimulate employment, particularly in the youth areas, as a long-term solution to this problem.

The program for 1980-1981 will reflect the government's particular concern for youth and our intention to strengthen the private sector's capacity to create permanent jobs. We are establishing a youth employment secretariat which will have the task of developing a coherent federal youth employment policy by co-ordinating the mixture of youth employment programs now in place, thus ensuring the most effective use of our resources. Consistent with the government's campaign promises, we will also be developing additional ways in which private sector employment opportunities can be provided for youth, and we will be providing training programs for at least 120,000 young men and women.

In addition, our government intends to establish a national youth service program. The government will also ensure that attention continues to be given to meeting the particular needs of groups and individuals who have special problems in securing and keeping jobs. New initiatives have all been the topic of consultation with the governments of the provinces of Canada and subsequently will be presented in more detail in the debate on the budget. If my friend would wait for the budget speech which is scheduled for tomorrow, I am sure he will have more specific answers to a chronic problem that has been with us a great deal of time and has not been given attention before this budget.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Tuesday, December 11, 1979

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*Translation*]

ENERGY

REQUEST THAT GOVERNMENT PROTECT INDEPENDENT OIL DISTRIBUTORS AGAINST MULTINATIONALS—MOTION UNDER S.O. 43

Hon. Marc Lalonde (Outremont): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

In view of the fact that some multinationals have reduced the volume of oil made available to independent distributors and, in some cases, have already warned those independents that they would no longer supply them, thus driving them to bankruptcy, in view of the fact that the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) has failed to obtain from those multinationals a firm commitment that no independent gas station would experience a reduction or cut in supplies which would not also be applicable to gas stations under their control, in view of the fact that the Prime Minister (Mr. Clark) has failed to honour his public commitment of November 6 to the effect that independent distributors would not suffer any supply cut, I move, seconded by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand):

That the House condemn the Minister of Energy, Mines and Resources for his lack of energy in protecting independent distributors against the activities of multinationals, condemn the Prime Minister for having reneged on still another promise, thus adding to the long list of broken promises made by his government, and finally condemn the member for Beauce for having been naive enough to believe in such a promise made by the Prime Minister.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—POLICY TO PREVENT POLLUTION OF FARM CROPS—MOTION UNDER S.O. 43

Hon. J.-J. Blais (Nipissing): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. Farmers in southern Ontario may be comforted by the conclusion contained in a recent study conducted at the University of Guelph, indicating that acid rain does not harm farm crops in southern Ontario. However, recognizing that northern Ontario has potential farmland totalling more than 12 million acres, and that northern Ontario farmers face high acidity levels in their soil caused by sulphur emissions in the United States and Canada, I move, seconded by the hon. member for Thunder Bay-Nipigon (Mr. Andras):

That this House urge the Minister of the Environment to advise his Ontario counterpart as well as himself that northern Ontario represents 90 per cent of the total provincial land mass and that it should be given top priority in the formulation of environmental policies dealing with the problem of acid rain.

Mr. Speaker: Standing Order 43 permits the presentation of such a motion for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

EXPENSES OF CONSERVATIVE CAUCUS ON GRAIN TRANSPORTATION—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a motion under Standing Order 43 which I hope is supported by the Prime Minister (Mr. Clark). It arises out of Your Honour's words of wisdom in the House yesterday, when Your Honour commented that the practice of supporting from public funds a committee composed of members of only one caucus was a rather dangerous practice to embark upon. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House calls upon the Progressive Conservative Party of Canada to reimburse the federal treasury the $9,161 of taxpayers' money which was spent on the grain movement task force which was composed of only three members, all three of whom were members of the Progressive Conservative caucus in this House.

Mr. Speaker: This motion can be introduced for debate only upon unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL ENERGY BOARD

APPLICATION OF B.C. HYDRO FOR EXPORT LICENCE—MOTION UNDER S.O. 43

Mr. Bob Brisco (Kootenay West): Mr. Speaker, in view of the fact that the National Energy Board has misled this House by indicating in a letter that the hearings on B.C. Hydro's application for an export licence would be held in the spring, in view of the fact that the hearings commenced this morning in Vancouver, and since the ridings of Kootenay East-Revelstoke and Kootenay West may be seriously affected by the decision of this hearing, I move, seconded by the hon. member for Kootenay East-Revelstoke (Mr. Graham):

● (1410)

That this House recommend to the National Energy Board that the hearing be adjourned until the spring of 1980, as promised.

Mr. Speaker: This motion can be presented at this time, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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INDIAN AFFAIRS

DISMISSAL OF JUDGE MARJORIE CANTRYN—MOTION UNDER S.O. 43

Mr. Arthur Phillips (Vancouver Centre): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. It has come to my attention that Judge Marjorie Cantryn of the Citizenship Court in Vancouver has received a letter signed by the Secretary of State notifying her that her appointment had been terminated. No reasons were given by the minister.

Since she has served the community well as executive director of the Vancouver Indian centre, a member of the Vancouver police commission and in many other ways as an active native Indian citizen, I move, seconded by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand):

That the government immed'ately reconsider its decision on this matter.

Mr. Speaker: This motion can be presented for debate at this time, pursuant to Standing Order 43, only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

PETRO-CANADA

CALL FOR RETENTION OF CORPORATION AS VEHICLE FOR CANADIAN INVESTMENT—MOTION UNDER S.O. 43

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I rise under the provisions of Standing Order 43. In view of the fact that an additional 2,400 barrels of oil a day has been discovered at the Hibernia well off Newfoundland, in view of the fact that this is very close to a commercial find, and in view of the fact that Petro-Canada is the only Canadian-owned investor in that well, I move, seconded by the hon. member for York West (Mr. Fleming):

That this House calls upon the government to immediately renege on its promise to dismantle Petro-Canada and retain that organization as a vehicle for Canadian investment in its own resources.

Mr. Speaker: The introduction of this motion for debate, pursuant to Standing Order 43, requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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HEALTH AND WELFARE

STUDY OF SERVICES FOR NORTHERN CANADIANS—MOTION UNDER S.O. 43

Mr. Peter Ittinuar (Nunatsiaq): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. In view of the fact that the state of medical services for people in northern Canada is well below that of the general Canadian population, and in view of the fact that this government has not moved to upgrade medical and health services in the north, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That the Minister of National Health and Welfare undertake immediately to conduct a comprehensive, in-depth study of the needs of northern people relating to health care, with a view to improving the accessibility of medical services throughout the north.

Mr. Speaker: This motion can be presented, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

DISBURSEMENT OF FUNDS FOR RELIEF OF STARVING PEOPLES—MOTION UNDER S.O. 43

Mr. Peter Stollery (Spadina): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the problems which the Secre-

tary of State for External Affairs is having meeting Canada's commitment to the United Nations of $15 million for Cambodian relief, and the fact that a substantial part of this money is being taken from the boat people to whom it was given after it was taken from Canadian employment programs, I move, seconded by the hon. member for Sherbrooke (Mr. Pelletier):

That the President of the Treasury Board reconsider the efforts of the Secretary of State for External Affairs to get such a relatively small amount of money appropriated, and not pursue his present course of telling her to take relief money from one group of starving people so that she can give it to another group of starving people.

Mr. Speaker: This motion can be presented for debate only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

REQUEST FOREIGN AID BE WITHHELD FROM TANZANIA—MOTION UNDER S.O. 43

Mr. Bill Wightman (Scarborough West): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. Given that the government of Tanzania has confiscated the property of S. Hassanali, a Canadian citizen, and that, despite having acknowledged this debt in writing, the government of Tanzania has withheld payment for more than three years. I move, seconded by the hon. member for Scarborough East (Mr. Gilchrist):

That the Government of Canada withhold foreign aid from the government of Tanzania until restitution has been made to Mr. Hassanali and any other Canadian citizen who has suffered confiscation of property and funds at the hands of the government of Tanzania, and that in determining which countries shall receive assistance, Canada's foreign aid policy take full account of unlawful actions perpetrated against Canadians.

Mr. Speaker: Is there unanimous consent for the presentation of this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1415)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SPEAKER OF LEGISLATIVE ASSEMBLY OF NORTHWEST TERRITORIES

Mr. Speaker: Before beginning the oral question period, I invite hon. members to join with me in signalling the presence in our gallery of a very distinguished visitor in the person of my colleague from the Legislative Assembly of the Northwest Territories, newly-elected Speaker Robert H. MacQuarrie.

Some hon. Members: Hear, hear!

Oral Questions

ORAL QUESTION PERIOD

[*English*]

FINANCE

BUDGET SECRECY—SPECULATION IN TV PROGRAM

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, in the absence of the Minister of Finance, I should like to direct a question to the right hon. Prime Minister. In light of the very serious speculation on television last night to the effect that there was to be a serious change in the level of corporate taxes in the budget tonight, can the Prime Minister assure the House that the necessary measures were taken for tonight's budget to ensure that there was no leak, because these things can lead to a lot of speculation in the market?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the Minister of Finance was concerned about any speculation upon the contents of the budget. He has looked into the matter and he is satisfied that, in fact, all the traditional precautions have been taken to prevent any advance leak of elements of the budget.

Mr. Chrétien: Mr. Speaker, can the right hon. Prime Minister assure this House that there was absolutely no discussion about the level of the increase in gasoline tax that, it is speculated, will be implemented tonight, in view of the fact that the oil industry decided to jump the gun on the government last week and increase its prices before the government in its budget tonight increases the level of prices of gasoline in Canada?

Mr. Clark: Mr. Speaker, I can assure the House and the hon. member that there has been no discussion of the level of any increases although, as the hon. member will know, there has been extensive speculation for some time about price increases of various kinds.

BUDGET SECRECY—NEWS REPORTS ON INCREASE IN PRICE OF GASOLINE

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, my question is for the Prime Minister and follows on those asked by my colleague. At the very least there is a general expectation of a hefty raise in the excise tax on gasoline this evening. In light of the very precise news reports this morning that the increase will be 25 cents a gallon, and in light of reports that some service stations across the country—perhaps many—already are raising their prices today in anticipation of this tax increase tonight, can the Prime Minister tell us what steps the government will take to protect consumers in this situation?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I am not really quite sure what information that question was designed to elicit. Naturally, I will not comment upon speculative stories which have appeared. I think it would be wise as a general rule in the case of this budget, as in the case of past

budgets, that Canadians let their actions be guided by what is said in the budget at the time of its presentation rather than by speculation about it.

Mr. MacGuigan: Mr. Speaker, will the Prime Minister at least assure the House that if profiteering occurs on the part of service stations in parts of the country today, an investigation will subsequently be conducted?

Mr. Clark: Mr. Speaker, that is a very hypothetical question. I have indicated already to the first questioner who raised the matter in the House today that we have been looking into the question as to whether the traditional protections against budget leaking have been put in place. They have been put in place, and to our understanding they have been respected.

Mr. Speaker: On a supplementary, the hon. member for Windsor West.

Mr. Gray: Mr. Speaker, my question is not supplementary.

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ORGANIZED LABOUR

NOVA SCOTIA—ALLEGED CONTRAVENTION OF ILO CONVENTION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Labour. In view of the fact that the government of Nova Scotia has introduced the infamous Michelin bill, which in effect indicates that all workers in interdependent plants must be organized by the same union and at the same time, that this legislation is contrary to convention 87 of the ILO, of which Canada is a signatory, as well as contravening all labour legislation in this country, including the federal Labour Code, could the minister tell the House what his reaction is to this sort of legislation and whether he intends to use this as a model for future changes in the Canada Labour Code?

● (1420)

Hon. Lincoln M. Alexander (Minister of Labour): Mr. Speaker, surely the hon. member would not want me to make a comment on something that is purely within provincial jurisdiction—and there is no question about that. I think what the hon. member has referred to is broader-based bargaining. As the hon. member may recall, a report was handed down in the past year or so, the Bairstow report, that indicates this is a matter that should be under intensive study by the federal government.

I can assure the hon. member that this matter, in terms of wider-based bargaining, is under intensive study but we certainly do not intend to take any leadership from any province. In short, I know the hon. member was just playing jokes when he asked me to make a comment on a subject that is purely within provincial jurisdiction.

Mr. Rodriguez: Mr. Speaker, my supplementary question is directed to the Prime Minister. In view of the fact that ILO convention 87 was signed by Canada, not the province of Nova Scotia, in view of the fact that the federal government is involved with the Michelin Tire Company in that it has given considerable amounts in DREE grants, in duty-free concessions and in accelerated depreciation on capital costs to Michelin company, and in view of the fact that this same company has an application for more of the same from this government, can the Prime Minister assure the House that he will not sign any agreements with the company which is so obviously flying in the face of civilized labour legislation, not only in Canada but in the world?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, in his enthusiasm the hon. member has, I am sure, noted that jurisdiction for signing international agreements rests with the federal government; but, as the Minister of Labour indicated, the jurisdiction in this particular matter in dispute rests with the provincial government.

Mr. Rodriguez: Mr. Speaker, I asked the Prime Minister a specific question and I repeat it because I did not get an answer the first time. In view of the fact that the federal government has been very generous with Michelin Tire Company in the past, vis-à-vis DREE grants and all sorts of other concessions, in view of the fact that this company now has an application before this government for more grants of the same kind, and in view of the fact that what is being perpetrated in Nova Scotia is a blot against the escutcheon of Canada in respect of labour relations, I want to ask the Prime Minister whether he will use that leverage to get some concessions from the company in respect of the signing-up of workers outside the interdependent plants.

Mr. Clark: Mr. Speaker, many of us wonder what kind of Draconian regime might be brought in by the New Democratic Party were it to form a government.

Some hon. Members: Oh, oh!

Mr. Clark: Speaking for this government, I can give the unconditional assurance to the hon. member that we will not deny federal aid or assistance to Canadian individuals, Canadian trade unions or Canadian companies simply because they might be involved in disputes within provincial jurisdictions.

Mr. Rodriguez: A final supplementary question, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Speaker: The hon. member for Windsor West.

* * *

LABOUR CONDITIONS

INCREASE IN UNEMPLOYED—GOVERNMENT CONCERN

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Prime Minister, in the absence of the Minister

of Finance. When the unemployment figures came out last month, the Minister of Finance said he was not concerned about seasonally adjusted Canadians out of work, but only about actual Canadians. The latest figures show that, although the total working force is smaller, the number of what the finance minister calls "real Canadians" out of work has increased by 28,000 over the past month.

I would like to ask the Prime Minister why the government is accepting this so easily, or are 28,000 Canadians too "squeezly-measly", to use the term of the Minister of Finance, to merit the government's real concern?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, we are very much concerned about the number of actual Canadians who are out of work, and we will be indicating in the budget tonight another major step taken by this government to bring a sense of confidence to the Canadian economy so we can get Canada back on a growth track.

● (1425)

Mr. Gray: Mr. Speaker, when the Prime Minister was leader of the opposition he said that the way to get the country on a growth track was to have a stimulative deficit or, in other words, a larger deficit. Now the Minister of Finance is saying that the only deficit appropriate for Canada is a reduced one. Can the Prime Minister provide projections today on how many more real Canadians will be stimulated out of work within the next year by Conservative action or, more likely, non-action?

Mr. Clark: Mr. Speaker, in distinct contrast to the practices followed by the former government when the hon. member was a bit player in that government, we intend to publish tonight significant forecasts as to the nature of economic performance in the country, and we intend to indicate our expectations of the impact the new policies indicated in the budget will have upon those projections.

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PETRO-CANADA

RETENTION OF CORPORATION FOR NEGOTIATIONS WITH MEXICO

Hon. Marc Lalonde (Outremont): Mr. Speaker, I would have liked to have addressed my question to the Minister of Energy, Mines and Resources or, in his absence, to the acting Minister of Energy, but in his absence and the absence of no less than ten other ministers, I will address it to the Prime Minister.

An hon. Member: He's a real sweetheart.

Mr. Lalonde: In light of the statement made in Toronto yesterday by the Mexican ambassador to Canada, to the effect that Mexico would prefer to deal with Petro-Canada in its future sales of oil to our country, can the Prime Minister tell us whether his government will finally come to its senses on the question of Petro-Canada, abandon its plans to castrate that corporation and use it fully as the government's instrument to negotiate with Mexico, or will the government again prefer to send the president of Imperial Oil on such matters, as it did last summer?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, it has been made abundantly clear in discussions with the Mexicans and, indeed, the Venezuelans that Petro-Canada is not essential as an instrument of negotiation in relation to oil between Canada and those countries. Instead of sending representatives of Crown corporations or private corporations, we intend to send the ministers of the Crown to Mexico and Venezuela in January to carry on negotiations which are close to being concluded in a way that will bring to Canada access to Mexican and Venezuelan oil supplies that eluded the former government.

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[*Translation*]

ENERGY

MEASURES TO BE ADOPTED TO ENSURE SUPPLIES OF GAS AND HEATING OIL TO QUEBECKERS

Mr. Pierre Bussières (Charlesbourg): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources, I should like to direct my question to the Prime Minister. As the Prime Minister surely knows, there has been a lockout at the Petrofina Canada Chemicals Ltd. refinery in eastern Montreal, which jeopardizes the supply of gasoline and heating oil in eastern Canada. I therefore want to know what action the government is considering today in order to truly ensure oil supplies for the people in Quebec, in light of the recent agreement?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, as the hon. member indicated, it is a lockout, a work stoppage which has caused this disruption. To date, the federal government has only stepped in to stress to all concerned the threat that this oil production stoppage poses to the Canadian people.

[*English*]

ELECTION PROMISE OF OIL SELF-SUFFICIENCY

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is to the Prime Minister. Does he agree with the statement made by the Minister of Energy, Mines and Resources on December 6 before the Standing Committee on National Resources and Public Works, that the minister expected that imported oil into Canada would continue to be about 250,000 barrels a day in 1990, or roughly equivalent to what it is now, which amounts

to an abandonment of the Conservative election promise of oil self-sufficiency by 1990? Has the Conservative government abandoned this election promise of oil self-sufficiency?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, we have certainly not abandoned that goal. We hope that there will be some enthusiasm among members on the other side of the House in supporting some of the measures including measures that will be difficult in the first instance but which will be essential to bring Canada to a position where we are self-sufficient in oil and in energy.

● (1430)

PLANS TO ACHIEVE ENERGY SELF-SUFFICIENCY

Mr. Maurice Foster (Algoma): Mr. Speaker, I have a supplementary question for the Prime Minister. The statement released today concerning the Minister of Energy, Mines and Resources meetings this week with the International Energy Agency in Paris indicated that great stress would be put on conservation. In view of the fact that in committee last week the Minister of Energy, Mines and Resources indicated that the government hoped to reduce dependency on foreign oil by 250,000 barrels per day through conservation techniques, can the Prime Minister indicate what the minister will say at the meetings this week in Paris, and what specific plans will the government introduce to achieve this goal, beyond hiking the price of gasoline by 30 cents or 50 cents in 1980?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the Minister of Energy, Mines and Resources will be in a position to answer more detailed questions on his representations in Paris upon his return.

The hon. member will recall that we raised with the premiers the very real need for a combined approach by the federal and provincial governments to putting in place not only programs of conservation but also programs that will help to find substitutes for expensive oil. Federal government officials are now in direct contact with officials of all provincial governments in order to continue the work on detailed proposals for conservation and for substitution. This will be on the agenda for further discussion when the first ministers meet on December 17 and 18.

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IMMIGRATION

SCREENING OF IRANIAN STUDENTS

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Employment and Immigration. A Southam News report has indicated an admission by John Sheardon, head of Canadian Immigration in Tehran, that only 15 per cent to 20 per cent of student applications for courses in Canada were likely to be screened. Can the minister tell me, first of all, if the news report is factual and, also, what his conception of screening entails?

[Mr. Foster.]

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, there was a slight inaccuracy in the news report. All Iranian students coming to Canada from either Iran or the United States are subject to the usual medical and other screening procedures. If there is any suggestion of impropriety, alleged terrorism or other activities, of course they are then regarded as inadmissible.

There are, of course, other requirements that apply to all students no matter what country they come from, including proof of financial capability and proof of readmissibility to their home country, as well as valid acceptance from a Canadian institution. Those instructions have been communicated by officials in Tehran.

Mr. John McDermid (Brampton-Georgetown): A supplementary question, Mr. Speaker. I should like to ask the Minister of Employment and Immigration why at the present time Canada cannot disallow the entrance of students until the situation with the United States embassy is over.

Some hon. Members: Hear, hear!

Mr. Atkey: Mr. Speaker, each individual student application is treated on its individual merits. As a government, we have no interest in singling out Iranian students as a group. By virtue of the conditions which I explained a moment or two ago, some students will be inadmissible for those reasons. In fact, Mr. Speaker, I would suggest that for practical reasons many Iranian students coming either from Iran or Washington would be inadmissible under the conditions I have stated. The government has no intention of excluding all Iranian students as a group just because they happen to be Iranian students.

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EMPLOYMENT

PLANS TO REDUCE UNEMPLOYMENT IN ATLANTIC PROVINCES

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is also for the Minister of Employment and Immigration. As the minister knows, today in the Atlantic region there is an increase in unemployment amongst those aged 25 and over. Can the minister tell us what his plans are to tackle this serious unemployment in the Atlantic region, especially amongst young people but in general amongst all people, because we have been suffering for so long?

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, unemployment is always a problem in this country, but I am pleased to say that unemployment among young people decreased rather than increased in the last month. Nevertheless, it represents a serious and continuing problem in the Atlantic region. I would urge all hon. members to listen very carefully to the budget address of my colleague, the Minister of Finance, tonight.

STATISTICS CANADA

SPECIAL STUDY OF LABOUR FORCE IN ATLANTIC PROVINCES

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I have a supplementary question for the President of the Treasury Board who has announced an inquiry into the credibility of Statistics Canada figures. Is the minister directing the expert involved to make a special study of figures as they relate to the labour force in Atlantic Canada where there is so much underemployment now that is not captured by the so-called official unemployment figures? There is a great number of discouraged workers in that region, and we feel that the Atlantic region's official unemployment figures do not give the true picture.

Hon. Sinclair Stevens (President of Treasury Board): Mr. Speaker, I cannot tell the hon. member at this time that such a study is under way, but I shall certainly take his representation into consideration and report back.

* * *

INDUSTRY

SUPPORT OF RETAILERS FOR CANADIAN INDUSTRY

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, my question would normally be directed to the Minister of Industry, Trade and Commerce and Minister of State for Economic Development, but in his absence perhaps one of the junior ministers will reply. The Canadian sweater industry, in its brief of December 5, requested the minister of trade and economic development to "advise the major retail stores that Canada needs a viable sweater manufacturing industry and suggest that they purchase at least three-quarters of their needs from Canadian manufacturers."

Does the minister intend to take specific action to ensure that the major retailers will act like good corporate citizens, support Canadian industry and ensure jobs for Canadians in this coming winter?

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): Mr. Speaker, my department received a brief from the Canadian Apparel Manufacturing Association on the subject of sweaters. We have asked the branch responsible within the department to study the matter and report back to the ministers at the earliest opportunity the recommendations they anticipate.

I can advise that of the 11 bilateral agreements that we have with countries from which we import, 10 cover sweaters. I think it is up to consumers and retailers to solve the rest of this problem, except that we do have a Buy Canadian program in place.

[*Translation*]

REQUEST SWEATER IMPORTS BE REDUCED

Mr. Arthur Portelance (Gamelin): Mr. Speaker, my question is supplementary to that of the hon. member for Vaudreuil and directed to the Minister of Industry, Trade and Commerce and Economic Development.

Within the next few months, some 2,000 jobs will be lost in the knitted wear and knitted sweater industry if the underdeveloped countries make full use of their import quotas. Would the minister submit this case forthwith to the Textile and Clothing Board for a decision to reduce the number of imported sweaters and distribute these imports over equal periods during the year, as recommended in the brief dated December 5 which the minister mentioned?

Moreover, would it be possible to know when the House of Commons, as well as the textile and clothing industries and their 200,000 employees, will be advised of the findings of the Textile and Clothing Board, following the investigation it is currently carrying out to streamline the recommendations of 1977 which brought about the decision concerning the quotas and the bilateral agreements?

[*English*]

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): Mr. Speaker, I have met with the officials concerned. They are working on this whole area in order to give immediate advice to the ministers not only concerning sweaters but jeans as well.

A total review of the program is in place. I have had meetings with the responsible official about the reporting system, the permit-issuing system and the information-gathering system so that we can get a total handle on this whole area and so that we can improve the communication medium and the protection needed for Canadian manufacturers, without putting the complete imposition on the Canadian consumer.

* * *

REVENUE CANADA

INVESTIGATION OF WEARING APPAREL IMPORTS FROM HONG KONG—GOVERNMENT ACTION

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, my question is for the Minister of National Revenue. The officials of his department undertook, some time ago, an investigation of the valuation of imports of wearing apparel from Hong Kong. Despite the fact that these imports were found to be sold at dumping prices by Customs Canada, no action has been taken by the minister. Could the minister indicate to us today if he is ready to act on this pressing matter?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I thank the hon. member for giving me notice of the question. It is not fair to say that no action has been taken by the department. The fact

is that Revenue Canada is presently studying all wearing apparel originating from major exporting countries. To date, measures have been taken to evaluate properly all wearing apparel originating in Korea and Taiwan.

A study is under way in the department with respect to wearing apparel from Hong Kong, and a decision is expected shortly. I can assure the hon. member that I shall act upon the results of that study.

* * *

● (1440)

INDUSTRY

INDUSTRIAL POLICY—REQUEST FOR PROGRESS REPORT

Hon. Jean-Luc Pepin (Ottawa-Carleton): Mr. Speaker, one of the many reflections forced upon us by the series of questions we have just had is on the importance of import substitution in the development of an industrial policy. The minister of state responsible for industry mentioned in one of his first speeches that this was going to be one of his five priorities. Is he in a position today to tell us in general terms what he has been able to do and what he has been able to add to the existing capacity of the Department of Industry, Trade and Commerce in this area?

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): Mr. Speaker, in reply to that question, we are naturally placing emphasis on the Shop Canadian program that was already there. There is a business opportunity sourcing program which is of benefit primarily, in its present stage, to industrial operators in both Ontario and Quebec. Further to that, I think the important matter that has to be developed is co-ordination of the information-gathering system within the Government of Canada.

I am speaking specifically of the computer program in the department for imports and exports, and tying that in with the information-gathering system of Customs and Excise at National Revenue. We are working down that avenue in order to improve the information and statistical data base that will be available to guide both importers and exporters in Canada.

Mr. Pepin: Mr. Speaker, in order to improve the quality of information on imports—because, obviously, this is what needs to be done—what has the minister been in a position to do? Has he had conversations with the minister responsible for StatsCan to this effect?

Mr. Huntington: No, Mr. Speaker, I have not had direct communication with the minister responsible for StatsCan, but I can assure the hon. member that I have had discussions with my officials as to the quality of the program that exists within Industry, Trade and Commerce. I am assured that it is really a Cadillac program and that it should be the nucleus of the information-gathering system in this general area, using both StatsCan and data available in National Revenue.

[Mr. Baker (Nepean-Carleton).]

ENVIRONMENTAL AFFAIRS

MIDDLEPORT, ONT.—CARRIAGE OF TOXIC CHEMICALS THROUGH REGION

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is to the Minister of the Environment. Given the recent Mississauga accident as an example of the danger when transporting hazardous substances, and in view of the fact that the Ontario government is planning to establish a major PCB storage facility with a capacity of at least 5,000 tons near Middleport, Ontario, which is only 15 kilometres from Brantford, where I live, can the minister assure this House and the people of that area that there will be no transportation of these highly toxic chemicals into this very productive agricultural area?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, in answer to the hon. member, I cannot guarantee that there will be no transport at any time in the future. What I can say to the hon. member is that under the Transport of Dangerous Goods Act which was recently before this House I will consult with my colleague and ensure that his department and mine are monitoring these plans, and every effort will be made to ensure that there will be no lack of safety in the transport of PCBs if, in fact, the site which my hon. friend has mentioned is chosen. I am sure that all members of the House realize that the selection of this site is not a matter within federal jurisdiction.

Mr. Blackburn: I would like to ask the same minister if he has been able to determine whether it is the federal Department of Transport, the federal Ministry of the Environment, the Ontario ministry of transportation and communications or the Ontario ministry of the environment that is responsible for the transportation of hazardous chemicals, because it appears to me at this time that this whole area is not only muddied but it is a mess.

Mr. Fraser: Mr. Speaker, the hon. member has indicated that the whole area is muddied or a mess. I can assure all members of the House that very considerable concern must flow from the fact that there is in this particular, very important field an overlapping of jurisdiction which makes it very difficult for any particular government, department or agency to be completely in control. It is my own view that there is federal authority to ensure that the transportation of dangerous goods be done in a safe manner, and I can assure the hon. member that that is the position I will be maintaining in this particular case.

* * *

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

BROADCASTING OF QUEEN'S CHRISTMAS MESSAGE TO COMMONWEALTH

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is for the Secretary of State through whom the

CRTC reports. According to information appearing in the press today, the CRTC has instructed radio and television stations that, in preparing their itemized reports on foreign and Canadian content in their programming, our Queen's Christmas message to the Commonwealth is to figure as "foreign content".

Would the minister inquire into the accuracy of this particular information? If it should prove to be correct, would he ensure that that instruction is withdrawn, because surely the new chairman of the CRTC, because of his academic background, must know the position of the Queen in Canada and of Canada in the Commonwealth.

Some hon. Members: Hear, hear!

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, I am not aware of that instruction. I would be very surprised if, in fact, it were true. But I would want to check the accuracy of it first, so I will immediately inquire of the CRTC and see what necessary action can be taken to correct it.

* * *

INTERNATIONAL TRADE

CANADIAN DELEGATION FOR BILATERAL TRADE MEETING WITH MEXICO

Hon. Robert K. Andras (Thunder Bay-Nipigon): My question is for the Prime Minister. In the week of November 26 there took place in Guanajuato, Mexico, an important bilateral trade meeting among the Canadian Association for Latin America and senior ministers of the Mexican government—considered extremely significant by the Mexican government—hosted by the minister of patrimony, with the delegation to be received by the President.

In light of his answer to my colleague, the hon. member for Outremont, about ministers going there on the oil agreement, could the Prime Minister explain to the House why, despite the insistence of the Canadian ambassador to Mexico and the insistence of the Mexican ambassador to Canada that a senior economic minister head our delegation to that meeting, the Minister of Industry, Trade and Commerce refused to go, the Minister of International Trade refused to go, and we in fact sent a junior official with the rank of director general, further indicating the incompetence and indifference of this government to international trade and to Mexico in particular?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I will look into the allegation regarding the specific matter raised by the hon. member. I can assure the hon. member that the language he has used to describe relations between Canada and Mexico, if it ever applied—and I doubt that it did apply with accuracy—certainly does not apply to the relations between this government and the government of Mexico, as will be indicated by the visit of senior ministers of this government to Mexico for significant and wide-ranging discussions next month, and the visit of the President of Mexico here later next year.

An hon. Member: In the Christmas holidays.

Mr. Clark: I hear one member opposite talking about Christmas holidays. I should take the opportunity to warn him that unless the obstruction stops on the other side of the House, there will not be any.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Stollery: He is warning us. I am not afraid.

* * *

ENVIRONMENTAL AFFAIRS

POLICY RESPECTING USE OF PCBs IN CANADA

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, I would like to ask a question of the Minister of the Environment in connection with the hearings completed yesterday by the review board responsible for polychlorinated biphenyls, PCBs. It stems from the fact that PCBs do pose a threat to human health because of their toxicity, their persistence in the environment and the fact that they accumulate in the food chain. I would like the minister to tell this House what his policy is and that of his government with respect to discontinuing the use of PCBs in Canada and the disposal of existing PCBs in the near future.

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, the objective of the government is to discontinue the use entirely of PCBs and the regulations will forbid any new use of PCBs. With respect to PCBs that are presently used in transformers, the policy is to phase them out through a process of attrition.

* * *

● (1450)

[*Translation*]

REGIONAL ECONOMIC EXPANSION

POSSIBLE INVESTMENT OF $200 MILLION IN INDUSTRIAL PARK AT BÉCANCOUR, QUEBEC

Mr. Jean-Louis Leduc (Richelieu): Mr. Speaker, my question is directed to the right hon. Prime Minister. It concerns the Laprade plants and the $200 million the former government granted it in compensation. I should like to know whether the present government, in its negotiations with the Quebec government, insists that those $200 million be used mostly in the Bécancourt industrial park.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the matter of the Laprade plants is still under discussion by the Canadian government and the Quebec government, as it was indeed by the former government and the Quebec government.

* * *

[*English*]

AIR TRANSPORT

SALE OF NORDAIR—POSSIBLE PURCHASER

Mr. Maurice Harquail (Restigouche): Mr. Speaker, my question is for the Minister of Transport. Because of apparent delays in the sale of Nordair, which is now in the hands of Air Canada, and because of the importance of this sale to the Atlantic region, could the minister advise the House when the CTC and the government will reach a decision on this matter? Hopefully, then we will get some service in the future in the four Atlantic provinces. We are particularly interested in the application by Eastern Provincial Airways.

Hon. Don Mazankowski (Minister of Transport): I, too, am interested in resolving the disposition of Nordair, as is the government. The matter is currently before cabinet, and when a decision is reached the wheels will be placed in motion for the disposition of Nordair subject to CTC approval.

* * *

METRICATION

CONVERSION OF RETAIL SCALES

Mr. Ray Chenier (Timmins-Chapleau): Mr. Speaker, my question is for the Minister of State for Small Businesses and Industry. Has the cabinet approved the hon. gentleman's proposal to delay the metric conversion of retail scales which he has been threatening us with for the last two weeks, to the consternation and alarm of retailers?

Hon. Ron Huntington (Minister of State for Small Businesses and Industry): I am aware that the matter has passed one cabinet committee. I have not been made aware of the decision of the inner cabinet on that recommendation. I might take this opportunity to clear up the confusion which exists: what we are specifically concerned about is the weighing and the marking of individual measurements at point of sale.

* * *

PETRO-CANADA

CALL FOR RETENTION OF CORPORATION AS VEHICLE FOR CANADIAN INVESTMENT

Mr. William Rompkey (Grand Falls-White Bay-Labrador): My question is to the Prime Minister, in the absence of the Minister of Energy, Mines and Resources. Can the Prime Minister tell the House whether the Premier of Newfoundland has been in touch with him to confirm that an additional 2,400 barrels of oil a day has been discovered at the Hibernia well, off Newfoundland? Can he confirm that this is, in fact, a find of commercial importance, and in view of the fact that Petro-Canada has a 25 per cent interest in this well and is the only Canadian company with such an interest, does he not think this is an adequate argument for retaining Petro-Canada as an adequate vehicle for investment by Canadians in their own resources?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, to my knowledge, the Premier of Newfoundland has not been in touch with me on this matter and I cannot confirm the details of the rumoured find. We naturally hope that it is correct and that there will be more extensive finds yet to come. I am delighted that a spokesman for the Liberal party has now changed his attitude toward Petro-Canada and is accepting our view that Petro-Canada should be an instrument for investment by individual Canadians instead of simply being a static instrument of the state.

* * *

THE ENVIRONMENT

IJC STUDY OF WATER LEVELS IN LAKE ERIE

Mr. Girve Fretz (Erie): Mr. Speaker, my question is for the Minister of the Environment and concerns proposals contained in a study by the International Joint Commission on water levels in Lake Erie. It has been suggested that the flow of water from Lake Erie into Lake Ontario via the Niagara River, around the town of Fort Erie, be increased. As this area is heavily involved in tourism, and since many tourists and residents use Lake Erie and the Niagara River for boating, sailing and fishing, would the minister assure us that the increased flow would not adversely affect this area?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): The study to which the hon. member refers is being carried out by the International Joint Commission on behalf of the Canadian and the United States governments. It will be the first stage of an investigation; no work will take place until after that. I can assure the hon. member that there will be sufficient time between his concern as expressed today and any definitive plans to ensure that the concern to which he has drawn the attention of the House will be met.

* * *

TRANSPORT

MOVEMENT OF GRAIN—CAR ALLOCATION FORMULA

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have a question for the Minister of Transport. The Conservative task force on grain movement recommends a change in the car allocation formula which would encourage the private purchase and leasing of rail cars by companies. Can the minister assure us he will reject a proposal which would give a great

advantage to large corporations such as Cargill at the expense of farmer-owned wheat pools?

Hon. Don Mazankowski (Minister of Transport): We are looking at various ways and means of increasing the grain hopper carrying fleet. They will all be used as part of the grain carrying fleet under the direction of the co-ordinator. I welcome the opportunity to clarify that matter in response to the hon. member's first question in this House.

Mr. Hovdebo: Recommendation No. 14 in the same Conservative report suggests that supplementary quotas should be allowed to terminals capable of cleaning grain for export. Will the minister assure us that such a decision, which would favour Cargill and the Weyburn terminal at the expense of co-operative elevator companies, will not be implemented?

Mr. Mazankowski: The recommendations to which the hon. member refers are those which came from within the grain industry after extensive consultation with over 30 groups in western Canada associated with grain transportation and handling. All the recommendations will be considered in due course.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

CONSTRUCTION OF TAX DATA PROCESSING CENTRE AT JONQUIÈRE, QUEBEC—GOVERNMENT POSITION

Mr. Gilles Marceau (Jonquière): Mr. Speaker, my question is directed to the right hon. Prime Minister. It deals with the construction of a tax data processing centre at Jonquière.

During the election campaign, the Prime Minister met the representatives of the Saguenay-Lac-Saint-Jean regional development council to whom he promised that if he came to power that construction project would remain unchanged. Now, the writer of an editorial published in a newspaper of the Saguenay-Lac-Saint-Jean region last weekend claims that the government is holding the people hostage, and that the tax data processing centre will not be built before the Quebec referendum is held. May I ask the Prime Minister to deny that information categorically and to give us an indication of recent developments with regard to that important matter, that is, to tell us whether he intends to do something in the very near future about the representations made to him, including the petition signed by 22,000 persons?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I can deny absolutely the allegation published in the newspaper mentioned by the hon. member. I thank the hon. member for letting me know last night that he intended to put a question about the tax data centre at Jonquière. As the hon. member understands, I am sure, that project has not been cancelled by the government; it has only been postponed until such time as the financial resources of the government allow that kind of expenditure. The President of the Treasury Board has had meetings with the representatives from Jonquière. A representative of the minister visited the area and discussed the project with the citizens. We hope to be in a position to reach a final decision in that regard as soon as possible, but I cannot do so today, nor can I indicate to the hon. member exactly when I expect to be able to do so.

* * *

● (1500)

[*English*]

CONFLICT OF INTEREST

APPLICATION TO SPOUSES OF POLITICIANS

Hon. Jeanne Sauvé (Laval-des-Rapides): Mr. Speaker, my question is to the right hon. Prime Minister. It has to do with a short editorial which was published in *The Gazette* this morning about the conflict of interest rules which the Prime Minister imposes on his ministers. Contrary to that article, I sympathize with Jane Crosbie. It is more than sympathy, because the rules the Prime Minister is about to impose on his ministers are of a nature which would incapacitate the spouses of politicians.

Will the Prime Minister side with these spouses—in most cases, women—allow them to operate as free citizens, not to be bundled up with their husbands—

Some hon. Members: Oh, oh!

Mrs. Sauvé: —and be satisfied that they divulge their interests? And will he express some confidence in the oath taken by his ministers that they will not reveal the dealings of cabinet and allow women not to have to sacrifice their careers to the political ambitions of their husbands?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the hon. member raises a very important question. As she knows, the problem is posed not simply for spouses who happen to be women, but also to a degree, which we hope will increase, to spouses who happen to be men.

We believe that conflict of interest guidelines have to deal with two important and combined problems: one is the reality of any conflict; the second is the appearance of any conflict. It was precisely because of the appearance of any conflict that we included in the regulations which we brought down—and which, I admit, are more stringent than those brought down by the former government—the provision relating to spouses.

As I have indicated in a press conference, I also share absolutely the concern expressed by Mrs. Crosbie. I am delighted to report to the House that, as a consequence of the sympathy I have shown for the case she has made, Mrs. Crosbie has now sold her shares and is in a position where she is free of any conflict. However, I think the obligation very clearly rests upon the government to continue a review of conflict of interest guidelines which will deal with the fact and

the appearance of conflict with an eye to bringing in guidelines which are fairer to spouses as soon as we can.

Mrs. Sauvé: Mr. Speaker, I would express the opinion that Mrs. Crosbie is not free, but she has had to be subservient or bow to the interests of her husband and to rules which do not make any sense in this century but which were brought down by the Prime Minister.

To continue his reasoning, would the Prime Minister then say that a person who is employed, for instance, as a nurse in a hospital could not keep that job if her husband, or his wife, happened to be a cabinet minister?

Mr. Clark: Of course not, Mr. Speaker. Of course the rule would not apply in that way.

Mrs. Sauvé: Why not?

Mr. Clark: The problem has to do with holdings which might be felt to influence public policy, and I should simply say to the hon. member that if she knew Mrs. Crosbie as well as I know Mrs. Crosbie—

Some hon. Members: Oh, oh!

An hon. Member: Shame.

Mr. Dawson: Details?

Mrs. Bégin: Explain.

Mr. Clark: I rather regret that in this age, if I may quote the hon. member, a comment of that kind should excite this kind of reaction from hon. members on the other side of the House of Commons.

Some hon. Members: Hear, hear!

Mr. Dawson: It is the people behind you who are laughing.

An hon. Member: Your own members.

Mr. Clark: Mrs. Crosbie is a very strong individual in her own right. She is respected by me, by my government and by members of the House who know her in that capacity. She has raised an important public question. By the manner of her raising it she has caused us to review a difficult and delicate conflict of interest guideline.

Mr. Breau: She showed you that you are stupid.

Mr. Clark: By the manner in which she acted independently to bring herself into accordance with the guidelines, she has kept alive the necessity to review those guidelines and has yet allowed the government and her husband to adhere to a standard of freedom from conflict of interest which is probably without precedent in the country.

Some hon. Members: Hear, hear!

PRIVILEGE

MR. RODRIGUEZ—ALLEGED MISLEADING ANSWER BY PRIME MINISTER DURING QUESTION PERIOD

Mr. Speaker: I have a notice of privilege from the hon. member for Nickel Belt (Mr. Rodriguez).

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question of privilege arises from an "answer"—and I put that in quotation marks—which the Prime Minister (Mr. Clark) attempted to give to me this afternoon in the House to a question I asked. I think the answer he gave was misleading to this House. I think it may be misleading because of the fact that he does not understand the manner in which federal programs such as DREE interface with provincial programs and corporations which apply for these grants under the federal program.

My concern this afternoon dealt with the actions of the Michelin Tires Company in relation to the Nova Scotia government and the legislation which was introduced into that provincial house regarding the manner of organizing workers in the Michelin plant. The concept which was introduced there was one of the interdependent plant. It runs contrary to article 87 of the ILO of which Canada as a nation is a signatory. In response, Mr. Speaker—

Mr. Speaker: Order, please. The hon. member will have to move quickly to indicate the nature of the question of privilege. If it is simply to take issue with the answer or to grieve about the extent to which his question was answered, obviously, as he knows from previous days and several rulings, I cannot be permitted to extend that to him without doing the same for every member every day.

Mr. Rodriguez: Thank you for that comment, Mr. Speaker, and I will get quickly to the point.

I realize that that is a provincial legislature, and I asked the Prime Minister, in view of the fact that DREE is a federal agency and that it has entered in the past into agreements with the Michelin Tires Company with respect to DREE grants, accelerated depreciation, duty-free importation of tires—and, in fact, the new plant is coming before the federal government for the same sorts of agreements—whether he could use that leverage as means of getting the legislation withdrawn or to get the company to impress upon the provincial government that it does not want the government interfering with the legitimate right of the workers to organize.

I put that question to the Prime Minister. He replied that he cannot interfere in what is obviously a relationship between a provincial government and corporations or individuals in the province of Nova Scotia. I am not asking him to interfere with the provincial government and its relationship with its citizens. I am asking him on behalf of Canadians to indicate by reason of that leverage that we as Canadians are not prepared to see a step back into the past, 1948, with respect to labour legislation in Canada.

Mr. Speaker: Order, please. I am sure the hon. member will realize that he is simply continuing the argument which his questions raised during the question period and that that does not fall within the grounds of privilege.

MR. BRISCO—NATIONAL ENERGY BOARD HEARING IN VANCOUVER, B.C.

Mr. Speaker: I have a notice of privilege from the hon. member for Kootenay West (Mr. Brisco).

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question of privilege relates somewhat to the question of privilege raised by my colleague, then the hon. member for Northumberland-Durham, on November 3, 1978, when that member, now the Solicitor General (Mr. Lawrence), stated that he was misled in a letter from a minister of the Crown. I have not been misled by a minister of the Crown, but I have been misled by the secretary of the National Energy Board. I have been misled to the extent and degree that I am unable properly to represent the concerns of my constituents with regard to a hearing on an application by British Columbia Hydro for renewal, with modification, of its existing export licence. This hearing commenced this morning in Vancouver.

On the basis of correspondence from constituents and on the basis of editorial comment in the Nelson *Daily News* of July 27, 1979, I wrote to the National Energy Board and requested that hearings that it was contemplating here in Ottawa be held in Vancouver or in British Columbia where the majority of interveners were located. In a reply to me from the National Energy Board the following was indicated, and I quote only the two concluding sentences:

As a matter of interest I might mention that B.C. Hydro has applied to the Board and has been granted six months' extension on its current licence, thus, the hearing will not be held until some time next spring. I am placing your name on the Board's mailing list to receive a copy of the hearing order which the Board will issue concerning this application.

● (1510)

That was signed by the secretary of the National Energy Board.

In the question of privilege raised by my colleague, it was alleged at that time that he was intentionally misled. I cannot make that statement in all honesty and fairness with regard to the National Energy Board's secretary. However, I have acted as a member of Parliament with regard to these hearings on the basis of this letter from the National Energy Board. Therefore, at this moment I am placed in the position of having little, if any, time to prepare the type of intervention which would be expected of me by my constituents. Indeed, when I spoke to the secretary of the NEB this morning, he admitted the board's error, if it can be called that, and assured me that all pertinent information and application forms for intervention would be sent to my office immediately by messenger. I received them only five minutes ago.

If a member of Parliament from a riding not directly affected by possible NEB decisions in regard to B.C. Hydro's application were a victim of this error, I would not view the matter with the same degree of seriousness. However, of all the constituencies in British Columbia, Kootenay West and Kootenay East-Revelstoke are the ones that are most materially affected in both a positive and a very negative sense by the Columbia River Treaty and by B.C. Hydro, which has the authority given to it under the treaty to implement the conditions laid down in the treaty. Other official and quasi-official bodies in my constituency have, in the last 48 hours, raised their voice in protest over the fact that the hearing before the NEB commenced today in Vancouver at 9.30 a.m. without adequate notice having been given to them.

How can I conceivably represent the people most affected by the decision of the NEB when I have been so seriously misled by the board established by Parliament for the purpose of giving direction to Canada and to Canadians on energy related issues?

I seek your indulgence and advice on this matter.

Some hon. Members: Hear, hear!

Mr. Speaker: Since the hon. member has indicated that it appears to be an error on the part of the board and as the board, of course, is not a government agency for which a minister has direct responsibility—I am not entirely sure of that but it is likely an independent agency for which a minister reports to Parliament—it seems to me likely that the hon. member has disqualified his problem as being a matter of privilege. However, it would seem to be that he has a grievance which is very important and for that reason I did not interrupt him in the course of his remarks, although it became clear early in his remarks that the likelihood of developing a question of privilege was not very great.

The hon. member has raised a point which is a matter of great concern to him, and I think to all hon. members, that when we seek information about matters which comes as part of our responsibility in representing constituents it is important that that information be accurate and that in the end the constituency or constituents not be penalized by the failure to have adequate representation through their elected representative.

It seems to me that the hon. member has raised the point publicly to the House at this time and he should pursue it probably with the minister who reports to Parliament for the NEB to see whether or not directly under the circumstances the minister is able to intervene to make such arrangements as would permit the hearings to be conducted in such a way as to permit adequate representation by the hon. member. I leave that to him. If that fails, he might want to raise the matter again.

[*Translation*]

MR. BUJOLD—OPEN HOUSE CANADA PROGRAM—ALLEGED LACK OF INFORMATION ON GRANTING OF CONTRACT TO CP AIR

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, my question of privilege relates to the question I asked yesterday of the hon. Secretary of State (Mr. Mac-

Donald) concerning the excellent program called Open House Canada. The minister alleged that I was misinformed on the policy of his department regarding that program, believing that CP Air had been selected to provide transportation for the young participants in that program. Knowing the integrity of the minister and his wish to provide true and correct information in the House, I think that he did not have the information and that he misled the House.

My information is that the civil servants who are responsible for that program left it to CP Air to approve all applications for reservations from groups wanting to travel in Canada, and that the company should share with Air Canada in all fairness.

Now, Mr. Speaker, always according to the information I have, from July to November 1979, CP Air transported 54 youth groups compared with 22 for Air Canada, in western Canada only, namely to the cities of Vancouver, Calgary, Edmonton, Winnipeg, Regina and Saskatoon.

Therefore, Mr. Speaker, I feel the minister did not answer my question, and that is why I ask that the whole matter be referred to the Committee on Communications and Culture in order to obtain clarification of this case.

Mr. Speaker: I am sure the House would prefer to wait until the minister has had the opportunity to take part in the discussion.

* * *

[*English*]

POINT OF ORDER

MR. DICK—REQUEST FOR COPY OF BUDGET SPEECH

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I would like to raise a point of order which may be a question of privilege. It seems to me that this afternoon people from the media will be going over budget documents which will be seen later this evening, and indeed the spokesmen of the various parties will have that opportunity as well. When we come to the House this evening, the Minister of Finance (Mr. Crosbie) will be on his feet and by about 8.10 p.m. everybody in Canada will know the highlights of the budget which will have been broadcast on their television set.

The practice in the past has been that members of the House do not receive their copy of the budget until after the minister has spoken, and although this party was in the opposition last time, we requested copies of the budget speech so that we could read it along with the Minister of Finance and perhaps mark our copies. I wonder whether Your Honour, through consultation with the House leaders, might see whether or not we could have copies, which we normally get in the lobby after the budget speech is made, placed on our desks. We would not open them until the Minister of Finance starts to speak, but we could follow along and mark our copies on the points we think are valid and important.

Perhaps the government House leader might respond to this, but I see he is not here at present and that is why I am addressing you, sir, as the person who is the custodian of the privileges of members. I think it is an important point and I wonder if Your Honour might see whether or not there is some concession that can be made.

Mr. Speaker: The hon. member may be making a very worth-while suggestion, but it is not my responsibility. The document remains the possession of the government, the Minister of Finance and the government House leader. If they wish to distribute it in some way, that is their responsibility not that of the Chair.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC ACCOUNTS

TABLING OF REPORT, 1978-79

Hon. Sinclair Stevens (Acting Minister of Finance): Mr. Speaker, as the Acting Minister of Finance and pursuant to Standing Order 41(1), I now table a report in both official languages entitled "Public Accounts of Canada" which details the financial transactions of the Government of Canada for the fiscal year 1978-79.

* * *

PRIVILEGE

Hon. J.-J. Blais (Nipissing): Mr. Speaker, yesterday the hon. member for Glengarry-Prescott-Russell (Mr. Ethier) rose on a question of privilege relating to the application of the Official Languages Act as it dealt with the publication or preparation of a report by a special caucus committee of the Conservative party in the matter of agricultural studies. As I understand, the hon. member for Glengarry-Prescott-Russell is seeking recognition from Your Honour on a question of privilege, and I rose in order to indicate that I will follow his intervention in order to join in that particular question.

Mr. Speaker: I have no notice of any question of privilege. The hon. member for Glengarry-Prescott-Russell (Mr. Ethier) raised a question of privilege on which I decided yesterday, both in respect of the practice of using government funds to support committees of one caucus and also in respect of the risk that that entails. The way in which I dealt with it yesterday was that that activity entails a risk of producing a report which has been publicly funded or supported and yet retains its identity as an internal document, and therefore faces the conflict of the requirement that since it was partly funded with public moneys it should be produced in both official languages. Because of that risk, I indicated that I thought the practice was most unwise, but I did not found a

question of privilege upon past experience. Whether I might do so in the future is another question, but that matter is now closed on both accounts. It has been decided. I have no notice of any question of privilege from the hon. member for Glengarry-Prescott-Russell, and without notice of such a question of privilege I am not in a position to entertain it at the moment.

● (1520)

Mr. Denis Ethier (Glengarry-Prescott-Russell): Perhaps Your Honour has received notice of my question of privilege. I served your office notice at 11.35 a. m. today. My assistant personally brought it to the executive in Mr. Speaker's office at 11.35 a.m. this day. It was informing Mr. Speaker that I wanted to raise this question of privilege today. Now, I should like to be guided.

Mr. Speaker: The hon. member has given the office notice. That is sufficient. Perhaps I could hear the nature of the question of privilege.

[*Translation*]

MR. ETHIER—ALLEGED ALLOCATION OF FUNDS TO POLITICAL GROUP

Mr. Denis Ethier (Glengarry-Prescott-Russell): Thank you, Mr. Speaker. I have some hesitation in coming back to the question of privilege I raised last November 5. Following the ruling you delivered yesterday, I would like to make the following comments, that it was a sad day for French Canadians, if I am to understand—

Mr. Speaker: Order, please.

Mr. Ethier: —but I have new facts to introduce—

[*English*]

Mr. Speaker: Order, please. The hon. member is seeking to raise a separate aspect of the same question of privilege. Surely he will realize that what he is seeking is the opportunity, by way of a fresh notice of a question of privilege, to review the decision which I have already taken on the point he raised. I simply cannot permit him to do that. There are no appeals of the rulings of the Chair; they have been abolished for some time. The hon. member seeks to reopen the matter or to have treated anew something based upon a matter which he has raised already and upon which I have adjudicated. I am simply not able to permit him to do that.

Mr. Ethier: Mr. Speaker, following the remarks I made yesterday, Your Honour asked me to read carefully what you said. I sat down and I did not give an answer to that. I have read precisely what Your Honour has said. It is on that that I am raising my question of privilege today. I should like to be heard on that.

[*Translation*]

And that is when you invited me to examine *Hansard* to ascertain whether I was giving the correct interpretation of what you had said. Having read the question of privilege many times over and notwithstanding all the debate that took place since then, I want to introduce new facts. These facts relate to two statements made in the House last November 5, and on December 10, that is yesterday afternoon. First, I quote your remarks of November 5, as reported at page 943 of *Hansard*:

[*English*]

He raised one point about language to which the minister made the preliminary answer that this was an internal document, that it was used in the English language for English speaking members . . .

[*Translation*]

Now, Mr. Speaker, when you gave your ruling yesterday you said, and I quote from *Hansard* for December 10, page 2180:

[*English*]

There was an additional grievance advanced by the hon. member for Glengarry-Prescott-Russell, namely that the committee work resulted in a report which was essentially for internal use and was published therefore only in the English language, the language of the members involved, and that since it was supported by public funds it ought to have been published in both languages.

[*Translation*]

Very well. But here I wish to point out that you were still referring to a paper for internal use.

[*English*]

Mr. Speaker: I am sure the hon. member will realize that he is embarking upon a course in which he is asking me to review again a decision I have already made. I simply cannot permit him to do that by way of a notice of a question of privilege. Whether or not that decision raises another problem, or a disagreement with him in the interpretation of the circumstances in the decision, I am afraid he will have to wait for another occasion or another opportunity to raise afresh the point he wants to raise. But I have no opportunity to review that decision, and the House has no opportunity to attempt, by way of a question of privilege or otherwise, to appeal the decision which I made yesterday. The matter is decided, final.

Mr. Ethier: Mr. Speaker, I am simply answering what you asked yesterday.

Mr. Speaker: Order, please.

Mr. Ethier: I cannot accept that, Mr. Speaker. I want to be heard on this.

Mr. Speaker: Order, please.

Mr. Ethier: Your Honour invited me yesterday to read his comments.

Mr. Speaker: Order.

Mr. Ethier: I want to be heard on this.

Mr. Speaker: Statements by ministers.

Mr. Ethier: I would certainly like to be heard, Mr. Speaker.

Mr. Speaker: Order.

Mr. Ethier: I think I have a very valid question of privilege and I would like to be heard.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Bill Wightman (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the following questions will be answered today: Nos. 4, 14, 177, 410, 412, 468, 504, 590 and 669.

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

[*Text*]

MR. HUGH R. HART

Question No. 4—**Mr. Cossitt:**

1. Since April 20, 1968, did the government pay for legal services to Mr. Hugh R. Hart, Solicitor, Brockville, Ontario, or to the firm with which he is associated and, if so (a) what was the total amount (b) what was the amount by fiscal or calendar year (c) for which departments did he act and, in each case, what is the breakdown of the amounts received (d) what is a general description of each case he has handled?

2. What are all the reasons that Mr. Hart has been or is employed by the government and specifically, is one of these the fact that he is a member of the Executive of the local Liberal party?

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations):

1. The Department of Justice: Yes.

(a) $58,251.15 (to September 30, 1979).

(b) See list below.

(c) See list below.

(d) See list below.

2. In reply to the first part of this question, Mr. Hart competently carried out the mandates assigned to him. The reply to the second part of the question is no.

	74-75	75-76	76-77	77-78	78-79	79 to 30 Sept. 79
H. and W. C.	6,717.50(C)	4,637.49(C)	10,224.79(C)	4,593.75(C)	6,199.22(C)	3,758.05(C)
R. C. T.				142.50(C)		
R. C. C. E.				35.00(C)		
T. and C.	305.00(C)		477.99(C)	262.48(C)		376.25(C)
Environment Canada						
C. C. A.		506.00				
U. I. C.				175.00(C)		
D. V. A.			1,703.50(P)		359.75(P)	
E. M. R.					58.33(C)	
I. and N. A.						
Secretary of State					75.81(C)	
Total	7,022.50	5,143.49	12,406.28	5,208.73	6,693.11	4,134.30

C—Criminal Prosecutions
D—Property

Grand Total—58,251.15

	20 Apr. 68-69	69-70	70-71	71-72	72-73	73-74
H. and W. C.		435.00(C)	2,615.50(C)	1,848.28(C)	1,689.46(C)	6,890.15(C)
R. C. T.	616.00(C)					
R. C. C. E.	260.55(C)				285.00(C)	
T. and C.	30.00(C)		40.00(C)		977.50(C)	
Environment Canada	225.00(C)					
C. C. A.						
U. I. C.						
D. V. A.	1,608.50(P)					
E. M. R.						
I. and N. A.	121.80(P)					
Secretary of State						
Total	2,861.85	435.00	2,655.50	1,848.28	2,951.96	6,890.15

C—Criminal Prosecutions
P—Property

PUBLIC SERVICE—POSITIONS RECLASSIFIED

Question No. 14—**Mr. Orlikow:**

In each of the past five years, by department, for each occupational group earning $20,000 or more in 1978 and 1979, how many (a) public service positions were reclassified upward (green-circled) and/or downward (red-circled) (b) individuals continued to hold a public service position after the position had been reclassified?

Hon. Sinclair Stevens (President of Treasury Board): To provide a complete reply would entail a costly and time-consuming examination of all personnel and incumbent files in all departments and agencies. The cost of this study would be prohibitive in terms of both manpower and time.

NATO—CAST COMMITMENT

Question No. 177—**Mr. Herbert:**

1. (a) What was the total CAST commitment to NATO, in numbers of men, agreed to by Canada when it was first entered into (b) which units were tasked to provide these men (c) what equipment was committed to this force?

2. What have been the changes in the commitment in (a) numbers of men (b) the units which were tasked to provide the men (c) the equipment which was committed to this force and, in each case, what was the date that a change was made?

3. (a) What was the total CAST commitment in numbers of men, as of January 1, 1979 (b) which units were tasked to provide them (c) what equipment was committed to this force?

4. (a) What is the planned total CAST commitment by Canada in numbers of men, effective September 1980, in light of the Minister of National Defence's statement on October 31, 1978 (b) which units are earmarked to provide them (c) what equipment is it planned to commit to this force?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs):

1. (a) Approximately 5,300
   (b) Two Canadian Brigade Group including:
   Second Regiment Royal Canadian Horse Artillery
   Eighth Canadian Hussars-Princess Louise's-Regiment
   Two Combat Engineer Squadron
   Two Canadian Brigade Group Headquarters and Signals Squadron
   Second Battalion Canadian Guards
   First Battalion Royal Canadian Regiment
   Deuxième Bataillon Royal 22e Régiment
   Combat Service Support Units
   Two Tactical Fighter Squadrons
   (c) This type of detail is classified
2. (a) No significant change
   (b) Two Canadian Brigade Group July 1, 1969
   Cinquième Groupement de Combat July 1, 1977
   (c) This type of detail is classified
3. (a) Approximately 5,300
   (b) Cinquième Groupement de Combat including:
   Le 5e Régiment d'artillerie Légère
   Le 12e Régiment Blindé
   Le 5e Régiment de Génie de Combat
   First Battalion Royal Canadian Regiment
   Les 2e and 3e Bataillons du Royal 22e Régiment
   Combat Service Support Units
   One Helicopter Squadron
   Two Tactical Fighter Squadrons
   (c) This type of detail is classified
4. (a) Approximately 4,300
   (b) The Special Service Force including:
   Second Regiment Royal Canadian Horse Artillery
   Eight Canadian Hussars-Princess Louise's-Regiment
   Two Combat Engineer Regiment
   Special Service Force Headquarters and Signals Squadron
   First Battalion Royal Canadian Regiment
   Canadian Airborne Regiment
   One Battalion Princess Patricia's Canadian Light Infantry (specific battalion not yet designated)
   Combat Service Support Units
   One Helicopter Squadron
   Two Tactical Fighter Squadrons
   (c) This type of detail is classified

EMPLOYED MARRIED WOMEN

Question No. 410—**Mr. Lambert (Bellechasse):**

On March 31, 1979, what was the total number of married women holding jobs in Canada and what was their average weekly income?

Hon. Sinclair Stevens (President of Treasury Board): Statistics Canada reports: Estimates from Statistics Canada's monthly labour force survey, which refer to the week ending March 17, 1979, indicate that the number of married women employed in Canada at that time was 2,393,000. Data regarding their average weekly income is not available.

FAMILIES—AVERAGE INCOME

Question No. 412—**Mr. Lambert (Bellechasse):**

On March 31, 1979, what was the average income of Canadian families?

Order Paper Questions

Hon. Sinclair Stevens (President of Treasury Board): Statistics Canada reports: The information for March 31, 1979, is not available. However, according to preliminary estimates, the average income of Canadian families in 1978 was $21,346.

FISHERIES PRICES SUPPORT ACCOUNT

Question No. 468—**Mr. Herbert:**

In each of the past five years, what amount was transferred to the Fisheries Prices Support Account?

Hon. James A. McGrath (Minister of Fisheries and Oceans): Pursuant to section 10(3) of the Fisheries Prices Support Act, the following are the amounts transferred to the Fisheries Prices Support Account for the past five years:

Fiscal Years	Amounts
1977-78	$1,874,394
1976-77	1,343,209
1975-76	2,401,459
1974-75	382,467
1973-74	Nil

TAX RETURNS—CAPITAL LOSSES

Question No. 504—**Mr. Herbert:**

What was the total of capital losses indicated on tax returns in each of the past five years and, of these amounts, what was the estimated percentage considered applicable to Canadian companies?

Hon. Walter Baker (President of Privy Council and Minister of National Revenue): The total of capital losses, in thousands of dollars, indicated on the tax returns of individuals was as follows:

	$000
1973	293,827
1974	506,162
1975	409,712
1976	376,653
1977	400,830

This data is provided in table 18 of the annual publication "Taxation Statistics". No data is yet available for the 1978 tax year. The department does not compile this information for corporations.

PUBLIC WORKS—COST OF WORK CARRIED OUT FOR NATIONAL DEFENCE

Question No. 590—**Mr. Herbert:**

Has the Department of Public Works carried out any work for the Department of National Defence and, if so, what was the dollar value for each of the past five years?

Hon. Erik Nielsen (Minister of Public Works): Public Works Canada has made the following payments from its working capital advance on behalf of National Defence:

[Mr. Lambert (Bellechasse).]

1974-75	$ 284,425
1975-76	$2,820,476
1976-77	$1,098,540
1977-78	$1,257,233
1978-79	$1,451,856

This does not include capital costs, maintenance or other services for recruitment centres or other space that National Defence may have in buildings owned by Public Works including National Defence headquarters.

OTTAWA—GOVERNMENT TELEPHONE NETWORK—NUMBER OF OPERATORS

Question No. 669—**Mr. Cossitt:**

1. How many telephone operators handle incoming and outgoing calls in Ottawa, on the government telephone network?

2. What is the total cost per year paid for all telephone services rented in Canada by the government?

3. What is the average length of time that operators, presently in service, have held such jobs and what instructions do they receive before commencing work?

4. Is it the policy of the government to insist that such operators be as polite and courteous in giving services to customers as requested of regular Bell operators and, if so, have there been occurrences when operators have spoken rudely to customers and purposely disconnected them, etc?

5. What steps will be taken to improve the current attitude of Bell Canada operators working for the government by the Department of Communications?

Mr. Scott Fennell (Parliamentary Secretary to Minister of Communications): In so far as the Department of Communications is concerned, the answer to the above question is as follows:

1. A staff of approximately 100 operators are available on a 24-hour basis, seven days a week, to handle incoming and outgoing calls in Ottawa, on the government network. From this staff complement, 25 to 30 operators are required for normal work days to meet our service objective which is to respond to 95 per cent of all calls within ten seconds. The number of operators on duty is adjusted to forecasted and actual call volumes.

2. The total cost of rented telephone services to the government in the fiscal year 1978-79 was approximately $110,000,000.

3. The contracted operators for the switchboard serving the government in Ottawa have an average of approximately ten years of operator experience. Operators receive standard telephone company training supplemented by special instructions applicable to government switchboard operations.

4. It is the policy of the government that operators provide as polite and courteous a service as required from regular Bell Canada operators. Telephone operator manuals and practices require that all difficulties that may arise, whether reported in progress or after the fact by the caller or the operator, be referred to the supervisory level. Procedures are provided for the resolution of all such occurrences. Only very few complaints concerning operator service have been reported.

5. My departmental officials carry out an active program, in order to achieve and maintain the highest possible level of

operator services. This program includes the continuous update of the Telephone Operator Practices Manual, maintenance of bilingual services in accordance with the Official Languages Act, improvement of sensitivity and responsiveness to the public including the provision of information services such as the government index of programs and services.

[*English*]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wonder if I could ask the parliamentary secretary when we can expect an answer to question No. 576 on the order paper. It concerns the budget to the beef import consultative committee which was just referred to in the question of privilege. I think it is very important for us to receive an answer as soon as possible. I received an answer to a similar question last week which caused a very interesting ruling in the House.

While I am on my feet, I wonder whether the parliamentary secretary can tell us when we will have an answer to question No. 578 which deals with the special Conservative adviser on prairie branch lines. Also can he tell us when we can expect an answer to question No. 579 which deals with other Conservative task forces. I know of at least two which are in existence. One was headed up by a member from Dartmouth, I believe; it dealt with energy self-sufficiency. I believe that task force is no longer in existence. Another one was headed by an Ontario member; I forget his riding, but it involved seasonal farm workers. Also I heard through the rumour mill that perhaps it involved a trip to the Caribbean. I am not sure of that, but I think it is very important to receive the answers to those questions.

In addition to the question of privilege with which we dealt the other day, and the four Conservative caucus committees which we already know exist that are possibly being funded by the treasury, perhaps many, many more exist than those we know about. When can we expect those answers?

Mr. Wightman: Mr. Speaker, certainly I will take notice of the three numbered questions to which the hon. member referred. I will undertake to give him a reply as soon as possible.

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

Some hon. Members: Agreed.

Mr. Speaker: Pursuant to Standing Order 54, I do now leave the chair for the House to go into Committee of the Whole.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

AMENDMENT TO PROVIDE TAX CREDIT IN RESPECT OF MORTGAGE INTEREST AND PROPERTY TAX

The House resumed from Monday, December 10, consideration in committee of Bill C-20, to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax—Mr. Crosbie—Mr. Scott (Victoria-Haliburton) in the chair.

The Assistant Deputy Chairman: Order, please. When the committee rose on Monday, December 10, 1979, clause 1 of the bill was under consideration.

On clause 1—

Mr. Watson: Mr. Chairman, last evening I outlined a number of the inequities in Bill C-20 that undoubtedly will give rise to the second thought which the sunset amendment proposed by the hon. member for Winnipeg-Fort Garry is designed to act upon.

Surely hon. gentlemen opposite must now recognize that the program outlined in this bill will be horrendously expensive. It will be uneven and unfair in its application to various regions of Canada. It will distinguish, in a most unjust way, between home owners and renters and between home owners with large mortgages and those home owners without mortgages, most of whom are in the older age brackets.

There is another aspect of this bill which is unfortunate. As unfair as it is to so many taxpayers in Canada, the bill has another major defect which has gone largely unmentioned in this debate. The hon. member for Mississauga South summed up what I mean by that last night when he referred to what this bill would do to help the sale of houses; in other words, what it would do to help the real estate industry. The brutal truth is that this bill is a continuation of Conservative policies which reflect the tremendous influence land developers have with that party.

Some hon. Members: Oh, oh!

● (1530)

Mr. Watson: Just listen to the facts. The land banking provisions of the National Housing Act have been on the books since 1953. The use of those provisions could have avoided fantastic inflation in land costs around Toronto and even around Ottawa, but those land banking provisions were ignored by the Conservative government of Ontario to the benefit of Ontario land speculators.

Let me give two or three other examples. What happened to Pickering and what happened to South East City? They were sabotaged by the Conservative government of Ontario. If that is not caving in to land speculators, then those opposite who are heckling should check their facts.

Some hon. Members: Oh, oh!

Mr. Watson: Those are the facts. Disheartening as well is the fact that—

Some hon. Members: Oh, oh!

The Assistant Deputy Chairman: Order, please. I think the committee should give the hon. member some consideration by remaining quiet until he has finished his remarks.

Mr. Watson: Disheartening as well is the fact that the tremendous sums of money which are involved in the tax loophole that this bill creates, at least $3 billion by the end of the fourth year, will make it extremely difficult, if not impossible, for a government that has been boasting about its intention to reduce the federal deficit to spend money in many other areas where money spent now would mean tremendous savings in the future for all Canadians.

Let us consider conservation as an example. Here are some of the things we should be doing but are not doing. There should be additional funds for home insulation available to everyone over the age of 65, regardless of the age of their homes. These people should be eligible for complete insulation updating at a cost to the government.

There should be subsidization of the conversion of our heating facilities from oil to natural gas. This is not going to be an inexpensive program, but it is one that is desirable. We do not even have sufficient numbers of people trained to do this job. New manpower programs will be necessary to train those people who will be needed to encourage and speed up this conversion from heating oil to natural gas for home heating purposes.

There should be new metering systems to encourage and permit diversification of the timing of electricity loads. Surely this should be feasible. I understand these new type meters have been in use in Europe for many years. They permit, at a reasonable cost of installation, somewhere in the $200 range, the possibility of electricity loads for those who want to benefit from cheap electricity. Those who use electricity from eight in the evening till midnight get a special rate, and those who want to use electricity after midnight get an even better rate. This sort of evening out of electricity demand would save a fantastic amount of expenditure on the new facilities which continue to be necessary to increase our electrical production capacity.

Instead of the luxury of this bill there obviously should be shelter allowances, fuel allowances or a combination of both. Perhaps the budget tonight will contain something along this line, but the vast expenditure being proposed by this bill will make it extremely difficult for any government to put into effect this kind of necessary and, in the long term, sensible money-saving proposals.

There should be encouragement by tax incentives of company van-oriented pools and other methods of reducing transportation energy consumption. Consideration should be given to electrification of our railway systems, and we should be encouraging conversion to coal use—

[Mr. Watson.]

Mr. Blenkarn: I rise on a point of order, Mr. Chairman. We are in Committee of the Whole discussing a sunset amendment proposed by the hon. member from Winnipeg. This whole question of vans, electricity and subsidization of insulation have absolutely nothing to do with the amendment. The hon. member was called to order by the Chairman the other night on this very issue. He continues to break the rules of the House. Surely he should stay within the limits.

Some hon. Members: Order, order.

Mr. Watson: Mr. Chairman, this particular sunset amendment will be useful simply because the bill, as I have been trying to explain, is such that there will be second thoughts. I have been explaining what some of these second thoughts are going to be. I have been giving examples of these second thoughts, and the necessity of doing these things that will in the long term save Canada a lot more money. Perhaps you would permit me to finish my remarks in the few minutes I have left.

I would like to suggest that another matter we should be considering is encouraging by subsidy conversion to coal use in accordance with the highest environmental standards to ensure that such conversion does not contribute further to our already serious acid rain problem. There is a great deal to be done in the area of urban transit.

We should be looking as well at the living conditions in urbanized areas of Canada where 85 per cent of our population lives. Statistics have shown that Canadians spend 70 per cent of their lifetimes either in their own homes or in their own neighbourhoods. Surely we should be considering the quality of life in those neighbourhoods and the types of programs that can increase and improve that quality of life. Hon. members opposite are putting themselves in a position where it will be almost impossible to find money to deal with these very urgent, pressing and necessary activities to permit Canadians to achieve the kind of quality of life in their own municipalities, cities and towns to which they have a right to aspire.

[*Translation*]

It is a fact that the quality of life in the core of cities and in suburbs suffers from a lack of long-term planning and of co-ordination among the various departments and levels of government. It is a fact that a lack of long-term planning and co-ordination has given rise to many mistakes and deficiencies in municipal and regional services which are now extremely costly at all government levels and it is especially costly for municipal ratepayers to correct them. It is also a fact that the huge cost of some planning mistakes have a negative effect on the efficiency of the Canadian economy and the capacity of Canada to compete on the world market. Mr. Chairman, I wish to say in English that—

[*English*]

In spite of the fact that 85 per cent of our population lives in Canada's urbanized areas we have still not achieved the kind of federal involvement necessary to improve the quality of life of that tremendous percentage of the population. It is unfortu-

nate that the former government caved in to, at that time, Conservative opposition recommendations that we abolish the urban affairs department. As far as I am concerned, that was one of the most foolish things the previous government did, and this is one of the areas where the need remains and expenditure requirements are going to be increasing. Federal government involvement will continue to be necessary.

● (1540)

The United Nations, the North Atlantic Treaty Organization, the Council of European Parliament and other such organizations all feel that they have a role to play in urban affairs, but the federal government feels that it does not have such a role to play. That is pure nonsense. Further expansion is necessary.

What the present government is doing by putting all their eggs in one basket through a tremendous burst of expenditures is tying their hands well into the future and inhibiting or preventing any future government from becoming involved in these matters which are so necessary to the future well-being of Canadians, particularly those in our urban areas.

Mr. Herbert: Mr. Chairman, if one cannot persuade this government to withdraw this extraordinary, discriminatory and unjust bill, then we must at the very least ensure that there is a day of reckoning where maybe common sense will prevail. That is why I support a sunset clause in a measure which, even if it had any redeeming features, is far too expensive in these difficult times. If the full cost of the program as given by the Minister of Finance is distributed, we see that the cost of the mortgage interest deductibility proposal is equivalent to almost 20 per cent of the tax load of the individual taxpayer. That means that one dollar in every five dollars of the taxes paid by everyone—the poor, rich, young, old, single family parents, including all renters and all those who do not have mortgages on their homes—goes to pay for the program.

The Minister of Finance when speaking on this bill made the extraordinary statement that in 1974 with this bill 230,000 tenant householders could have become householders. Surely, this is the most absurd statement that has ever been made in this House. He also said that only 1.5 million people will get the property tax credit, which means that these people have homes that are not mortgaged. The Minister of Finance also said that this bill will help city housing to compete with suburban housing. Even if it were true, is that a desirable objective?

The Minister of Finance says that the plan is the same in every province. He forgets the difference in living style in Quebec. He also chooses to forget that this bill is the most discriminatory that has ever been presented in this House. One member suggested that one of his objections to this bill is that it is racist in nature. Well, I will let everyone judge on that, as I repeat that any bill that gives $2 to those who list English as their first official language while giving only $1 to those who use French as their official language is at least biased in favour of one language group.

An hon. Member: Explain that.

Mr. Herbert: This extraordinarily iniquitous distribution of public funds derives initially from the fact that there is approximately 70 per cent home ownership among the nominally English, compared to 45 per cent among the Francophones. Taking into account the difference in property values and the lower average mortgage level in the Francophone group, it is easy to see that the $2 for the Anglophone group compared to the $1 for the Francophone group is discrimination of the worst kind and is not likely to be a unifying force in this country.

The Assistant Deputy Chairman: Order, please. I would ask the hon. member to relate his remarks to the amendment to this bill. I think he is straying from that amendment.

Mr. Herbert: Mr. Chairman, my reason for making these remarks, the reason I want to see this amendment pass and why I want to see an end to this legislation, is because the proposed amendment would ensure that when the government is changed in the foreseeable future there will be a vehicle for the new government automatically to end this discriminatory legislation. I am giving my reasons why it is important that this legislation be ended. I am sure that it will be ended via the passing of this clause, which will put a termination date on this bill and stop a situation which is at the present in force in the United States, even though it is undesirable, because it is impossible to stop.

The Tories have talked about putting sunset clauses in legislation, but they oppose a sunset clause in the first major measure which they introduce in this House. Let us examine the effect of this legislation on those who rent. The Minister of Finance in his remarks was critical of those who rent, inferring that one is less than Canadian if one does not have a burning desire to own a home. The person who rents pays for the higher cost of financing apartment buildings. The renter also pays when single family lodgings are given a tax advantage because it means a relative decrease in the value of apartment buildings and, therefore, a lessening of incentive to construct such buildings. Or, to compensate, it would be necessary for the building owner to increase the rent.

Let me read a short extract from a letter dealing with this subject which was written in November by the chief economist of the Canadian Construction Association:

> To understand ownership and renting, one has to view the home owner as a business person very much like the owner of rental property. The only difference is that the home owner engages in a 'not at arm's length' transaction, meaning that he sells housing services to himself. High rates of ownership relative to renting indicates that the return from an investment in home ownership is more than the return to the owner of rental property. The deductibility of mortgage interest for the home owner simply enhances an already better than average return he realizes. The ultimate net effect has to be again in asset value, which is an obscure way of saying that the prices of housing units for ownership will rise relative to the price of rental properties. The home owner realizes a capital gain but at the expense of the owner of rental property. This is discrimination, pure and simple, against the owner of rental property. Furthermore, in terms of altering the ownership—rental rates, nothing is accomplished.
>
> The basic issue is the use of the tax system to allocate resources in a way different than what would result from the market system. There is not only no

need to allocate more resources to housing, but even if there was, the vehicle chosen will not accomplish that objective. On this basis, the policy is inefficient.

I reiterate that that letter is from the chief economist of the Canadian Construction Association. In another letter from this same association but written by the director of public affairs to another individual can be found these words:

—the government is about to let a measure expire that could have helped a rental situation. Many contractors have expressed concern over the expiration of the capital cost allowance on multiple-unit residential buildings.

This, I fear, is likely what the government will introduce tonight. The letter goes on:

In the budget speech of November 18, 1974, the Minister of Finance announced that the owner of a new multiple unit residential building . . . would be permitted to deduct capital cost allowance against any source of income at any time.

The allowance terminates on December 31, 1979. Further on in the letter we come to the words:

If the capital cost allowance is not extended, a further bias against the construction of rental units will be introduced into the system. The Government's mortgage interest deduction scheme will, in the opinion of the Canadian Construction Association, cause a one-time drop in rental construction. The combination of these two factors—elimination of capital cost allowance on MURBs and mortgage interest deductibility—could have a serious negative impact on rental construction.

To try to head off this eventuality, I proposed a motion in this House on November 20, but it was negatived by the Tories. We will know from tonight's budget how serious the Minister of Finance is about assistance to the housing industry. When speaking in this House on November 26, I was not accorded the usual courtesy of being allowed to finish my remarks. I wanted to quote from an editorial in the *Canadian Builder* which reads:

The mortgage interest deductibility scheme, which raised such high expectations during the election campaign, has become as explosive as other hastily improvised 'promises' of that time such as the embassy move to Jerusalem and the privatization of Petro-Canada. The reasons are the same: mortgage interest deductibility was a badly conceived idea, proposed for the wrong reasons, and introduced at the worst possible time.

Mortgage interest deductibility has been condemned by virtually every serious study. Benefits are limited and temporary, but the costs are massive and perpetual. It is a cumbersome, discriminatory and counterproductive allocation of capital resources. It will distort the tax structure, rental sector and the money markets. And it will increase house costs, interest rates, property taxes, inflation, individual debt and federal deficits.

● (1550)

The reason for this massive subsidy is unadulterated political patronage—the purchase of a few votes in the last election, and a stubborn insistence on paying the 'debt' with public funds.

To keep this one promise, Mr. Speaker, the government has been forced to renege on three much more important promises. The article in the *Canadian Builder* goes on to say:

The federal government must implement its crucial economic promises and set aside election bribery.

Another construction organization, the Housing and Urban Development Association of Canada, reports in a June newsletter, when speaking of 1979 housing construction starts, that a major drop in dwelling units will occur in multiple dwellings with single detached types slightly ahead of 1978 but not sufficiently to make up the difference. Then the newsletter says that 1980 looks like a better year.

Mr. McDermid: A point of order, Mr. Chairman. I find it very interesting to listen to the hon. member quoting from all those magazines. However, the hon. member for Winnipeg-Fort Garry must be getting a little uneasy, as none of his colleagues is discussing the amendment he has proposed to the bill. The opposition has complained that the committee will not listen to their amendments, and now the amendments are before us they do not discuss them. I think you should order the hon. member to discuss the amendment to clause 1.

The Assistant Deputy Chairman: Order, please. I have been following the remarks of the hon. member for Vaudreuil. While he has strayed very slightly, he has returned to the subject. The hon. member for Vaudreuil.

Mr. Herbert: Mr. Chairman, quite obviously members of the government do not like to hear the few words of wisdom we offer in our effort to convince them that they should approve their own suggestion that there be a sunset clause in such bills.

I was quoting another construction organization, the Housing and Urban Development Association of Canada, which reports in a June newsletter, when speaking of 1979 housing construction starts, that a major drop in dwelling units will occur in multiple dwellings. The newsletter also says that 1980 looks like a better year.

The key point is that it is the multiple dwellings that need help. The government is going to take away whatever assistance presently exists and is pouring billions of dollars into the sector that least needs assistance.

In conclusion, Mr. Chairman, I should like to refer again to a letter written in October by the minister responsible for the Canada Mortgage and Housing Corporation. He writes as follows:

In the view of the lending institutions, an NHA insured mortgage backed by the guarantee of the government, represents a lower risk than a privately-insured mortgage.

Let us not, then, hear any further word about turning over the highly lucrative mortgage insurance business to the private sector.

The minister also writes—and this comment is worthy of repetition—that home ownership is a desirable goal for Canadians, and few will dispute that statement. But then he adds:

A sunset clause in the program could only be justified if home ownership were to cease to be a social goal at some future time.

If we applied that reasoning to every program, then surely it would be rare indeed that a sunset clause would be included in any bill. The minister says, and I quote again as follows:

I would not be in favour of including a sunset clause in the program at the outset.

I emphasize those last three words "at the outset". That very phrase acknowledges the principle of the sunset clause,

and at what other time should it be included than at the outset? It is when a bill is introduced that we want to be assured that it includes a time limit, not automatically to end the bill or necessarily to end the bill, but to guarantee that action must be taken to review or extend the life of the law.

This has been a long-standing and loudly-professed plank of the Conservative party. Why are they turning their backs on it now when the first major measure of this government is before the House?

May I make one last suggestion, Mr. Chairman. If the government maintains its refusal to include a sunset clause, will it consider changing the year in clause 1 to read 1980 instead of 1979? There is surely something inherently unjust in backdating a tax measure. If the first effective year is next year, then at least the population of this country will be able to take maximum individual advantage of the Tory bill. It will also take some of the pressure off the government, which is forced to use closure in order to rush through this discriminatory, useless and highly undesirable measure that Canadians simply cannot afford.

A sunset clause is an absolute "must", and I plead with the government to reconsider its position.

Mr. Stollery: Mr. Chairman, I do not appreciate the opportunity too much to listen to the remarks of the hon. member behind the curtain, but he may not be here for too long. I do appreciate, however, the opportunity to say a few words at this stage of Bill C-20 and to speak on the amendment put forward by my party. Of course, I speak in support of the sunset clause.

An hour or so ago I was a little taken aback to hear the Prime Minister issue a threat. In the seven or eight years I have been here, I have never seen a prime minister threaten members that if they do not do something right away, he is warning them. I have never been warned before, Mr. Chairman. I think this is something that members should take note of for possible discussion tomorrow. It is a dreadful display of parliamentary practice for the leader of the country to warn members of Parliament—

The Assistant Deputy Chairman: Order, please. I cannot really relate this to the amendment before us to clause 1 of the bill. I would ask the hon. member to please deal with the amendment.

Mr. Stollery: Mr. Chairman, I thought it was in order to remark on that because it relates to the time of the House that is being occupied with the amendment and, in a way, refers to what we are discussing.

I hope the government will accept this kind of amendment which will give them an opportunity to review in one year what is basically a bad law. This is a bad law that is before the committee, Mr. Chairman. This is a law that was intended by this government to make a $3 billion commitment before we even saw the budget. The opposition has been accused of obstructing Parliament because it thought we should see a budget before we approved a $3 billion tax expenditure.

The cost of this bill is to be paid for by all taxpayers but the money will go to a selected minority of taxpayers. We have taken the position that that is a gross misspending of the taxpayers' money at a time when Canada, like many countries, has severe economic problems with too much unemployment and too much inflation. Before this expenditure is made, we think the Canadian people should have an opportunity to see what kind of a budget the government is proposing.

• (1600)

Some hon. Members: Oh, oh!

Mr. Stollery: I ask the member across the way please to be quiet and control himself so that I can finish my remarks.

The Assistant Deputy Chairman: Order, please. That is the position of the Chair and I ask the hon. member for Spadina to carry on speaking about the amendment to the bill.

An hon. Member: Get to the point.

Mr. Stollery: Mr. Chairman, thank you. I am trying to stay on the subject matter as closely as possible.

We are proposing an amendment that gives the government—whoever that government may be next year and it may not be this one—an opportunity to review a bad law. We are giving the government of the day next year, and I repeat it may well not be this one—

An hon. Member: You are not too sure.

Mr. Stollery: I just heard a comment from a member who wins every other election. I think we are giving the government an opportunity to re-examine this bad law. It is a sort of hare-brained scheme that has been proposed to try somehow to persuade the people of Canada that the government is living up to its commitment. We want to give the government an opportunity to assess the situation. Hopefully it will take advantage of it. There may be a time—I would not say its members would try to buy their supporters—when memories may have dimmed of wild, extravagant promises, almost all of which are being reneged on, and when they fell they may be able to manage the country and get rid of this very bad law. That is the point of the amendment. It is a good amendment because it gives the government a chance to get rid of a bad law that is being rammed through the House of Commons.

At this stage of the operation, I do not want to review the comments that I made about this bad law approximately two weeks ago. It is bad because it commits a large amount of money to a minority of Canadian taxpayers. It is a bad law because people who have paid for their own homes, for example, older people who often sell their homes because the upkeep is so expensive, and move into apartments, are being fined or penalized. They will have to pay their taxes to a minority of Canadian taxpayers who are living in homes on which there are mortgages.

It is a total disgrace to propose this kind of thing when we have the American experience in evidence only a few miles

from Ottawa across the St. Lawrence. Places in New York state have enormously high property taxes partly because of the provision of claiming deduction of taxes from federal income tax. We all know, including members on the other side, about this situation. I cannot imagine how members of Parliament from the Conservative party could go to Washington, as I believe they did in the spring, and be told by everyone that this is the worst kind of law and yet still present it. Once something like this is put in the tax system, it cannot be taken out. To be told that fact by people in Washington who have interested themselves in this type of a tax law and then to return to Canada and present a bill such as Bill C-20 here in the House of Commons, I cannot understand.

There must be members in the Conservative caucus who speak independent'y. I cannot believe that in the group we see across the way there is not an independently-minded person. I cannot believe in that entire grey and rather rapidly aging group of monotonous blue suits—

Some hon. Members: Oh, oh!

Mr. Stollery: I cannot imagine that they would not like to have an opportunity to get out of a bad law. Since we are talking about limiting the term of this law for a year, I believe it will become the subject of renewal by an order in council. I think members opposite would welcome this opportunity to get out of a $3 billion commitment and perhaps a year from now they may well be thanking us for the amendment. If they happen to be the government, and I suspect they will not be, they will be happy to get out of a $3 billion bad law.

I notice that the Parliamentary Secretary to the Minister of Finance has one or two officials with him. This law is so simple, I doubt that a lot of questions will be directed at those officials. However, it is an enormous commitment. It is a law that I am sure Conservative members will want to review in one year. I am sure they will want to get out of this expensive commitment even if the social significance escapes them—and it probably will.

Under this bill, everyone is paying taxes so that a minority of Canadian taxpayers will get the money. Apparently that point does not bother hon. members opposite at all. Surely after one year, members opposite, if they are still here, will want an opportunity to take a second look at a $3 billion commitment. I can see the enthusiasm on their faces because of their interest in being able to get out of this commitment a year from now. I know they are interested in not passing bad laws. They have painted themselves into a corner. They have come up with a bad law. And here we are, giving them an opportunity to get out of that situation. I hope they will take the course of courage and accept this amendment.

• (1610)

Mr. Richardson (Humboldt-Lake Centre): Mr. Chairman, we are dealing with sunset law amendments. The hon. member for Mississauga South last night mentioned the fact that we have a sunset law every year in the budget. The hon. member who just spoke told us we ought to have a sunset law amendment because of the cost of this program. I shall deal with that aspect and with the deficit which opposition critics have mentioned as likely to arise. I say there will be no such deficit. It is true the government is faced with an $11 billion annual deficit and with the problem of balancing the budget. The hon. member says we should not be passing this bill because eventually it will cost the federal government billions of dollars—he said $3 billion but we believe it will be $2 billion. We maintain that this selective tax cut will eventually increase government revenue.

This is the way we believe it will work. Last year, 16 per cent of those engaged in the construction industry in Canada were unemployed. Last year 70,000 housing units were unsold and this year there were 60,000 fewer housing starts. It has been estimated that this plan would help an additional 600,000 Canadians to own their own homes. It has also been estimated that if we can get those 70,000 unsold units off the market and increase housing starts this year by 60,000, an additional 105,000 man-year jobs would be created; in other words, a year's work for an additional 105,000 Canadians.

At the moment, the government is subsidizing the unemployment insurance program to the extent of some $2 billion a year. If we can take people off unemployment insurance and put them to work we will save money on the unemployment insurance program. Increasing the work force by 105,000 automatically broadens the tax base. Government revenue is thereby increased because there is an increased number of taxpayers even though they are taxed at the same rate. What we lose at the beginning we more that make up for in the end. That is why I say we shall not be increasing the federal deficit.

It should also be remembered that 100 per cent of the labour used in house building in this country is Canadian. Some 95 per cent of all materials going into houses here is Canadian. What better way could there be to help the economy than by using 100 per cent Canadian labour and 95 per cent Canadian materials to build houses for Canadians in Canada, while at the same time helping the construction industry, 16 per cent of whose work force was unemployed last year?

An hon. Member: What about the amendment?

Mr. Richardson (Humboldt-Lake Centre): I am dealing with the amendment—the sunset law. We do not need a sunset law to reduce public expenditure.

An hon. Member: Sunshine for everybody.

Mr. Richardson (Humboldt-Lake Centre): Right. We want to help the construction industry and this plan will do so. That is why we do not need this amendment.

My third point is this: There are tax cuts and there are selective tax cuts. This is a selective tax cut because it is designed to encourage people to invest in their own future. We do not want a sunset law for that. It encourages the private sector to invest in itself so as to get the economy of the country moving. Instead of using taxpayers' money to finance non-pro-

ductive make-work programs, private investment money will be used to increase employment and build up this country. We want to reduce the use of public money and increase the use of private investment capital.

Let us suppose for a moment that this selective tax cut had been an ordinary tax cut. Let us suppose, for example, that we had removed the 5 per cent sales tax we have in Saskatchewan—it is 7 per cent in Ontario. An individual is not likely to go out and buy a dozen shirts simply because he gets a reduction of 5 per cent in the price. But it is not at all unlikely that an individual might decide to buy a car because he can get 5 per cent off the price. And where are our cars produced? They are produced outside Canada for the most part. Perhaps half the cars sold in Canada are foreign cars. In other words, if we remove the sales tax the chances are we would be stimulating the economy of a foreign country just as much as our own and the beneficial effect of such a tax deduction would be lost. With a selective tax cut such as our mortgage interest and municipal tax deductibility plan, the main effect will be to stimulate the Canadian economy, and that is one of our prime objectives.

We already have pension plans for the aged, baby bonuses for the young and unemployment insurance for the unemployed. Renters are charged lower rents because landlords are able to deduct interest on capital investment as a straight tax deduction. DREE grants are provided for industry. The fact is, we already have plans for practically every other sector of the economy. This program is designed to give the hardworking, average Canadian taxpayer a break while at the same time stimulating the economy by turning it around and getting the country working again. We do not need a sunset law on a policy of that kind. We plan to give the taxpayer a break.

Mr. Rae: Whenever I listen to a speech by the hon. member for Spadina I realize why he fought so hard against the introduction of a turkey marketing board. It is because if we did have such an institution he and many of his colleagues in the Liberal party would be in danger for their lives.

Some hon. Members: Oh, oh!

Mr. Rae: Whenever I listen to a speech by one of these born again Liberals, I cannot help asking myself where they were over the past 16 years. Where have they been? The hon. member for Spadina spoke as if the Liberal party was ever the least bit concerned with the concept of a tax expenditure. In 1976 my leader, the hon. member for Oshawa, questioned the then prime minister, who is now soon to be once again the one and only member for Mount Royal. In 1976 he asked the prime minister, as he then was, why he did not bring in a tax expenditure budget so that we could have a look at the expenditure side of the budget and could see what kind of benefit he was giving to the men and women of this country, what kind of benefit he was giving to corporations, what he was doing about the oil depletion allowance, how much the oil depletion allowance was going to cost us, how much the investment allowance was going to cost us, how much the fast write-off of capital cost allowance was going to cost us, how much the research and development benefits were going to cost us and how much were the undeferred taxes were going to cost us.

● (1620)

What was the answer of the prime minister, as he then was, the leader of the Liberal party? The answer he gave was that that is something which takes place in the United States and that he was sure that people up here would not be interested in knowing how much all that was costing us.

I think it is worthwhile pointing out that if we had these new-found warriors over here to my right and my far right, the members of the Liberal party, still in charge, we would not know what we know today as a result of the publication last week of the tax expenditure figures which the Minister of Finance gave us last week. I will have ample opportunity to disagree with the Minister of Finance tonight and tomorrow, but I want to say that this is something that we in our party have called for for ten years. My predecessor, formerly the hon. member for Waterloo-Cambridge, Mr. Saltsman, was in favour of this idea. I want to make it clear that we were calling for it right through the summer, and I am delighted that the Minister of Finance has seen fit to bring forward tax expenditure figures which allow us to see, once and for all, the costs not only of personal welfare and the tax credit system but also the cost of corporate welfare to each and every Canadian taxpayer.

I want to say to the House that we will not be supporting this amendment for a very simple reason. The simple reason is not that we do not support the concept of a tax expenditure and not that we do not support the concept of a sunset law on tax expenditures.

However, as is typical of the left wing of the Liberal party, the final word as to whether this measure will go ahead in future years is not left to the House of Commons. No, as we might expect from the left wing of the Liberal party, the final word on whether we will have a tax expenditure worth some $3 billion in 1980 does not rest with the House of Commons. The final word rests with that indoor relief department of the Liberal party, right, centre and left, the Senate.

I think it is worth noting that the first amendment which the left wing member for Winnipeg-Fort Garry brings forward is in defence of the right of the Senate to hold control over supply, a doctrine which is absurd in constitutional notions and which has no relationship to the democratic concerns of the Canadian people.

Some hon. Members: Hear, hear!

Mr. Rae: We in Canada are walking on one leg as far as our Parliament is concerned. We have one body which truly represents the Canadian people, and we have another body which remains the last unreformed, unreconstituted, unrepresentative and undemocratic representation of the Canadian federation. It was designed by the fathers of confederation to represent the federal principle in our government, but there is sad proof that that body has come to represent the final resting home of Liberal and Conservative politicians, proof indeed

that there is life after death but proof of nothing else as far as a democratic principle is concerned.

I think it is extremely important that we make it perfectly clear as to why we in this party are not going to be supporting this amendment. The simple reason is that although we are in favour of a sunset provision on this matter and although we are not in favour of the mortgage tax credit as it is presently designed—nor are we in favour of a filibuster and the kind of malarkey we have been hearing from the Liberal party all afternoon which has had nothing to do with the amendment put forward—we are concerned about the fact that the last word in this matter would be left not to a resolution of this House but to a resolution in the Senate, which is completely unacceptable, I suggest, to any member of the House of Commons who is concerned about control of supply. For that reason and for that reason alone we shall be voting against the amendment.

Mr. Breau: Mr. Chairman, I was very interested in hearing the speech—or the semblance of a speech—by the hon. member for Broadview-Greenwood. While he may be concerned about turkey marketing boards, he should remind himself that we do have on the books an egg marketing board, and he may want to be concerned about that.

Mr. Hogan: You are laying one now, Herb.

Mr. Breau: I recognize that at this time in our political history the New Democratic Party is on its way down. It is obvious from its popular vote in Ontario last time that it does not have anywhere to go. Members of the New Democratic Party say they are for good legislation and that the House of Commons should have an opportunity to review legislation once in a while. The Tories have decided to ram this bill through the House and not provide for more than one day's debate in Committee of the Whole on such important legislation. After the Tories complained for years that when we were in government we were stifling Parliament and bringing in the guillotine, on the first important legislation they bring forward they do the same thing.

That once again is a sign of Tory hypocrisy, and to see the hon. member for Broadview-Greenwood supporting the Tory party in opposing this kind of amendment is really something which is disconcerting to me. Even if the New Democratic Party is going to be wiped off the political map of Canada, I thought that at least its members would go down with their heads high. However, obviously in their old days—

The Assistant Deputy Chairman: Order, please. I think the hon. member is certainly straying away from the amendment which has been proposed, and I suggest he follow the wording of the amendment, please.

Mr. Breau: Mr. Chairman, I want to speak about the amendment of my colleague, the hon. member for Winnipeg-Fort Garry, to clause 1, which would give the House of Commons and Parliament an opportunity after the first year of operation of this legislation to review it and provide that the government would have to pass an order in council and have Parliament either approve or reject the application of this legislation for subsequent years. I find it very difficult to understand—and this is what I was saying—that the NDP could support the Conservative party, the government, in opposing such an amendment.

The reason we want this kind of amendment to this bill is that we are very concerned—contrary to what one hon. member of the Conservative party said a while ago—that this bill will not be a bill which will stimulate construction. This is not an effective stimulative instrument at all. If the Tories want to stimulate housing construction, stimulate the economy or stimulate any kind of construction, the most effective way to do that is through a reduction either in sales tax or an across-the-board tax cut. That is the way effectively to stimulate the economy of Canada in a real way. It is not done through this kind of legislation because the people probably are not going to get this tax credit before next May, June or July. Can the government say right now what the state of the economy is going to be in June or July? This is not an effective way at all. The Minister of Finance should have brought down a budget last June or July, and he could have included in it an effective instrument of economic stimulation, but he did not do that.

● (1630)

Another reason we want this act reviewed under the sunset provision is that we want to make sure that in the second, third or fourth years this kind of push to the construction industry does not do exactly the opposite of what the hon. member of the Conservative party said this afternoon it would do. It might happen that at that time there will be increasing inflation in the economy and therefore, as the Minister of State (Treasury Board) apparently said a couple of days ago or said in the statement which was issued from the office, that is why he was in favour of a sunset provision in such cases. How can a minister of the government, a member who used to speak so independently and so eloquently on any subject when he was on this side of the House, now be tamed so quickly by the Minister of Finance? Apparently he agrees with this kind of provision.

Speaking about ministers, let me point out that one of the reasons we want this matter reviewed by Parliament in subsequent years is that we are very concerned about the injustice and the inequity that this system will bring about in our taxes. Throughout the time I have been active in politics I have thought that the role of government in society was to help those who need help the most. Some of us were encouraged by the fact that members like the hon. member for Egmont made it to the cabinet, even to the inner cabinet. We are happy that members like the hon. member for Kingston and the Islands became Secretary of State for External Affairs or that a member like the hon. member for St. John's East was made a member of the cabinet, or that the member from Newfoundland was made Minister of Finance. However, these people have been completely shut out by the real people who run the Tory party, such as, presumably, the President of the Treasury

Board, because how could the member from Newfoundland and the hon. member for Egmont accept such an unjust system?

While the House of Commons has agreed to give second reading to the bill, which is acceptance in principle, and we are in Committee of the Whole under the guillotine—to use the term of the Tories when they were in opposition—the only possible thing we can do is to suggest that the provision at least be reviewed.

Let us look at the effects of this provision. Newfoundland, which has 2.4 per cent of the households of Canada, will receive only 1.2 per cent of the benefits under this bill.

P.E.I., the province of the Secretary of State who wants to be the defender of his province, which has 0.6 per cent of the population, will get only 0.3 per cent of the benefits.

Take the province of the hon. member for Central Nova, who is Minister of Regional Economic Expansion. Some of us thought that this man would be able to fight not only for Nova Scotia but for the Atlantic provinces, and we were happy to see that such an important portfolio was given to a member we thought to be sincere. We still think he is sincere but he is being controlled by the President of the Treasury Board and the barons of Bay Street. That province, which has 3.9 per cent of the population, will get only 2.8 per cent of the benefits.

My province of New Brunswick has been ignored in the real cabinet because we have a Minister of State who does not even have a portfolio, for the first time since confederation. My province has 2.9 per cent of the population of Canada—

Mr. Munro (Esquimalt-Saanich): Mr. Chairman, I rise on a point of order. I am not sure that this litany of households in the various provinces of Canada has anything to do with the sunset law amendment which was put forward by the hon. member's colleague.

Mr. Breau: Mr. Chairman, I am explaining the injustices of this bill. The hon. member does not like to be confused by facts, and I can very well understand that, but I am trying to put some facts on the record to show that this bill is an unjust piece of legislation, that it is inequitable, and therefore I want it reviewed by Parliament next year.

Some hon. Members: Hear, hear!

Mr. Breau: The hon. member does not wish me to prove to the House and to the Canadian public, that the Tories are a party which does not want to use the resources of the government to help those who need help, they want to use the resources of government to help those who do not need help. I suppose that what they want to do is to help those who have complained for years that they could not buy homes. Now they will give them a tax credit so that they can go to Florida and buy a condominium there.

I am trying to show that in my province where we have 3.1 per cent of the households in Canada we will only get 1.7 per cent of the benefits.

Quebec, with 21.6 per cent of the households, will receive 18.7 per cent of the benefits.

Ontario, that poor province—I know that this government is making Ontario poor because obviously the Prime Minister and the premier of Alberta have decided that Ontario was no longer important to confederation and had nothing to say—look at how Ontario is being shafted. That province has 37.8 per cent of the households, but they will get 45.4 per cent of the benefits. Could this be the trade-off between being shafted by higher oil prices and getting benefits under this bill? The taxation structure and the property tax base in Canada are not uniform throughout the country; they are not the same everywhere. In my province, for example, school taxes are not collected on the basis of property value but on the basis of a central assessment by the provincial government.

For that reason, I would ask you, Mr. Chairman, to put the question on this amendment now because we would very much like to have it approved.

Some hon. Members: Hear, hear!

Some hon. Members: Question.

Mr. Ritchie (York East): Mr. Chairman—

Some hon. Members: Filibuster.

An hon. Member: Obstructing the House.

Mr. Breau: Are you for or against the amendment?

Mr. Ritchie (York East): I rise to discuss the amendment, and it does need some discussion because of all the things that have been said in its alleged support that are highly questionable. The principles of this bill have been put before the Canadian people and have been the subject of intense discussion for more than a year. They are, moreover, closely related to a practice which has been in effect in the United States for 50 years. We are not dealing with something that is new and unknown; we are dealing with something that is known.

During the period in which the principles of this bill have been debated, not just in the House but in the country, we have heard the charge made by people who opposed it that the trouble with it is that once you put it in, you cannot get it out. To me, that is one of its greatest assets. If you analyse that statement, what is being said is that the will of the people will keep this law in place once it is in.

Some hon. Members: Hear, hear!

Mr. Breau: If you want it passed, let us vote on it.

Some hon. Members: Question.

Mr. Ritchie (York East): The argument is that the will of the people should not be allowed to be effective.

Some hon. Members: Question.

Mr. Breau: We speak for the people, so let us vote on it.

An hon. Member: Obstructing the House.

Mr. Ritchie (York East): Mr. Chairman, I have sat politely while the supporters of the amendment made their case. I would now like to make mine.

One of the strong points to be said about this proposal is that it meets the will of a large number of people in this country. I am amazed at the kinds of things which have been said which obviously cannot be believed as some of them are so Alice in Wonderlandish. Surely they cannot be believed about proposals of this kind.

● (1640)

We hear that this bill represents a commitment of expenditure. What this bill really does is that it proposes to leave in the hands of the taxpayers of this country some of their income.

An hon. Member: Some of it?

Some hon. Members: Hear, hear!

An hon. Member: It benefits only Ontario.

Mr. Ritchie (York East): It is a form of arrogance which I find hard to accept that taxpayers are lesser judges of the interests of this country and themselves than we in this House.

An hon. Member: Bring back Crosbie.

Mr. Ritchie (York East): If this were a very limited group that was affected, then there would be some substance to that argument. But I ask the committee to consider that this is a long-term commitment. It affects not only the people who have mortgages today but those people who will have mortgages. It affects the renters who will buy houses.

An hon. Member: We will change it in six months.

Mr. Ritchie (York East): Today in this country more than 50 per cent of householders are living in owned accommodations. Not all of them have mortgages, not all of them are in taxable brackets. This is not a proposal for this year and next year; it is proposal which will go on for 50 years. Therefore it is important to future home owners and future mortgage holders, as well as present ones.

An hon. Member: Filibuster.

Mr. Ritchie (York East): As a result of this bill and its effects over time, I believe in due course that at least 60 per cent of the people in this country, in a normal situation, will benefit from this kind of tax relief. If one includes the people who at one time or another in their lives are householders and own their homes, it will be more than 60 per cent. This is not a class bill.

Some hon. Members: Oh, oh!

An hon. Member: Say that with a straight face.

Mr. Breau: Only the people of Ontario and British Columbia will benefit.

[Mr. Breau.]

Mr. Ritchie (York East): In my riding there are a great many senior citizens whose chief asset is their home.

An hon. Member: We want John Crosbie.

Mr. Ritchie (York East): I am referring to senior citizens who are in relatively straitened circumstances but still pay some income tax. These people are looking forward to this arrangement under which they as householders will receive more from that single asset that they possess.

Some hon. Members: Question.

Mr. Ritchie (York East): There are some things which should be told about this bill.

An hon. Member: The NDP will save your lives.

Mr. Harquail: Mr. Chairman, I rise on a point of order. I move, seconded by the hon. member for Gloucester, that the question be put forthwith.

An hon. Member: You cannot do that on a point of order.

Some hon. Members: Hear, hear!

The Chairman: Order. It is not the prerogative of members of the committee to move such a motion. Motions can be moved only when the Speaker is in the chair.

An hon. Member: Then call in Mr. Speaker.

The Chairman: Order. The only proposal which can be moved is that the committee rise and report progress.

An hon. Member: It was not a point of order in any event.

Mr. Ritchie (York East): I should like to report to the committee some of the experiences I have had with some of my constituents who are renters and hope to be home owners. They see this law as a definite advantage to them because it will enable them to become home owners sooner. Can Mr. Chairman imagine the effect of putting a one-year life on such a proposal? How attractive would it be to potential home purchasers to have the benefit of this law for just one year, and just the first stage of it?

Mr. Breau: You forced us into it. The House approved it on second reading.

Mr. Ritchie (York East): Effectively this amendment will kill all the attractions this bill has for potential home owners. This amendment is not in the interests of home owners.

An hon. Member: Question.

Mr. Ritchie (York East): The law which is proposed is in the interests ultimately of at least two-thirds of the population of this country, and probably more. This amendment would defeat the whole proposal which is now before the committee in terms of any reality. Therefore I urge that this amendment be defeated.

Some hon. Members: Question, question.

The Chairman: Order, please. The hon. Minister of State (Treasury Board) on a point of order.

Mr. Beatty: Mr. Chairman, I am not rising on a point of order. I am rising to speak briefly.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Beatty: I am delighted to hear the response by hon. members opposite. It was not my intention to take part in the proceedings of the committee this afternoon until the hon. member for Gloucester mentioned my name in the context of sunset legislation. I think probably it is appropriate to put a few comments on the record with respect to the amendment proposed by the hon. member for Winnipeg-Fort Garry.

This government is very much committed to the concept of sunset legislation.

Some hon. Members: Oh, oh!

Mr. Beatty: Indeed, we will be putting before Parliament a bill which will give it the opportunity to have reviews of programs taking place on a regular basis, including programs similar to this one, to determine whether or not programs that have been put into place by Parliament are serving the purposes for which they were designed. I will be looking forward, at the time I table that bill, to having the support of the hon. member for Gloucester and his colleagues on the other side. We believe it will be a fundamental parliamentary reform which will allow Parliament to do the job for which it was designed.

The question remains, with regard to this particular bill before the committee, as to whether it is necessary to incorporate a special sunset clause which will have a potential lapsing provision in it that will remove from Canadian home owners the tremendous benefit that allows them to finance their homes, and in many instances that allows senior citizens to hang on to their homes, when their ability to hang on to them is being challenged by ever-rising property taxes and the cost of housing in Canada.

The government believes very firmly that the bill before the committee today is in the substantial interest of the vast majority of Canadians, both Canadians who own their homes and those who want to continue to own them, those Canadians who find themselves pressed by rising interest rates, rising housing costs and rising property taxes at the municipal level. Also we recognize the fact that for millions of young Canadians this bill represents the best opportunity which they have.

Mr. Harquail: Mr. Chairman, I rise on a point of order. It is more than just passing strange that a government which introduced Standing Order 75C for closure on this bill now has a minister of the government talking out the bill.

Some hon. Members: Oh, oh!

Mr. Harquail: I think that is a terrible, disgraceful performance. We have a motion; we want to vote on it.

Mr. Knowles: Question.

An hon. Member: The minister can make his speech another day.

Mr. Beatty: Is it not a curious anomaly that this opposition, which just a few minutes ago argued there was not enough debate about the provisions in this bill, is now attempting to gag Parliament and to prevent members of Parliament on this side of the House from speaking to the bill?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Beatty: It is curious behaviour for an opposition which complains about the rights of Parliament.

An hon. Member: Sit down.

Mr. Beatty: It is curious behaviour for an opposition, which complained that there has not been enough justification for the principles in this bill, not to allow members of the government to make a comment or two. How particularly curious it is, Mr. Chairman, that when I sat here this afternoon I noticed six, seven or eight members of the opposition speak while I am the second or third member from the government side. What a curious anomaly, Mr. Chairman, that freedom of speech should be reserved only for members of the Liberal party.

● (1650)

Some hon. Members: Oh, oh!

Mr. Beatty: I want to come back to this amendment because I think it is essential that the House give consideration to the proposal made by the hon. member for Winnipeg-Fort Garry. The assurance I can give to the House today is that if Parliament acts speedily on the bill which I will be introducing shortly to provide for sunset legislation, Parliament will once again have the power and the responsibility to keep an eye on the public purse and to ensure that programs which are put in place continue to discharge the responsibilities for which they were designed in the first place. I hope that the sort of interest in having speedy consideration which members of the opposition have shown today will continue at that time.

Mr. Harquail: On a point of order, Mr. Chairman, how can this minister, similar to that minister from Toronto, the former tiny, perfect mayor who is in the outer cabinet, promise this House or this country anything? He is not in the inner cabinet, so how can he promise the House anything?

Some hon. Members: Hear, hear!

Mr. Beatty: Mr. Chairman, I am grateful that the proceedings of the House of Commons are now carried coast to coast on television, because I think it is instructive that Canadians should have the opportunity to watch their parliamentarians in action and to make a judgment as to the behaviour of members of the government and members of the opposition, and then ask themselves whether the opposition is being responsible in this instance. What we have seen in the course of the last several days has been a concerted attempt by the opposition to deprive millions of Canadians of a badly needed tax break and to deprive millions of young Canadians of the only opportunity they may have to own homes, particularly if they lose this tax break and this opportunity to make housing in Canada affordable.

Some hon. Members: Oh, oh!

Mr. Beatty: Day after day after day in this House we have seen every single parliamentary manoeuvre possible undertaken by this opposition. If they could not defeat the bill then they would drag it out and attempt to obstruct, to do everything possible to deny Canadians of that opportunity.

Some hon. Members: Oh, oh!

An hon. Member: Question.

Mr. Beatty: Mr. Chairman, is it not curious that as soon as members of the government begin to defend this bill which will give a tax break to Canadians, suddenly the opposition do not want to hear us? Suddenly they want silence in this House.

An hon. Member: We do not want silence, we want the question.

Mr. Beatty: Mr. Chairman, clearly the job of the opposition is first of all to convince their own members of their case. The hon. member for Winnipeg-Fort Garry was incapable of convincing three of his own members—

Mr. Lalonde: On a point of order, Mr. Chairman, surely the hon. minister knows it is not the opposition that has closed the debate on this subject, but this government.

Some hon. Members: Hear, hear!

Mr. Beatty: I am delighted, Mr. Chairman, that the former minister recognizes that members of this House should have the opportunity to debate the proposition that has been put forward by his colleague, the hon. member for Winnipeg-Fort Garry. I intend to avail myself of that opportunity despite the shouts from the other side.

Some hon. Members: Oh, oh!

Mr. Beatty: What the hon. member for Winnipeg-Fort Garry has conspicuously failed to do is convince three of his own colleagues that the case he was putting to deprive Canadians of this tax break could be justified. Three of them stood up and voted against him. Yet what we find today is speech after speech after speech by members of the official opposition who claim that somehow Canadians can be convinced of something that hon. members over there could not convince their own colleagues of. They are suggesting that somehow Canadians should be deprived of this right and opportunity to spend their tax dollars as they see fit.

The Chairman: Order, please. I am ready to recognize the hon. member on a point of order, but I hope it is a point of order this time and not just an argument.

Mr. Harquail: Yes, Mr. Chairman, it certainly is a point of order, and it has to do with the delaying tactics of the government in this place. The minister used the figure three; he has delayed the vote three times this afternoon in less than ten minutes.

Some hon. Members: Hear, hear!

Mr. Brisco: On the same point of order, Mr. Chairman—

Some hon. Members: Order, order.

Mr. Brisco: Mr. Chairman, I would ask if this is Parliament or is it a zoo? Because those are the animals over there, and I am damned well ashamed of them. If they do not know how to behave in Parliament, then I suggest they go back to their constituents and ask them what they think about their performance in this House.

Some hon. Members: Hear, hear!

An hon. Member: Look at the Gallup poll.

Some hon. Members: Oh, oh!

The Chairman: Order, please.

An hon. Member: Go back to the zoo.

Some hon. Members: Hear, hear!

The Chairman: Order, please.

An hon. Member: Withdraw.

Some hon. Members: Oh, oh!

The Chairman: Order, please. Hon. members will agree with me that such exchanges are not improving the standard of our deliberations. I think these false points of order should be limited as much as possible. I would like to hear what the minister is trying to say.

Mr. Beatty: Thank you very much, Mr. Chairman, for your courtesy. My comments will, indeed, be brief.

[*Translation*]

The Chairman: The hon. member for Madawaska-Victoria on a question of privilege.

Mr. Corbin: Mr. Chairman, our rules state that the language used in the House of Commons must remain within

certain limits. The hon. member who has just raised a point of order called members of the opposition animals. I would ask you, Mr. Chairman, to request that the hon. member withdraw his comments.

The Chairman: I must admit that the comments of the hon. member for Kootenay West were rather strong and spicy, but I do not believe they were addressed to any one member in particular. If we consider the exchanges, the provocations and the heat of the debate, I do not think it can be said that the hon. member for Kootenay West wanted to attack any one member in particular. It is not easy to control the words used during the debates of the House when hon. members do not want to control themselves. However, even though the comment of the hon.—

[*English*]

Although I feel that the remarks of the hon. member for Kootenay West were not of the best standard, I do not think they reflected that much on members.

Some hon. Members: Question.

[*Translation*]

Mr. Loiselle: Mr. Chairman, I do not want to question your interpretation of the facts, but since I have had to withdraw certain comments made in the House which were less insulting than those of the hon. member opposite, I consider that, since members of the official opposition have been called animals, this does not concern only us but also all our constituents, and I do not believe that the 75,000 residents of Verchères would accept or appreciate hearing their representative being called an animal in the House.

The Chairman: For my part, I do not intend to change my ruling. The only possibility for the hon. member would be to appeal my decision or at least to wait until tomorrow and read *Hansard*. At that time, if we see that there has been a violation of our privileges, and if the hon. member feels personally concerned, he can rise on a question of privilege.

[*English*]

Mr. Beatty: Mr. Chairman, I regret that the interventions of hon. members opposite have taken so much time. Suffice it to say that this government is prepared at any time to justify this proposal, whether here or on the hustings. I would ask that the question be now put.

Some hon. Members: Hear, hear!

The Chairman: Is the House ready for the question?

Some hon. Members: Question.

• (1700)

Amendment (Mr. Axworthy) negatived: Yeas, 46; nays, 86.

The Chairman: I declare the amendment lost.

It being five o'clock p.m., it is my duty to rise, report progress and request leave to consider the bill at the next sitting of the House. Is it agreed?

Some hon. Members: Agreed.

Progress reported.

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, I believe that there is the general understanding, with reference to the Standing Committee on External Affairs and National Defence, that we will revert to motions at this time.

Mr. Deputy Speaker: Is there unanimous consent that we revert to motions for the purpose of allowing the Secretary of State to introduce his motion?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

REFERENCE TO STANDING COMMITTEE OF REPORTS OF OFFICIAL PARLIAMENTARY DELEGATIONS

Hon. David MacDonald (Secretary of State and Minister of Communications) moved:

That the Standing Committee on External Affairs and National Defence be empowered to receive and examine reports from official Canadian Parliamentary delegations which have met with delegations from foreign Parliaments or attended inter-parliamentary meetings, and to report from time to time thereon.

Motion agreed to.

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

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

Mr. Bob Jarvis (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I would ask for the unanimous consent of the House to stand all items before Bill C-212.

Mr. Deputy Speaker: Is there unanimous consent that we stand items 1, 4, 5, 7, 8, 9, 10, 11 which appear before Bill C-212 in the name of the hon. member for Spadina (Mr. Stollery)?

Mr. Herbert: Mr. Speaker, you were to look into the possibility that we would have a recording as to whether or not the bills have been printed. Are we at the stage where it could be recorded whether or not the bills preceding Bill C-212 could be printed?

Mr. Deputy Speaker: I do not have the list with me at this time but I checked it today. From memory, I know that item No. 1 in the name of the hon. member for Esquimalt-Saanich (Mr. Munro) is not ready. I know that item No. 4 in the name of the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) and item No. 5 in the name of the hon. member for Davenport (Mr. Caccia) are not ready. The hon. member for Davenport is seeking the consent of the House to have one of his other bills called in place of item No. 5.

Item No. 7 in the name of the hon. member for Skeena (Mr. Fulton) is not ready. I know that items 8, 9, 18, 19 and 20 are ready, but the hon. members concerned are not ready to proceed today. Item 11 is not printed. I am satisfied that the only member ready to proceed with his bill at this time is the hon. member for Spadina.

Mr. Lefebvre: Mr. Speaker, this matter was brought up in the House weeks ago, and we still do not have an answer as to why it has taken so long for these bills to be printed. Could you, sir, inform the House of the reason?

Mr. Kempling: Mr. Speaker, it is my understanding that while the titles of many of the bills are ready the, shall we say, guts of the bills in many cases have not been drafted. In other words, some members have submitted the titles to their bills and that is all. The opposition whip is quite right that this matter was brought up in the House two weeks ago. The Speaker in the chair at the time said that he would look into the matter and report back to the House. As yet, we have not had that report.

Mr. Deputy Speaker: I can give the House part of the answer. I know that the hon. member for Esquimalt-Saanich has a very complicated bill. The hon. member has received from the legal branch either one draft or two drafts of his bill, and they did not quite satisfy him. I have been in touch with the parliamentary branch, which is doing its utmost to satisfy the requests of hon. members. For example, the hon. member for Notre-Dame-de-Grâce wishes to introduce a bill that was a government bill, but to adapt it to the present circumstances means a great deal of research. It is not only a question of drafting the bill but of considering all other acts that it might affect, and this would take quite a bit of time.

● (1710)

The bill standing in the name of the hon. member for Davenport is not ready and no instructions have been given to the legal branch. The hon. member for Davenport submits, and I think he has a good case, that he had given notice that his preference was not for that bill but for another, Bill C-299, I believe. By the time the notice was processed, the list of bills was printed. He hopes that when the bill is ready for consideration he can get unanimous consent to substitute it for another, so now he is waiting for Bill C-299 to be printed.

I have spoken to all hon. members concerned. I am satisfied that there was a great deal of research to be done and that the legal branch could not be blamed for the first 20 bills on the list.

The hon. member for Skeena has put down a bill concerning the boundary between Canada and the United States. Maritime boundaries have great implications and hon. members who know the subject will realize that. Bill C-208 is ready but I do not know why the hon. member for Timiskaming (Mr. Peters) is not ready to proceed. Bill C-209 in the name of the hon. member for Cariboo-Chilcotin (Mr. Greenaway) and Bill C-210 in the name of the hon. member for Beaches (Mr. Richardson) are ready, but I do not know why those hon. members are not ready to proceed. Bill C-211 in the name of the hon. member for Burnaby (Mr. Robinson) is not ready because the hon. member is waiting for a draft of the bill which he says is very complicated.

This brings us to Bill C-212. I guess the House gave consent so I shall put the question on the bill standing in the name of the hon. member for Spadina (Mr. Stollery).

* * *

PETRO-CANADA ACT

AMENDMENT RESPECTING WIDER PARTICIPATION OF PARLIAMENT IN ROLE OF CORPORATION

Mr. Peter Stollery (Spadina) moved that Bill C-212, respecting Petro-Canada, be read the second time and referred to the Standing Committee on National Resources and Public Works.

He said: Mr. Speaker, I recognize that because of the information that was required, some of the time available to discuss Bill C-212 has elapsed. This is a very simple bill which calls for an amendment to the Petro-Canada Act. It would do something which I am sure hon. members will agree is necessary. There has been great controversy about Petro-Canada and the government has said that it would in some way abolish it. A lot of people in the country think that would be unwise and that it would be increasingly unwise as energy crises increase. Just today we learned from the hon. member for Grand Falls-White Bay-Labrador (Mr. Rompkey) that Petro-Canada has been actively involved in the successful well that has been drilled off the coast of Labrador.

This bill provides that before the government alters the role of Petro-Canada, the approval of a special joint committee of the Senate and the House of Commons would be required. The committee would travel across the country and seek the opinion of Canadians. This would be a way for Canadians to participate in this very important decision that the government seems to have made, although now we are not sure just what the decision is.

I am sure hon. members opposite would be interested in this kind of resolution of the impasse they find themselves facing.

They know that decisions on petroleum and the energy question change almost weekly. They will appreciate that a way out of the dilemma would be for a parliamentary committee to hold hearings across the country, as was done on the immigration question and the constitutional question in 1970-71. I think it is most important that Canadians have direct access to their members of Parliament in any discussion on the future of Petro-Canada, and this would be a simple way of achieving that end.

I will not take up any more time of the House, Mr. Speaker, and I hope hon. members will support second reading of this bill.

I notice that hon. members opposite treat anything that is objective or that tries to be constructive with ridicule. This perfectly innocent bill, which is a way out of an impasse, is treated with ridicule. When they give the matter a little thought, however, they may see that it follows parliamentary tradition and that it would be a good way to get direct input from the average Canadian who cannot afford to come to Ottawa to try to influence a decision on Petro-Canada.

Quite a bit of time was taken up with the point of order, so in the spirit of generosity in this Christmas season I hope hon. members opposite will quickly see the wisdom of sending the bill to committee.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I hope no one will ask me what this bill means as I am still not sure. I get the impression from what the hon. member for Spadina (Mr. Stollery) has said that if the Conservative party moves to change PetroCan, we should have some kind of a travelling committee, a road show or travelling circus, go around the country.

• (1720)

Mr. Stollery: I am right here.

Mr. Nystrom: Now my adviser is next to me, perhaps I can be straightened around. I want to say that I am not sure of the usefulness of the bill at this stage.

Some hon. Members: Oh, oh!

Mr. Nystrom: The position I take, and I believe it is unanimous among my two colleagues and myself, is that Petro-Canada should not be changed. Any invitation to consider a road show where people can have input about the future of Petro-Canada is weakening the position that we are taking. Therefore, we should not be setting up a travelling committee to study the different ways that PetroCan could be changed.

I think the hon. member for Spadina is admitting defeat before he has even stepped into the ring. That is something Muhammed Ali would not do when he stepped into a ring, but the hon. member for Spadina has done just that. I am not willing to be that defeatist. I have seen my friends in the Conservative party across the way change their minds on many things these last few months.

An hon. Member: Name one.

Mr. Nystrom: Someone suggests that I name one. The move of the embassy from Tel Aviv to Jerusalem is one.

An hon. Member: Another one.

Mr. Nystrom: We were promised a massive tax cut. I understand from everyone, including the Prime Minister (Mr. Clark), that there will not be a massive tax cut tonight. That is the second one.

An hon. Member: How about a third one?

Mr. Nystrom: In the election campaign, at least according to the leaflets of the Conservative party that I have here, we were promised that the statutory Crow rate would remain as a statutory rate. The Minister of Transport (Mr. Mazankowski) is now saying—

Mr. Elzinga: Mr. Speaker, I rise on a point of order. I do not understand how what the hon. member is saying relates to this legislation. I understood we were dealing with a bill that suggested a committee be struck by Parliament to travel across Canada to gain input from Canadian citizens as to what we should do with Petro-Canada. I cannot see how this relates to what the hon. member opposite is saying in regard to this specific legislation.

Mr. Nystrom: Mr. Speaker, the hon. member is absolutely right. I was totally out of order. I got into trouble because my Conservative friends enticed me.

The bill before the House is a little premature. In my opinion, there is no need to set up a travelling road show or a travelling circus until we see what the government has in mind for the future of Petro-Canada. For all I know pressure from the able backbenchers on the government side will once again force it to change its mind and keep Petro-Canada as it is. I am fully confident that that will happen. I know how persuasive these members are. I know how concerned the Social Credit party is and the influence it has on the Prime Minister of this country. The real power sits on your extreme right, Mr. Speaker. Therefore, I think the hon. member for Spadina is being a defeatist. He is being premature and admitting defeat before we get on with the show.

I want to take about five minutes to tell the House why we should keep Petro-Canada. I will do this instead of talking about the merits of having a committee receive input from the public. There are approximately five important reasons why Petro-Canada should be saved.

First, PetroCan gives us a window on the oil industry. That is something I think is most important. As the House knows, the oil industry is almost totally controlled by five large companies. One of the problems we have had in the past is that we do not know as a Parliament a lot of what is happening in the oil industry today. We do not know about the impact of certain tax cuts or giveaways. We do know whether or not the oil industry needs certain grants. The only way of finding out is to be involved in the business ourselves.

Some Conservative members across the way are shaking their heads negatively. However, I am convinced from travelling across this country that the majority of people agree with us. One can quote Gallup poll after Gallup poll but the majority of the people want to keep Petro-Canada. They want to keep a window on the oil industry. Unfortunately at this stage, it is only a small window. I do not know why members of the Conservative party should be so concerned about having a company that is publicly owned. It will be able to give us all sorts of valuable information on that industry.

I would remind hon. members that in 1973 the oil industry told us, the energy minister and the prime minister of the Liberal party that we had an ample supply of oil in this country. We were exporting all kinds of oil to the United States. We were told that we had dozens and dozens of years of supply of oil in this country and that we had no problem whatsoever. Then all of a sudden, we ended up with a shortage of oil. I am saying to my friends across the way that surely we need that window on the oil industry so that we know what is happening.

If hon. members want a more recent example, let them look at the information we have received about natural gas from the oil and gas industry. First of all, we were told that we would not have enough, that there would be a shortage. Now there is so much that we have to export gas to the United States. I say that if we had a company like Petro-Canada, not only the size of Petro-Canada but much bigger and more involved in the industry, then we would have that policeman in the industry that we so vitally need.

Second, I believe we need Petro-Canada as a tool for national policy-making. It would be a policy-making tool to develop the industry and plan its energy needs rationally with a view to the future.

Petro-Canada is now involved in the northern part of Canada and off the coast of the Atlantic provinces. It is starting to do research and development in Canada. That is something that should have been started a long time ago. That is one of the real advantages of having Petro-Canada owned by the Canadian people.

Third, before Petro-Canada came along over 95 per cent of the Canadian oil and gas industry was owned by foreigners. Now with PetroCan we have a small chunk of the Canadian oil and gas industry that is owned domestically by the people of Canada. I believe that is very important.

Fourth, with so much foreign ownership of the oil and gas industry in Canada, the immense profits of that industry went abroad to the investors. That is the normal result. A lot of money for research, development and exploration was going abroad to help develop the resource in the North Sea and elsewhere in this world. At least by having PetroCan we have control over those profits. These profits can stay in this country and be reinvested in Canada.

The fifth reason for keeping PetroCan concerns what has happened in Iran. Along with the crisis in Iran, there was a diversion of oil last year by one of the large multinationals.

With Petro-Canada, we can have state to state deals such as one attempted by Petro-Canada with the government of Venezuela through its public oil company. There were deals arranged with the government of Mexico. We could have state to state deals and commitments. If there was a shortfall of oil, as in the case of Exxon being cut off by Iran and it wanted to divert some oil from Canada to the United States—a situation like that could happen, in fact it did happen just last year—if there was a deal between Petro-Canada and the government of Iran, then that type of arrangement would not happen. Those types of diversions would not occur.

If PetroCan was given a chance it would be only too willing to make those kinds of arrangements with Mexico and Venezuela. I remind the House that almost every country in the world, be it Britain, Germany or Mexico, have large publicly-owned corporations in the oil and gas business. Most countries have these companies because they feel it important that a non-renewable resource be under the control of and developed by the public sector.

I remind the House as well that President Carter and the Senate of the United States is now looking at PetroCan as a possible model for them. Once again, it seems to me that the Prime Minister of this country is the only person out of step with what is happening in the world around us. I suggest that the button that the leader of this party came up with a few weeks ago with the slogan "Keep PetroCan and sell Joe Clark" is a lot more appropriate than the approach that the Conservative party across the way wants to use.

In addition to those five reasons, I believe it is very important that, along with the need for a window on the oil industry, a role in policy making, Canadian ownership, keeping the profits at home and having the power to make state to state deals, we realize in this country the obsolutely immense power of the five multinational oil companies.

• (1730)

[*Translation*]

I am now referring to the five great multinationals—Imperial Oil, Gulf, Texaco, Shell and BP. Mr. Speaker, in our country over the last four years those five big oil corporations reported $4 billion in profits and during the first half of 1979 they made profits of $530 million, an increase of 32 per cent since last year. For example, Gulf Oil profits were up 1 per cent, but BP increased its net earnings by 44 per cent over last year.

[*English*]

In addition, Mr. Speaker, we have immense deferred profits. In the case of the oil industry they now amount to some $1.5 billion. I therefore do not see how a member over there can argue that PetroCan is too big, that PetroCan is going to be destructive in terms of the gas and oil industry in this country. I wish the government would, in co-operation with Alberta, British Columbia and Saskatchewan, the energy-producing provinces in this country, do something similar with gas and oil

to what the government of Saskatchewan has done so successfully with respect to potash.

Somebody over there says "Here we go". The government of Saskatchewan now has public ownership of over 40 per cent of the potash in the province. They are doing very well in expanding that industry, in amassing and keeping for the people of Saskatchewan huge profits, in controlling the industry. The headquarters of the company are in Saskatchewan. The research and development takes place in the province of Saskatchewan.

An hon. Member: What does Canada get?

Mr. Nystrom: Canada, Mr. Speaker, is getting a guarantee, first of all, that the industry will be owned by Canadians, that the profits will be kept here in this country, that the decision-making and policy-making power rests with Canadians. In this case they happen to reside in the province of Saskatchewan but still we are all Canadians. It also gives us control of the potash industry, something, I think, which is very important.

If hon. members across the way are concerned about the loss of the potash market because it is publicly-owned in Saskatchewan, they do not need to be concerned. Sales have gone up. The price of potash has gone up, and expansion in Saskatchewan has been going very well. I think this demonstrates, Mr. Speaker, that the ownership of an industry by the people of this country through the governments of this country can be very efficient and decisive in the future development of any province, or of the country as a whole.

I suggest that PetroCan should become the major oil company in Canada in co-operation with the provinces which are producing gas and oil in a similar way to that being followed by the potash company in Saskatchewan. I know the premier in my province would be in agreement with that type of position. There are already some joint ventures being undertaken between Saskoil, which is publicly owned in Saskatchewan, and PetroCan at the federal level.

I do not know what hon. members across the way are afraid of. Why are they so intent on protecting Imperial Oil? They are afraid of government. They are afraid of their own Prime Minister. At least the Government of Canada is accountable in the House of Commons. At least the Government of Canada can be questioned by committees of this House. Governments can be defeated and new ones elected, if they are not carrying out the wishes of the people. But what can the people do about Imperial Oil or about Shell, Gulf Oil or British Petroleum?

An hon. Member: Tax them!

Mr. Nystrom: Somebody says "Tax them". But how can you effectively tax some of these large multinationals? If you start doing that, perhaps they will decide not to invest in the country to the extent we need. We need a lot of investment to take place in the future, and perhaps if you tax these corporations too heavily they just will not invest. It is a double-edged sword. Anyway, Mr. Speaker, we have not been taxing them. If I had a guarantee out of the government across the way that they would tax the multinationals, then perhaps I would be more willing to listen to some of their ideas on PetroCan.

Mr. McDermid: On a point of order, Mr. Speaker, the hon. member is misleading the House. I have facts here that show that Shell Oil, in 1978, paid other taxes of $138 million and production royalties of $205 million, for a total of $342 million—

Mr. Deputy Speaker: Order, please. This is not a point of order. It is a difference of opinion. The hon. member will be recognized as the next speaker and will have the opportunity to correct whatever part of the debate he feels is not right.

Mr. Nystrom: Mr. Speaker, I am glad the hon. member for Brampton-Georgetown (Mr. McDermid) made that intervention because I have before me all the tables and statistics of the taxation of oil companies in this country. I have here those figures for the Big Five. I do not think I have the time, now, to read them into the record. I do know, of course, that some of the companies are paying taxes, but the effective taxation rate is very low in the case of many of the large companies.

I refer to Shell Oil, for example, and I find that they have not paid many taxes to the federal government. If hon. members would like me to go over all the statistics I would be very happy to do so, Mr. Speaker.

The point I have been making is that I do not see why the government across the way should be afraid of making sure that a little piece of our gas and oil industry is publicly owned. That is the position with respect to PetroCan right now. The position of our party, of course, is that PetroCan should be expanded, should be involved in all aspects of the gas and oil industry, and should become the major oil company in this country. That is precisely how we feel, and I maintain that the majority of the Canadian people support us in that position. I would be willing to debate with any member of the Conservative party in any part of my province or in my constituency on that topic at any time. It is what the people of our country want and I do not see why the Conservative government is so adamant in turning the gas and oil industry back into private hands.

The government has already done so many flip-flops, as was said earlier today, on Jerusalem, on tax cuts, on grain issues and so on. I am appealing to it to do a major flip-flop on PetroCan and keep the company for the benefit of all Canadians.

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, I welcome the opportunity to rise and discuss the private members' Bill C-212 introduced by the hon. member for Spadina (Mr. Stollery) whose intellect and wit are highly respected by dozens.

Some hon. Members: Oh!

Mr. McDermid: Here, Mr. Speaker, is an example of the type of government he would like to see. Government by committee, government by hearings, government by spending

the taxpayers' money foolishly. I can imagine that at night he dreams of getting on his white charger and heading across the country with a joint committee, not to discuss the facts, but to foul up the system of government which we enjoy in Canada.

Mr. Foster: On a point of order, Mr. Speaker, I do not think the hon. member should really be criticizing my hon. friend from Spadina for referring something to the Standing Committee on National Resources and Public Works, especially the PetroCan bill, because the PetroCan bill is the work of that committee and, incidentally, he should realize that his leader, the Prime Minister (Mr. Clark), has appointed many, many committees—more than is possible for this House of Commons—

Mr. Deputy Speaker: Order, please. Again, this is a point of debate. The hon. member for Brampton-Georgetown.

Mr. McDermid: Mr. Speaker, that point is well taken and I am getting to it. Here is what the PetroCan act says:

In the exercise of its powers the corporation shall comply with such policy directions as may from time to time be given in writing by the Governor General in Council.

That is, by the government. Right? What the hon. member has proposed is that a House of Commons standing committee make the policy for Petro-Canada, not the government. Well, read his amendment. It is all there. He proposes a committee which would make policy decisions for the government, the committee being in this case the Standing Committee on National Resources and Public Works. That is completely unrealistic. Why do we have a government? Why do we have a cabinet? Why do we not just govern by committee?

● (1740)

I will refer to the second proposal contained in the bill, to answer the hon. member's question further. The act reads:

No law relating to the insolvency or winding-up of any body corporate applies to the corporation and in no case shall the affairs of the corporation be wound up unless Parliament so provides.

The learned member has brought in an amendment which says:

No law relating to the insolvency or winding-up of any body corporate applies to the corporation and in no case shall the affairs of the corporation be wound up, unless a Special Joint Committee of the Senate and House of Commons, following public hearings held by it in at least one place in each province and territory of Canada, recommends that such law apply or that the affairs be wound up, as the case may be.

The second proposal contained in Bill C-212 would change that section 28 drastically, and I think the hon. member will admit that. Instead of coming to Parliament for a wind-up of the corporation, the hon. member for Spadina would again have a committee make the decision, not Parliament.

A joint committee of the Senate and House of Commons would travel the length and breadth of this country holding hearings and spending taxpayers' money and, if you can imagine, have the power to hold only one meeting per province or territory, and then the committee would be allowed to make the decision, not Parliament. Well, you read it.

[Mr. McDermid.]

This is another example of how the Liberals would abuse the power of Parliament. This is an example of the philosophy of the Leader of the Opposition (Mr. Trudeau) that members of Parliament are nobodies: "Do not leave the decision-making power with Parliament, give it to a committee." This government plans to strengthen Parliament, not weaken it, as proposed by this ill-conceived Bill C-212.

If the hon. member were frank with this House and the people of Canada, this is a tactic—and a poor one at that—to prevent a decision on Petro-Canada. The Liberals and the NDP have used Petro-Canada to try to smokescreen some of the real problems which face this government and this country. They are trying to convince Canada that Petro-Canada is the answer to all our energy problems. It is unfortunate that the Petro-Canada issue has received so much attention in the last few months as compared with the far more serious problems of future energy supplies and the size of our trade and fiscal deficits.

There is a lot of confusion about Petro-Canada these days. I have spent a great deal of time looking into the Crown corporation, and it is time to state the hard, cold facts.

The original mandate of Petro-Canada was to explore and develop new sources of oil and gas supply for the country in areas where the oil companies were not prepared to gamble. Another key role Petro-Canada was supposed to fulfil was to import, transport, and refine oil and gas. This is a very difficult thing to do, as Petro-Canada does not own a ship or refinery.

It was supposed to give Canada security of supply and reserves. Petro-Canada bought Pacific Petroleums, a company which was, by the way, 37 per cent Canadian owned. The government bought Canadians out with their own money. Did this result in any additional reserves being made available to Canadians? No. These reserves were already secure to Canadians. Security of supply is achieved when new oil reserves are found by hard work and expertise. They are not found by buying companies which already have these reserves. There are 700 oil companies in Canada, not five, as the hon. member from out west suggested.

The members of the opposition parties said that with the formation of Petro-Canada we would have a window on the oil industry. That is what we heard. It is nonsense. The Department of Energy, Mines and Resources employs 4,000 people, at an annual cost of $160 million, to observe every aspect of the oil industry. Governments control oil prices. They control wellhead gas prices, exports, rate of production and so forth. Petroleum monitoring legislation compels all oil companies to provide volumes of information to the government. The oil and gas industry is probably the most highly regulated industry in Canada, so Petro-Canada is not required to do the same job that the Ministry of Energy, Mines and Resources is doing.

Petro-Canada was created by placing an additional tax burden on Canadians, $800 million in cash. This money comes out of the pockets of Canadians in the form of taxes which they otherwise would not have had to pay. The taxpayers also have the ultimate liability of $1.5 billion of debt incurred by

Petro-Canada. As it now operates, Petro-Canada is like a medical patient who can stay reasonably healthy as long as he gets frequent blood transfusions. These take the form of money either directly from the federal treasury or money borrowed on the strength of the federal government's credit.

We hear about how well Petro-Canada is operating. In the first six months of 1979 it lost $7.6 million on assets of $3.3 billion. That is quite a feat. When almost every oil company is enjoying success, the state-owned Petro-Canada is losing money. In fact the financial structure of Petro-Canada as it now exists is over-burdened with debt in relation to its equity. Debt exceeds 250 per cent of equity versus a ratio of between 25 per cent and 40 per cent for other petroleum companies.

An executive vice-president of Petro-Canada said, and I quote:

> When we screw up, it is because of the government intervention; when things go well, it is a good business decision.

It has never been the intention of the Progressive Conservative government to dismantle Petro-Canada. We have never said we are going to dismantle it. It is the ownership we quarrel with, not the role of the company. Rather than public ownership through the government by way of a Crown corporation, the government wants a private company that Canadians will own shares in so that everyone can benefit from the potential Petro-Canada profits.

If one advocates an independent Canada with a true meaning of the word "independent", where does government intervention stop or start? Trying to protect a company like Petro-Canada from the free enterprise system is not independent; it is socialism. If there is a time for government to step in and take over an industry, then conversely there is a time when government should step out of an industry.

The proposed restructuring of Petro-Canada sets up a situation where a wholly-owned Canadian company could grow more quickly than under its current form. By transferring Petro-Canada to private ownership we will be providing it with the opportunity and the incentive to become the largest oil company in Canada, and the task force has recommended that only eligible Canadians—eligible Canadians—should be permitted to own shares in Petro-Canada and only eligible Canadians—Canadians, I repeat—should be entitled to buy shares in the after-market. I have stated many times that the shares must go to and remain in Canadian hands.

The new privatized Petro-Canada would have almost all the assets and responsibilities Petro-Canada has now—97 per cent of its responsibilities, to be exact—but it would be reorganized and strengthened to a degree that would enable it to play a far more important role than it does now in the Canadian energy industry.

The key public sector responsibilities of Petro-Canada would be transferred to the government. The government would have three essential functions: the negotiations of any necessary state to state oil contracts; the promotion of increased frontier exploration by Canadians; and the promotion of oil sands and heavy oil research. Our government favours a strong private sector energy industry managed by Canadians. We believe in Canadian citizenship ownership rather than Canadian-state ownership. A Petro-Canada owned directly by Canadian citizens would be more effective and efficient and would contribute more to Canada's objective of energy self-sufficiency. Share ownership in Petro-Canada is an opportunity for our children and their children to participate in the immense economic wealth of Canada.

There is no issue about which I feel more strongly than our freedom which exists under the private enterprise system. Our liberty is directly linked to private enterprise. If private enterprise is destroyed, we lose our political freedom. If we believe in the freedom of the individual from state domination, we must not allow any government to dominate our economy through unnecessary government ownership.

So, to sum up, Bill C-212 is another Liberal attempt to usurp the powers of Parliament. The Prime Minister (Mr. Clark) has already stated that any changes to Petro-Canada will be approved in this House. He will bring it to this House. He has made that statement. We do not need the suggested committee to cross this country. A dastardly deed would be done to the Canadian people if this bill ever passed, and I for one oppose this proposal most vigorously.

• (1750)

Some hon. Members: Hear, hear!

Mr. Jake Froese (Niagara Falls): Mr. Speaker, may I take this opportunity to thank the hon. member for bringing Bill C-212 before us because that gives us on this side of the House an opportunity to clarify some points that have been misconstrued so far as PetroCan is concerned.

I was delighted with the opening remarks of the hon. member for Spadina (Mr. Stollery) when he acknowledged the fact that Petro-Canada will go into the hands of Canadians. I am delighted with this, and I hope that as time goes on he will give up the struggle. In fact when I was preparing to speak on this bill this afternoon I thought I should be very careful with what I said.

Mr. Stollery: Mr. Speaker, I rise on a point of order. I apologize, and I do not wish to take up the hon. member's time, but I would like to ask him a question. Where in this bill have I admitted or suggested that the privatization of PetroCan is a *fait accompli*? This bill is clearly nothing more than a simple and specific recommendation that if PetroCan is to be abolished by this government, the people of Canada should at least have the opportunity to have some input.

Mr. Deputy Speaker: Order, please.

Mr. Froese: I was just referring to the hon. member's opening remarks in which he spoke of the time before the government does anything, and I challenge him on that remark.

Let me come back to what I was saying. In the time I have been in the House I have heard people talk about Petro-

Canada, and my impression is that in the minds of some members it has become so sacred that it can be compared to the golden calf in the Bible. They just about worship Petro-Canada. I feel that any time we are so taken up with anything, we are in tremendous danger.

I am sorry the hon. member from Saskatchewan has left the chamber, because time and time again I hear members of the NDP talk about the potash industry which has been nationalized in Saskatchewan and what a great thing that is. If anything scares me, it is that Petro-Can can become like the potash industry in Saskatchewan. It scares the daylights out of me, because when the government of Saskatchewan took over the potash industry—every year I use great amounts of potash—what we found was that the price of potash doubled. If it means that when a government takes something over, the result is that the price doubles, then that scares me.

There is no control when the government takes anything over, there is no one who has the right to question government. Has anyone ever had the right to question the government of Saskatchewan with regard to potash? When I think about Petro-Canada staying in the hands of government, the way it was started, I am appalled.

Let me put something on the record. In August of 1976 Petro-Canada purchased Atlantic Richfield for the sum of $340 million. I am not so much concerned with the sum as with the principle. Then they also bought Bay Petroleum Limited. The purchase of Pacific Petroleum in November of 1978 was accomplished differently. Rather than use government cash, it used government credit. Petro-Canada issued redeemable, non-voting preferred shares at the bank to raise the required $1.4 billion for the takeover. The Petro-Canada Act prevents Petro-Canada from issuing preferred shares, so it was done through a subsidiary. If any private business in this country ever attempted to act in this manner, the opposition parties would raise a big outcry at what was going on. But when the government does it, nobody has the right to cry out except the opposition, and that does not change. I am sure that when our government was in opposition they cried out against such a principle which is contrary to every business principle. This is what I am afraid of.

They talk about PetroCan being a window for the industry. If that is so, then let us compare it with business. Tell me what business would ask a person with whom they were involved to be their window? Would the government be unbiased in such a situation? In every other area there are rules and regulations to control this, but all of a sudden we are talking about an industry that the government owns, and all business principles fall aside.

I imagine that PetroCan could change—and that is another possibility that I see—with the whims of government. I say that the Conservative party is as much in danger here as are the opposition parties. It does not matter what party is in government. My reason for saying this is based on the experience I have had with government since 1968. I realize that perhaps this government is not to be compared with any other government, but in principle it operates in the same way. So long as civil servants control an industry for which they are not responsible, it suffers. If a person is not directly responsible for the spending he does, he is not as interested. That is why it is so tremendously important that we allow Canadians, who will be directly responsible, to own shares in PetroCan. I find that most exciting.

Also, I know that PetroCan, the energy industry in Canada, is a most lucrative business and will be so for years to come. I cannot imagine why the opposition would want to stop Canadians from having an opportunity to become shareholders in the most lucrative business in the country. It is most exciting to own and be part of this country, and I can imagine the enthusiasm with which the Canadian public will want to buy shares in the greatest industry in this country.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: The hour provided for the consideration of private members' business has now expired. I do now leave the chair until eight o'clock at which time, may I remind hon. members, the House will consider the ways and means motion of the Minister of Finance (Mr. Crosbie).

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. John C. Crosbie (Minister of Finance) moved:

That this House approves in general the budgetary policy of the government.

He said: Mr. Speaker, as I begin my first budget speech I wish to express my thanks to the Prime Minister (Mr. Clark) for entrusting me with this heavy responsibility, and to express my thanks to my colleagues and to the officials in my own department and in the other departments involved for their assistance to me in this budget. I also wish to take the opportunity to express my appreciation to the members of the government caucus for their support.

An hon. Member: Up to now.

Mr. Crosbie: Do not worry, gentlemen.

As well, I wish to express my appreciation to the electors of St. John's West who have given me their confidence in four

provincial elections since 1966 and who elected me on October 18, 1976, and on May 22, 1979, to represent them in this national institution. My three years in this House have been active and rewarding. I have come to know the country and members on all sides of this House in a way that convinces me beyond all doubt that Canada has immense possibilities. What do we need to realize them? All we need is the initiative, the willingness to work hard, the spirit of enterprise and the risk-taking and vision of our forefathers, whether English or French, or of other nationalities who came to settle in our part of the new frontier of North America.

[*Translation*]

My dear friends, a new era is opening before us. We will meet an extraordinary challenge. We will achieve the potential of the most beautiful country in the world.

[*English*]

Some hon. Members: Hear, hear!

Mr. Crosbie: This is an "achieve our potential" budget. This is a realistic budget that faces the facts and sets out our view of how Canada can realize its potential. Laurier said that the 20th century belonged to Canada. That prophecy may not yet be realized. But if our fiscal and energy policies are adopted, the 1990s will indeed belong to Canada.

This budget is a "first" in several respects. It is the first which it is my privilege to present to this House; the first of the new government; the first federal budget ever presented by a Newfoundlander; and the first Progressive Conservative budget in 17 years. Perhaps most important, it is the first budget of a new era in the economic and financial affairs of this country—an era of new realism and an economic climate to provide improved opportunities and incentives for Canadians.

Since last May, I have met with finance ministers from many countries. I have discussed our economic and fiscal problems with my provincial colleagues. I have listened to the views of business and labour leaders throughout Canada. I have sought advice from economists in universities, research institutes and business corporations.

All these contacts and the independent advice offered at the Tokyo Summit by the IMF, the OECD and the Economic Council of Canada—

Some hon. Members: Oh, oh!

Mr. Crosbie: Hon. gentlemen do not know what those initials represent. All these contacts have strengthened my conviction that four overriding considerations should guide this budget.

• (2010)

The first is that the Canadian economy has great potential and offers brighter prospects than almost any other country in the world. Second, our economic performance, which has been disappointing during the 1970s, can be improved substantially by improving the framework of economic incentives for private individuals and firms. Third, to be successful our policies must face realistically the problems posed by energy costs and shortages and the huge and swelling budget deficit which we inherited from our Liberal predecessors. And finally, our policies must focus more than in the past ten years on the medium and longer-term potential and opportunities of the country and less upon fine-tuning in the short run and the political subterfuges of the moment.

The need for a new approach is apparent from our experience during the 1970s. In broad terms, the performance of the economy has been about half as good on average as during the 1960s. Our rates of price inflation and unemployment have been roughly twice as high and our rate of productivity growth has fallen by half. Over the past five years, productivity growth, the essential source for increases in the living standards of Canadians, has approximated zero.

This deteriorating performance reflects a number of factors, some beyond our control. These include international developments such as the huge increase in energy prices and the unhappy combination of slower economic growth and general price inflation found in most countries, including the United States. In addition, domestic developments such as changes in the composition and location of the population and changes in labour force participation have been outside the control of government.

In addition to these unavoidable influences, however, part of the reason for our disappointing economic performance during the past decade has been the failure of governments, particularly the federal government, to face up to economic reality and to make the most of the country's opportunities. In my view, one of the main reasons Canadians elected a new government last spring was to set a new and realistic course for this country. This I and my colleagues are determined to do even if it means risking some unpopularity, hopefully short-term. We are committed to the proposition that in the longer run good economics is good sense and thus good politics.

CHALLENGES FACING THE NEW GOVERNMENT

What are some of the challenges we face as a government charting a new course? There has been little or no productivity growth during the past five years. This year prices have been rising at almost 10 per cent. This is the seventh year in a row in which prices have been rising in the range of 7½ to 11 per cent. Unemployment is about 7½ per cent, below the rate in 1977 and 1978, but still high, especially in certain regions of the country, such as my own native isle, Newfoundland.

In addition, two yawning "gaps" large or Liberal gaps, have emerged in the economy, the Government of Canada deficit and the deficit in the current account of the balance of international payments. At present, federal government expenditures exceed revenues by 25 per cent and the size of the deficit exceeds the total size of the budget in our centennial year of 1967. Our current account deficit is equal to over 2 per cent of the Gross National Product, that is, over 2 per cent of

the total value of all the goods and services produced by our country. This is the highest deficit ratio among the major industrialized countries. As a country and as a government we must face the fact that we have to pay our bills and cannot continue by borrowing ever more at the expense of our future.

Because of these deficits our interest rates have increased excessively, private borrowers have been crowded out of the domestic market for funds and our Canadian dollar has depreciated. Our ability to undertake new initiatives to promote the development of the country would be all but eliminated if we were not acting to reduce these deficits.

Our recent experience proves again that simply printing money and increasing government expenditures and the deficit does not help. Such actions only make our difficulties worse. A disciplined and realistic fiscal and monetary framework is essential. It is evident that a system of incentives in both the private and public spheres is critical. Individual choice in response to positive incentives is much more effective than attempts by governments to persuade, dictate and direct. A major priority in this and our subsequent budgets will be to create a system of incentives that will encourage Canadians to work, to save, to invest, to take risks in Canada, to become more efficient in production and to conserve energy and other scarce resources.

THE MAIN FEATURES OF THIS BUDGET

Tonight, I fulfil our election promise by providing detailed projections of our revenues, expenditures and deficits out to 1983-84. Hon. gentlemen opposite are shocked. They are not used to hearing the truth. I am also releasing a paper which sets out and describes the economic assumptions on which the fiscal projections are based.

[*Translation*]

Mr. Speaker, tonight I achieved what I most dearly wanted to accomplish. As promised, I reduced the budget deficit and the financial needs of the government dramatically. I am confident that this courageous action on the part of our government will give our economy, at long last, a new lease on life.

[*English*]

Some hon. Members: Hear, hear!

Mr. Crosbie: They are going to be crossing the floor before I finish, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Crosbie: I will now set out the main elements of this budget.

The fundamental objective of our fiscal plan is to bring about a steady reduction in our deficits. Our cash requirements will be cut in half from almost $10 billion this year to less than $5 billion by 1983-84.

To achieve this objective, a tight ceiling is placed on our expenditures. We will limit growth to 10 per cent a year. This means little growth in expenditures after allowing for inflation.

[Mr. Crosbie.]

I now refer to a series of major new measures in the energy field to achieve our goal of self-sufficiency in oil by the 1990s.

Let me make the situation as clear as I can. The revenue and expenditure figures relating to 1980-81 and the following fiscal years are based on the assumption that we will conclude an agreement with the oil and gas producing provinces on our new energy policy and on oil and gas pricing. The agreement involves oil and natural gas price increases over the years 1980-84 so that prices rise at a measured pace toward 85 per cent—only 85 per cent—not the old 100 per cent of the previous regime—of the lesser of U.S. levels at Chicago or the international price.

The Government of Canada intends, in connection with any increase in oil and natural gas prices, to ensure that excess profits are not made by the industry as a result of accelerating prices but that the industry has an adequate rate of return and retains the necessary revenues for continuing exploration and development of new energy sources. We intend to ensure, through our new energy tax, that the Government of Canada obtains roughly half of the returns from oil and gas price increases that exceed $2.00 per barrel and 30 cents per thousand cubic feet per year. On this basis the Government of Canada will have sufficient revenues from the increases in oil and gas prices to carry into effect energy programs, conservation programs and offset programs to assist the regions and people of Canada.

• (2020)

The exact form of our energy tax has not yet been fully worked out—

An hon. Member: Why?

Mr. Chrétien: After seven months? Why are you having a budget?

Mr. Crosbie: It has not yet been fully worked out. Because this is a process of consultation, not of running roughshod over the provinces as did the last government.

But it will be a tax sufficient to give the Government of Canada the revenues we have indicated we need from oil and gas price increases to carry out the programs we consider necessary. I have every confidence that the agreements now being reached will go forward and that a new energy tax will be in place before July, 1980.

Because of the absolute necessity of further encouraging our people to use fewer oil products, to conserve oil products now having to be imported in ever larger quantities and at ever greater prices as our own domestic supplies dwindle, and in order to raise badly needed revenues for the Government of Canada in a manner that also serves another vital national purpose, an excise tax of 25 cents a gallon is imposed on gasoline, diesel and other transportation fuels effective tonight.

An hon. Member: Deals all over the place.

Some hon. Members: Oh, oh!

Mr. Crosbie: After the crocodile tears are over, I will carry on.

This tax will not apply to heating oil in the home or elsewhere.

Some hon. Members: Hear, hear!

Mr. Crosbie: The tax will apply to all users of transportation fuels and will replace the current tax of seven cents a gallon on gasoline which applied only to non-commercial users. Thus the increase is 18 cents a gallon for those using gasoline for personal use only. Farming, commercial fishing and urban public transit systems will be entitled to a rebate of ten cents per gallon and so will be taxed effectively at 15 cents.

All federal proceeds from the new energy tax and a substantial part of the proceeds from the excise tax will be returned to the economy in the form of direct measures to assist in developing alternate energy sources, conservation methods and to assist regions and people in Canada in absorbing these higher costs.

The former government stated that it was never its intention to maintain indefinitely the present regime of cheap energy in Canada while the rest of the world was adjusting to the new realities. They said then that there was no practical alternative to continuing a phased adjustment to higher energy prices. They stated that this was essential to provide for future supplies and to conserve this scarce resource. The problem that they left us is that they did not have the courage to carry out their own policy. We have to act now so that Canada can be self-sufficient in all energy sources, including oil, by the 1990s and to protect Canada from chaos whenever international oil supplies are interrupted. Unlike the previous government we will not declare a policy and then fail to act.

I am announcing tonight an income-tested, refundable, energy tax credit of $80 per adult and $30 per child per year, phased in over two years, for the benefit of lower and middle-income Canadians. The cost of this measure when in full effect will be $1 billion each year.

If the opposition parties permit our mortgage interest and property tax credit legislation to be passed into law, reductions in federal personal income taxes will be $1.2 billion in 1980, rising to $2.9 billion in 1982. Federal income taxes will also be reduced in 1980 by $1.4 billion through indexing.

Investment in common stocks of businesses in Canada will be encouraged by a new investment plan, the Canadian Common Stock Investment Plan, and by changes in the Registered Retirement Savings Plan rules.

To assist small unincorporated businesses, and to recognize the contribution many wives make to running them, salaries paid to wives or husbands by such businesses will be deductible. This will be another step along the continuing road towards equal status for Canadian women.

Tax measures will be introduced to reduce the borrowing costs of small business corporations during the present high-interest situation by means of a small business development bond.

New tax incentives will encourage regional development and promote investment in Atlantic fishing vessels built in Canada.

Farmers will receive substantial relief from problems caused by the taxation of capital gains on farm land.

Income tax changes of importance to family law reform will be introduced.

A surcharge of 5 per cent on corporate income taxes will be imposed for a period of two years as a contribution from the business sector to our overwhelming need to reduce the deficit.

The super depletion allowance for frontier drilling will be extended at a reduced rate to the end of 1980 and then replaced. The write-off for Canadian oil and gas property, including land bonus payments, will be reduced from 30 per cent to 10 per cent.

Taxes on alcoholic beverages, tobacco and some other products will be increased.

Measures will be taken to eliminate certain abuses in the tax system.

Unemployment insurance contribution rates will be increased while the employment tax credit will be enriched.

THE ECONOMY

Before turning to our specific objectives for reducing the deficit and a fuller discussion of the budget measures let me review our current economic situation and the general economic environment we face over the next several years.

Output and employment in the Canadian economy were stronger in the third quarter than had been generally expected. Gross national expenditure in real terms is likely to increase by something like 3 per cent in 1979. Over the past four quarters, business investment in particular has been growing strongly, showing an increase in real terms of 12 per cent.

Job creation has also been impressive. About 440,000 more people were employed in October, 1979, than in October, 1978. More than 135,000 of the new jobs were in the manufacturing sector.

But the news has not all been good. Of particular concern was the deterioration in our balance of payments on current account. During the first three quarters of 1979, imports of goods and services exceeded exports at an average annual rate of $6.1 billion, compared to $5.3 billion in all of 1978. Export growth slowed because of the slowdown in the U.S. economy while import growth accelerated, reflecting the high level of expenditures in Canada for machinery and equipment, most of which is imported.

Consumer prices continue to show year-over-year increases in excess of 9 per cent, despite some slowing of the rate of increase in food prices. At the same time, energy and other non-food prices increased at above average rates.

Our prospects for 1980 are clouded by the recession which now appears to be under way in the United States. Although their output may actually fall, we estimate Canada's will rise about 1 per cent. This means that fewer jobs will be created in

Canada in 1980 than in this year, and that our unemployment rate is likely to increase to about 8¼ per cent.

The rise in energy prices will put upward pressure on the Consumer Price Index. This will tend to be reflected in continuing upward pressure on wages. There is already cause for concern in the rising trend now showing up in wage settlements.

● (2030)

We must look beyond 1980 even though forecasting is hazardous. Our policies are geared to improving the longer-run outlook for the Canadian economy and they are based on a realistic assessment of potential economic performance.

With recovery in the United States we believe that a growth rate of 3½ to 4 per cent in Canada for 1981-85 is attainable. This will mean some reduction in unemployment. But changes in the composition of the labour force, together with the influence of unemployment insurance and other social programs, have made unemployment rates in the 4 or 5 per cent range a thing of the past.

Our major challenge is to bring down the rate of inflation. This government fully endorses the Bank of Canada's policy of gradually reducing money supply growth. The government's over-all fiscal plan, and the tax measures I am presenting tonight, indicate our determination to reduce our deficit. Fiscal policy will now share in the task of reducing inflation and so provide a better balanced restraint than is the case when monetary policy is left to attempt the job alone. More funds for investment will be available for the private sector, hopefully at lower interest rates.

If confidence in our determination to reduce inflation can be fully established then the public's expectations may adjust downward. Future price and wage increases may then be lower than could normally be expected given the recent history of price inflation, the rather high levels of capacity utilization which prevail in many sectors and the impact of increases in energy prices.

The other main challenge is to improve our balance of payments position. Most projections suggest that the current account deficit will continue to widen, mainly because of the growing burden of interest payments, although it does not increase as a percentage of GNP. To do better than this we must export more and import less. We need more investment and we need more skills in order to increase our share in both foreign and domestic markets.

A major contribution to improving our balance of payments can come from energy through our new oil pricing and conservation policy which will lessen our imports of oil. As hon. members know, my colleague, the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) has announced approval of the additional exports of natural gas recommended by the National Energy Board. The Board's findings are good news indeed. The intensive exploration and development effort in the Western Basin has paid off. We now have greater security of supply for our expanding domestic gas market and can increase exports. The effect on the balance of payments will be substantial. At today's export price, the 3.8 trillion cubic foot surplus would be worth about $15.5 billion, and this figure will be a good deal higher as export prices rise.

[Mr. Crosbie.]

Let me return now to a more detailed discussion of our plans for deficit reduction.

REDUCING THE GOVERNMENT'S DEFICIT

We plan to cut the government's financial requirements from about $10 billion this year to $4.8 billion in 1983-84. There will be a reduction of $1¾ billion next year to bring the 1980-81 level to $8.2 billion, and further reductions each year thereafter. Relative to the size of the growing economy the reduction in financial requirements will be even more dramatic, falling from 3.9 per cent of GNP this year to 1.1 per cent by 1983-84. By that year we will have accomplished a substantial, if not complete, repair of the damage of the fiscal position incurred over the last five years when financial requirements were allowed to rise from $2 billion, or 1.4 per cent of GNP in 1974-75, to this year's $10 billion.

The most fundamental element in our plan to lower the deficit is severe restraint over government expenditures. We are planning to hold total expenditure growth to 10 per cent in each of the next four years. In real terms there will be no growth at all. To achieve a lower deficit next year we have had to reinforce this expenditure strategy with the tax increases introduced tonight. Continuation of this degree of expenditure restraint under conditions of more normal economic growth will bring substantial further reductions in the deficit without further tax increases.

The decrease in financial requirements of about $5 billion over the next four years results both from an increase in the government's non-budgetary sources of funds and from a reduction in the budgetary deficit. The budgetary deficit will decline each year, from $11.2 billion, or 4.4 per cent of GNP this year, to $9.1 billion, or 2.1 per cent of GNP in 1983-84.

That is an amazing decrease, Mr. Speaker, when one takes into account inflation and other expenditures. With the current level of the budgetary deficit the government's net debt is increasing at an annual rate of 20 per cent. Imagine, Mr. Speaker, 20 per cent. This, of course, implies a rising ratio of debt to government revenue and to GNP, and is a major contributor to rapid growth in interest costs which would sooner or later have to be met by higher taxes. It is not a sustainable position. This progressive reduction in deficits will bring the growth rate of net debt below 10 per cent by 1983-84. Government debt will then no longer be increasing relative to the size of the economy and public debt charges will no longer be pre-empting a larger and larger share of government expenditures.

The deficit on the national accounts basis declines very much in line with financial requirements. It is projected to fall from $10.2 billion in 1978-79 to $4.4 billion in 1983-84. On this accounting basis the consolidated position of all governments in Canada, federal, provincial and local, taken together, is expected to be in balance by 1983.

At this point I wish to make an announcement with respect to Canada's gold holdings. The great rise in the price of gold in the last three years, at a time when the other components of our official international reserves have been declining, has led to a substantial shift in the composition of our reserves portfolio. At the current market price the 22 million ounces of gold held by the Exchange Fund now constitute almost 75 per cent of our reserves. This is a far higher proportion than we have held in the past. It is also higher than the proportion now held by other industrial countries, with the exception of the United States which holds only small amounts of foreign currencies. From the standpoint of the efficient management of our reserve assets, I think it would be more appropriate if this proportion were reduced somewhat. This would provide a more balanced portfolio and allow us to invest more funds in interest-earning assets. Accordingly, I plan to sell up to one million ounces of gold in the relatively near future if the market for gold continues to be firm. Part of this may be purchased by the Mint in connection with its "Maple Leaf" coin program. The balance will be sold in the market.

LIMITING THE GROWTH OF GOVERNMENT EXPENDITURES

The 10 per cent planned expenditure growth rate is well below the nominal growth rate projected for the economy as a whole. It will mean that the ratio of federal government outlays to GNP will decline from 20.6 per cent in 1979-80 to 18.2 per cent in 1983-84. Relative to the size of the economy federal expenditures will be brought back to the level of the late 1960s.

An increasing portion of the fixed expenditure total will be devoted to new energy initiatives. Expenditure growth in all other areas combined will have to be restricted to about 9 per cent per year.

It is estimated that spending under existing major statutory programs will increase, on average, by 9.3 per cent over the next four years. The public debt charge component would be increasing much faster were it not for the reductions in deficit we are planning. Even so, public debt charges are expected to increase by 19.5 per cent or $1.7 billion next year. That is our legacy from our predecessors. Excluding this item, growth in outlays will be held to 8.1 per cent in 1980-81. Our commitment to provide substantial funds for new energy initiatives over the next several years, our desire to mount some new programs in other areas and our need to maintain reserves for contingencies mean that significant cuts will be required in existing programs. In general, new initiatives will have to be financed by reductions elsewhere. But the basic Progressive Conservative principle of support to less well off people and regions will be maintained, though programs will be re-examined and may have to be more selective.

In order to improve our control over expenditure, the government has put a new expenditure management system in place. This is described in a paper I tabled last week. I have also tabled an analysis of tax expenditures to draw attention to their importance and to the need for their control.

● (2040)

ENERGY POLICY

Mr. Speaker, energy has become an issue of fundamental concern to every Canadian. This government, under the leadership of the Prime Minister, has pursued extensive consultations with provinces on energy policy. Our objective is clear. It is to move Canada rapidly away from dependence on oil imports and towards self-sufficiency by 1990. Our goal is to achieve this in three ways:

—constrain demand for oil;

—encourage substitution from oil to other forms of energy; and

—bring on new oil supplies.

This reminds me of the Hibernia announcement today which is an example of bringing on new oil supplies.

In 1979 imports of oil will exceed our exports by about 50 million barrels a year and without new action this gap will widen rapidly. If no action is taken, by 1985 our net imports will be about 200 million barrels which valued even at today's prices would seriously undermine our balance of payments. These are the figures; these are the facts.

As long as Canada is so dependent on oil imports we will be vulnerable. Recent events in the Middle East have underlined that point for us. We must protect ourselves from international oil politics. If we do not, despite the fact that we are one of the few industrialized nations that has this potential, our children and our children's children would be right to scorn us for the desperate straits we had left them in.

We believe that the best way to begin to reach our goals is to establish realistic prices. Crude oil prices must ensure an adequate return to producers to finance needed exploration and development. Retail prices to consumers must encourage conservation. Both must be high enough to eliminate our oil trade deficit by 1990. Our own Canadian conventional oil reserves will be seriously diminished by the late 1980s. In the next 7, 8, 9 or 10 years they will be diminished and gone. We cannot wait for a cataclysm to occur.

As the Government of Canada we have a responsibility to all Canadians. The effects of more rapid increases in oil prices will be felt in every corner of the economy and by every Canadian. The Government of Canada must have the ability to soften the impact of higher prices where it is essential to do so. We want to take steps to ensure that those hardest hit by energy price increases are helped. There are interregional consequences to be addressed. The rights and aspirations of producing provinces must be respected. Industry must have an adequate cash flow. The federal government must have a fair share of the increased returns flowing from energy price increases to discharge our national responsibilities. These are the elements that we have balanced in developing an energy policy.

We are prepared, once full agreement is reached with the producing provinces, to permit oil prices to rise in stages, by $4 a barrel in 1980 and by $4.50 a year thereafter, subject to

further adjustment after 1982 if necessary. Gas prices on existing flows of natural gas will rise to maintain the present 85 per cent relationship with oil but, to encourage substitution of gas for oil, distributors will pay a lower price on additional volumes calculated at 65 per cent of the commodity value of oil. The difference will be used by distributors to aid householders and industry in converting from oil to gas.

The new energy tax, to be introduced by a tax bill in this House in 1980 with a request for passage before August 1, 1980, will recoup amounts roughly equal to half of the return from oil price increases in excess of $2 per barrel annually and natural gas price increases in excess of 30 cents per thousand cubic feet annually. The technical details of this tax have still to be worked out in a co-operative effort. The additional price increases to commence on July 1, 1980, over and above the $1 increase already scheduled for January 1, 1980, will not take effect before the new tax is in place.

Producing provinces would levy their royalties on the full price increases and receive additional revenues. Over the next four years, under this projection, from 1980 to 1983 the total net revenues from oil and gas would amount to $90 billion. Of this, the provinces would receive about $40 billion and the federal government $17 billion. The industry would receive $33 billion net of all production costs and taxes. The funds flowing to the industry should be ample to support all needed new energy investments. If this does not turn out to be the case, adjustments will be made to ensure sufficient cash flow to the industry for all needed energy projects.

We need immediately, however, an added incentive to conserve our petroleum resources. Consumption of motor gasoline over the first nine months of 1979 was up 4.3 per cent. In contrast, in the United States, gasoline use was down about 4 per cent. Canadian prices of gasoline, diesel fuel, and heating oil are low by international standards. Indeed, our prices for gasoline are substantially lower than those of all major industrialized countries. They are now 30 to 35 cents per gallon lower than those in the United States. The United Kingdom is an oil producer and its prices are just about double our prices. The difference is all the more significant when it is realized that, historically, our prices have been higher than those in the U.S. by a few cents per gallon. Canadians now pay less for gasoline, when allowance is made for general price inflation, than they did 25 years ago. For example, in 1954 the price of gasoline was about 45 cents per gallon. If gasoline prices had risen as much as consumer prices in general, the price today would be about $1.20 per gallon. In fact, in large Ontario cities the price today is around $1.07 per gallon.

Some hon. Members: Oh, oh!

Mr. Crosbie: We all have to face the facts, Mr. Speaker.

Low prices have led to excessive consumption. Canadian energy consumption, per capita, is the highest in the world. Our oil supply picture is tight and fragile. Stocks of fuel are lower than last year. Any major disruption of international or domestic oil supply, or an abnormally cold winter, could lead to major difficulties. It could raise the possibility of rationing. To sit back and do nothing would be criminal.

In order to further energy conservation efforts and to increase revenues, I have announced tonight a federal excise tax on transportation fuels. Even with this tax, the price of these products will generally be lower than in the United States.

These measures taken in total will produce tangible results. I expect that by 1985 they will result in import savings of 100 million barrels a year, or some $2.5 billion even at today's prices.

All of the revenues from the envisaged energy tax and a substantial part of the revenues from the excise tax will be used to finance a number of energy-related measures and offsets to the impact of energy price increases. These form an integral part of our energy program. I would like to provide some examples of the programs we envisage, some of the details of which are in the supplementary budget material.

First, we will be moving quickly to set up a national energy bank. It will help fund a wide range of energy-related projects.

Second, we will provide increased funding for the Canadian Homes Insulation Program.

Third, we will be mounting a major effort to ease the burden of adjustment to higher prices in the Atlantic region. We will provide grants to compensate for the additional costs of electricity generation resulting from oil price increases in excess of $2 per barrel per year.

Lower and middle-income Canadians need some protection from the price increases. A good deal of protection is already afforded to many by the indexing of social programs and the income tax system.

In addition, the refundable energy tax credit I announced tonight when in full effect will return about $1 billion to lower- and middle-income Canadians. The credit will commence with the 1980 tax year. It will be phased in to reflect the fact that the full impact of energy price increases is not felt until later next year. One-half of the benefit will thus be claimable in 1980, with full benefits claimable in 1981 and subsequent years. Credit benefits will be reduced for families with incomes over a threshold amount. For 1980 the threshold is $21,380. For every $100 of income in excess of this threshold, benefits will be reduced by $5. When the plan is in full effect a family of four will receive the full benefits of $220 each year as long as their income is below the threshold amount. If benefits exceed a family's tax otherwise payable, the excess will be refundable to them.

OTHER TAX MEASURES IN THE ENERGY FIELD

I will now give more detail on other significant tax changes in the energy field.

The depletion allowance for frontier drilling, the so-called super depletion, expires in April of next year. It has been attracting significant Canadian participation in frontier exploration. To achieve our energy goals, it is important that

efforts to find new supplies not slacken. However, under the current system, high-income individuals can receive tax benefits that are actually larger than the costs of their investments. This is not tolerable. I propose to reduce the richness of the incentive. This modified incentive will terminate at the end of 1980, at which time a new policy of the Minister of Energy, Mines and Resources for encouraging frontier exploration will be put in place.

● (2050)

I propose also to modify other aspects of resource taxation. Two types of schemes have recently developed that are resulting in undesirable tax leakage. Some non-residents have found ways of escaping tax on income from sales of resource properties. Measures are proposed in this budget to preclude this possibility. As well, rules are to be introduced to ensure that tax-exempt institutions cannot be used as vehicles to circumvent the income tax rules relating to resource taxation. Ingenuity is a wonderful thing.

Currently, amounts paid to acquire leases to explore, including bonus payments to provinces, can be written off at 30 per cent per year. The generosity of this provision has contributed to aggressive bidding up of prices for exploration rights, making it harder for small, new companies to compete. I am therefore reducing the write-off for Canadian oil and gas properties from 30 per cent to 10 per cent per year.

Finally, there is a serious anomaly in the federal sales tax on gasoline and diesel fuel. This tax is now a specific amount per gallon. It does not rise as prices rise. It will now be converted to 9 per cent of sale price to retail outlets. This change will ensure that the sales tax remains at 9 per cent on gasoline and diesel fuel as prices rise.

The two-year write-off provision for energy conservation equipment will be extended for five more years. At the same time I propose to broaden its scope to include certain solar-heating equipment, small-scale hydro projects and other conservation equipment. Solar heating is very valuable in Newfoundland, Mr. Speaker.

To encourage Canadians to experiment with fuel substitutes I am relaxing the licensing requirements under the Excise Act for the experimental production of alcohol. It is better known as gasahoil. I think that's what the name is.

TAX MEASURES

Let me now turn, Mr. Speaker, to other tax matters.

ENCOURAGEMENT TO PRIVATE SECTOR

I believe that the economic goals of this country can best be served by a revitalized private sector.

Some hon. Members: Hear, hear!

Mr. Crosbie: That has not been heard too often in budget speeches recently. Enterprise has to be rewarded, equity investment encouraged and incentives restored.

The new tax incentive measures I am announcing tonight are fully consistent with and reflect the commitments we have made to the Canadian people.

EQUITY INVESTMENT

It is our policy to promote equity investment by Canadians for Canadians. I have announced tonight two important tax measures to achieve this goal.

First, I am removing the impediments to investments in common stocks by Registered Retirement Savings Plans. After 1979, capital gains realized in an RRSP will no longer be fully taxed as income when distributed but will only be taxed at half rates upon withdrawal at retirement. Dividends on shares held in an RRSP will also be taxed at half rates when the funds are withdrawn. This tax treatment will be roughly equivalent to that available if the dividends and capital gains were received directly. The measure will apply to dividends and capital gains on common shares of public Canadian companies listed on Canadian stock exchanges. The changes should result in a significant shift of RRSP funds toward common stock investments.

Second, a Canadian Common Stock Investment Plan is created for investment in the common stock of Canadian companies listed on stock exchanges in Canada. The plan is structured so that it can be administered by investment dealers and stockbrokers—the acknowledged experts in this field.

Each investor will be able to contribute up to $10,000 per year to the plan, with a lifetime limit of $100,000. In order to give the plan a good start an investment of $20,000 will be permitted in 1980. Contributions will not be deductible when going into the plan and will not be taxable when withdrawn. Capital gains on eligible amounts invested in public company shares will not be taxed as long as the investor remains in the market through his plan.

These measures will significantly lessen the impact of the tax on capital gains on common stocks. They will mitigate the impact of inflation on taxation of capital gains. Canadians will have increased incentives to own a wide range of Canadian companies.

I want to announce yet another measure concerning capital gains. Capital gains on farm land are one of the major sources of retirement income for farmers. Farmers and fishermen are, of course, the backbone of the country. Tax on those gains is now deferred as long as the farm remains in the family. But farms are not always left to family members. Starting tonight bona fide farmers may put $100,000 of taxable capital gains on farm land into an RRSP without tax consequences. This will mean that on the sale of his land a farmer will be able to receive $200,000 in a capital gain without incurring any immediate tax liability. Farmers will then also be able to take further advantage of the various options for deferring tax when their RRSPs mature. They will of course continue to be able to place up to $5,500 annually in RRSPs out of income and to acquire an income-averaging annuity contract with capital gains proceeds not rolled into an RRSP.

We now have some seven years of experience with the taxation of capital gains. In 1980 I estimate that federal and provincial revenues from that source could amount to over $1 billion. A number of proposals have been made, and a number of concerns expressed, regarding taxation of capital gains. I have reviewed them all. I intend to table shortly a discussion paper on the tax treatment of capital gains and will refer it to a parliamentary committee for consideration. It will deal comprehensively with this whole issue, including the question of indexing capital gains and providing special exemptions for certain gains such as those on farm land and publicly-traded Canadian shares. After I have heard the views of the committee I will consider what further action should be taken in my next budget.

Some hon. Members: Hear, hear!

Mr. Crosbie: My grandfather had five, and I expect no less.

SMALL BUSINESS

The small business sector is one of the great strengths of this country.

For the 1980 and subsequent tax years unincorporated businesses will be allowed to deduct salaries paid to spouses who work in the business. This measure is costly. It will reduce federal revenues by some $150 million a year. But, in addition to aiding small business, the measure is sound tax policy. It properly recognizes the contribution that many wives make to running small businesses and which has recently been denied.

Some hon. Members: Hear, hear!

Mr. Crosbie: Mr. Speaker, I have recently been reminded that wives are not chattels.

I recognize, Mr. Speaker, the impact of recent increases in interest rates. I want to do what I can to alleviate the situation for small business corporations. As a temporary one-year measure, small Canadian-controlled private corporations will be able to issue up to $500,000 of special bonds. Interest paid on these small business development bonds will be treated as dividends. It will not be taxable to the lending institution nor deductible to the borrower. This form of after-tax financing will substantially reduce the borrowing costs of small business corporations. I emphasize that this is a temporary measure of special benefit and so it is proper to apply a "sunset" provision to it. It will be limited to indebtedness issued before the end of 1980 with a term of at least one year and no more than five years and each borrower will be eligible for only one such bond issue at any time.

• (2100)

REGIONAL AND SECTORAL DEVELOPMENT

Mr. Speaker, I want to encourage further the important contribution that the private sector can make to regional development. I am proposing to do this by facilitating the use of selective tax incentives. They will take the form of tax contracts with firms for investment projects in the Atlantic Provinces and the Gaspé region of Quebec. This stimulant will add to the range of federal incentives now available in the designated regions of Canada. The nature of the tax incentive will be determined on a project by project basis and will be administered by the Department of Regional Economic Expansion in consultation with the Department of Finance. This selective approach will provide the flexibility to promote those economic activities which are most promising.

I also have particular measures to announce concerning the Atlantic fishing industry. After tonight, capital cost allowance on leased fishing vessels, newly-built in Canada for use in the Atlantic fisheries, may be used to reduce other taxable income. This will draw new sources of private financing into the sector and will permit an improvement in the quality of the fleet for vessels ranging in size from the long-liner to the freezer trawler.

Some hon. Members: Hear, hear!

Mr. Crosbie: For those hon. members opposite who do not know, a long-liner is a vessel of anywhere from 40 to 60 feet in length. It has nothing to do with National Sea or anyone else.

REVENUE-RAISING MEASURES

There is need for a short-term temporary tax increase to ensure that the deficit comes down. There will be a simple, straightforward corporate surtax of 5 per cent of federal taxes otherwise payable by all corporations. The measure has an explicit "sunset" clause. It will terminate at the end of 1981. It will yield some $370 million in the 1980-81 fiscal year. The advantage of this simple surtax is that it leaves intact the structure of tax rates and tax incentives. For example, small businessmen and manufacturers who pay tax at lower rates will pay a smaller amount of surtax.

I have reviewed the federal commodity tax structure. The federal levies on alcohol products have not been increased for a number of years. With inflation, the real burden of these taxes has fallen significantly. Moreover, the taxes on alcohol need to be rationalized. The tax per unit volume of absolute alcohol varies dramatically from product to product. I am proposing a series of tax changes that will reduce this disparity and will, over all, yield some $130 million in 1980-81. Taxes will rise on spirits, brandy, fortified wines, table wines and regular and light beer. Taxes will fall on sparkling wines and on malt beer. The tax increases amount to about 11 cents on a bottle of spirits, 13 cents per bottle of table wine, and 1 cent per bottle of beer.

An hon. Member: What about screech?

Mr. Crosbie: Eleven cents on a bottle of screech!

There will also be an across-the-board increase in specific excise taxes and duties on tobacco and tobacco products of about 10 per cent. These taxes have not been increased since 1974 and their real value has also fallen. The increase on cigarettes will amount to 2.5 cents per pack of 20.

OTHER TAX CHANGES

Let me outline briefly some changes needed to tighten the law or to relieve tax burden. Details are contained in the Notices of Ways and Means Motions I will table tonight.

On the income tax side, I am introducing a number of important relieving measures in the area of taxation and family law. In future, new attribution rules will ensure that income on property transferred from one spouse to the other will not be attributed to the spouse transferring the property after the date of a written separation agreement. The deduction for maintenance payments will be extended to cover amounts paid under a court order on account of illegitimate children and common-law spouses.

For the 1980 and subsequent taxation years, the tax exemption for allowances paid to volunteer firemen will be raised from $300 to $500.

Some hon. Members: Hear, hear!

Mr. Crosbie: I have to admit that there is a slight conflict of interest here. I am an honorary member of the Goulds fire department.

The government attaches great importance to the voluntary sector. We have referred the whole matter of encouragement of the voluntary sector to a special parliamentary committee chaired by the hon. member for Fraser Valley West (Mr. Wenman). I have undertaken a review of this area, including the tax treatment of charitable donations, and will provide a paper to that committee. The recommendations of the committee will be carefully considered before my next budget.

I have also considered the vitally important matter of providing adequate and effective incentives for research and development. Our future growth is heavily dependent on how we handle this issue. Some rather complex tax incentives for R & D have only recently been legislated and I want to study these more closely before I introduce any other tax changes.

I will immediately introduce relieving measures for overseas remuneration of Canadians temporarily employed abroad. This will help the competitive position of Canadian corporations that obtain certain export contracts including construction, installation and engineering projects abroad.

I am going to introduce a number of technical changes relating to prepaid expenses, the so-called capital gains strips, deferred employee compensation plans, term preferred shares, corporate partnerships, transfers of corporate residence, options to acquire control and certain others. Many of these are designed to check tax avoidance arrangements.

Finally, I have reviewed the special capital cost allowance provisions for multiple-unit residential buildings. This tax shelter was introduced in 1974 and has been extended many times since. The pressure on vacancy rates is not now as serious as previously. Thus, I am letting this provision expire, as currently provided, on December 31 of this year.

There are also a number of tax structure changes in the federal sales tax. Manufacturers of cosmetics are not paying their fair share of tax. I am proposing that the tax on cosmetics apply to the full sale price to retailers. I am also moving to ensure that the photo-finishing industry pay its fair share of sales tax.

Amendments will be made to ensure that the exemption from sales tax for transportation equipment does not extend to service equipment mounted on the vehicles. The exemption for aircraft will exclude aircraft used for recreational purposes and flight training and put them on the same basis as automobiles. The exemptions for containers and coverings will be modified to confine them to manufacturers only.

EMPLOYMENT PROGRAMS AND UNEMPLOYMENT INSURANCE

This government considers it essential to increase employment. We strongly believe that the jobs created should be of a permanent nature, be in the private sector and be available to those who are most vulnerable to unemployment.

The central feature of our approach will be an improved tax incentive to increase employment opportunities, particularly for the young. This will replace the current Employment Tax Credit Act and a number of other programs. It will include an $80 per week tax credit to help create jobs in the private sector for more than 100,000 people.

When this program is fully implemented, about $250 million per year in tax expenditures will be made available to the private sector for job creation for young people and for the long-term unemployed. This represents a substantial expansion from the $100 million set aside by the previous government.

We also wish to ensure that our programs respond to the differences in employment opportunities across the country. In addition to the tax credit, an amount of $50 million will be made available to initiate new measures, or to supplement existing programs, aimed at stimulating employment and economic development in Eastern Canada.

This government is committed to achieving greater consistency with insurance principles and to bringing greater financial integrity to the unemployment insurance program. To this end, effective in 1980, the costs of unemployment insurance benefits, except those associated with high regional rates of unemployment, will be financed by employer and employee premiums. The costs of job referral and related employment services will also be financed by premiums.

The weekly employee rate of unemployment insurance contributions for 1980 will be increased from $1.35 per $100 of insurable earnings to $1.60. The employer rate will be increased from $1.89 to $2.24.

This is only the first step in a comprehensive review of the unemployment insurance program started last June. Further proposals are now being developed in full consultation with provincial governments, labour and business. When these changes become effective, the premiums will be re-examined.

TRADE POLICY

In the Multilateral Trade Negotiations (MTN) we reached agreement with our trading partners on tariffs and on a number of non-tariff measures. In most cases implementation

of these agreements will not require changes in legislation. With respect to customs valuation, we have not yet concluded negotiations with our trading partners.

● (2110)

We hope the results of these negotiations will provide important incentives to improve Canada's over-all economic performance. Clearly, if Canadian producers are to be exposed to increased competition at home and abroad, it will be important that we have the means to act at least as quickly and effectively as other countries to deal with unfair trading practices and imports which injure Canadian producers. This means that we should strengthen our emergency procedures, particularly on anti-dumping and countervailing duties and safeguards generally. I intend to issue early in the new year a White Paper proposing a number of changes in Canadian legislation and practice in these areas. The government will be asking that the Finance, Trade and Economic Affairs Committee be empowered to hold hearings on the White Paper.

I intend to introduce tomorrow a notice of ways and means motion to give effect to the tariff reductions agreed to in the MTN. The motion will include full details of the phase-in schedule for the reductions. The ways and means motion will also provide for the withdrawal of the benefits of the British Preferential Tariff system from the United Kingdom, Ireland and the Republic of South Africa.

Meanwhile I am introducing tonight a separate notice of ways and means motion setting out a small number of tariff changes not related to the results of the MTN.

THE BUDGETARY PROCESS

Mr. Speaker, this government is committed to open government and to ongoing appraisal of the effectiveness of existing programs and policies. I am determined that this include the budgetary process and programs based on tax incentives.

Excessive budget secrecy should be eliminated. To facilitate this process, I am taking the following steps. First, by publishing the major study on tax expenditures I am enabling Canadians to gain a better appreciation of how their government is using public funds to provide special tax incentives to particular industries and groups.

Second, I am undertaking to refer special studies on tax policy and tax system problems to a parliamentary committee for detailed review, beginning in the near future with a paper on the taxation of capital gains. I will also be referring the Report of the Commodity Tax Review Group back to the Committee on Finance, Trade and Economic Affairs so that it may complete its deliberations.

Third, in future, prior to tabling tax bills I will make available to the public a draft of the legislation so as to enable tax practitioners to make technical suggestions for improvement.

Fourth, I am undertaking a general review of tax measures to which "sunset" provisions might be attached. I have taken such action already in this budget.

I am convinced that a more open budgetary process is desirable. I think it can be achieved and still ensure that sensitive tax changes are not revealed in advance of the budget.

Mr. Speaker, I would now like to table projections of the government's revenues and expenditures together with explanatory notes, the notices of ways and means motions, supplementary information giving details of the measures I have proposed tonight, background material on our energy situation and strategy, and a paper setting out the economic assumptions underlying the fiscal projections. I would ask the consent of the House to include in *Hansard* the tables which provide four-year projections of the government's fiscal position on the public accounts and national accounts bases, and of the principal components of budgetary revenues.

Mr. Speaker: Order, please. Pursuant to Standing Order 41(2), the minister asks for leave to table documents, but he seeks the agreement of the House that they be printed in *Hansard* as read. Is there agreement of the House to that?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

[*Editor's Note: For text of the above tables see Appendix.*]

Mr. Crosbie: I thank hon. members for being so patient.

IN CONCLUSION

Mr. Speaker, I would like to conclude on a personal note. Fifty-one years ago my grandfather, Sir John Crosbie, delivered his fifth and final budget speech to the House of Assembly of what was then the Dominion of Newfoundland. The revenue of that dominion in the previous year had been $8,932,000. The expenditures had been $10,533,000. There had been a deficit of $1,601,000. In that framework, Mr. Speaker, they had administered a dominion government, built and operated a railway, created the fishery, commenced mining projects and industrial development in pulp and paper mills, started a highway system and had that year completed a drydock in St. John's. They had little in the way of resources but they had vision, confidence and courage.

How much more do we Canadians have today and how much better off are we in comparison to our own country 51 years ago. How much better off are we in comparison to nearly all of the other nations of the world today. Few have our potential or our resources, especially in energy.

An hon. Member: Your grandfather was a Liberal.

Mr. Crosbie: We have doubters opposite.

Some hon. Members: Oh, oh!

Mr. Crosbie: I have great faith in Canada. The people of Newfoundland share that faith today with renewed confidence in the fisheries and with offshore energy resources. The members of this government believe the possibilities for the future

in Canada are tremendous and we are determined to create the conditions which will achieve these possibilities.

[*Translation*]

My dear friends, I trust you will see in this budget a step in the right direction. This budget faces facts. We have the choice: either Canada achieves its potential of which we can all be proud, or we go back to our bad habits of spending without concern for tomorrow. I beg of you to support this wonderful project, the achievement of the potential of our beautiful country.

[*English*]

I believe that with the measures announced tonight we are at a new beginning for Canadians. I hope that you will agree that this is a budget that faces the facts and a budget that will help Canada achieve its potential. The future truly can belong to Canada. It is up to us.

Some hon. Members: Hear, hear!

Hon. Herb Gray (Windsor West): Mr. Speaker, after listening to what the Minister of Finance (Mr. Crosbie) had to say tonight, I am sure that the people in Canada in general would not want to shake hands with him. I do not think it would be parliamentary for me to try to say what middle and lower-income people would like to do to the minister and the Conservative government after hearing his speech tonight.

Some hon. Members: Hear, hear!

Mr. Gray: What we have heard this evening is not really a budget—it is the Minister of Finance's biggest joke yet, a cruel joke on the Canadian people. How can this be a budget if it is based on an energy agreement on oil and gas pricing that does not yet exist and which may never exist?

Some hon. Members: Hear, hear!

Mr. Gray: How can this be a budget if it is based on an energy tax that does not exist, whose form is unknown, and which is not even described in the budget speech or in the ways and means motion accompanying the budget speech? The government will have to bring in another bill to implement the proposed new energy revenue tax. So much for the minister's desire to do away with fine tuning.

Some hon. Members: Oh, oh!

Mr. Gray: To the extent the budget is a real one, it is still a cruel joke on the Canadian people. The increase in energy prices and excise taxes proposed in the budget will bring inflation back to double digit levels in Canada.

Some hon. Members: Shame!

Mr. Gray: It will increase unemployment by at least 1 per cent, and certainly will not do anything for employment except reduce it. It will reduce the gross national product next year in Canada by at least one point. All Canadians will be hurt by this budget, especially lower and middle-income Canadians. They will be hurt by the higher excise taxes and the higher energy prices. These are regressive taxes and the burden of them will be most severe on the lower and middle income Canadians. But this Conservative government are willing to drive the Canadian economy into the ground in order to carry out to the utmost their commitment to their Conservative doctrinaire policy. That is more important to them, than the growth of the economy or fighting unemployment and creating more jobs. None of that matters to them except that doctrinaire commitment, that doctrinaire fear of the word "deficit".

● (2120)

This budget, to the extent that it is a budget, is one of broken promises. Remember the promise of the $2.5 billion tax cut promised by the then leader of the opposition before the election and during the election on the hustings and in this House. It is not in this speech. Instead of that $2.5 billion tax cut promised, we have an increase in taxes for lower and middle income Canadians of close to $5 billion.

This energy package is really a disguised tax increase, a mammoth tax grab on the part of the Conservative government from the Canadian people, especially lower and middle income Canadians. A few days ago the Minister of Finance said that the promise of the Prime Minister (Mr. Clark) of a $2.5 billion tax cut was a temporary aberration. After seeing this budget, I think the Canadian people will hope that it will be nothing more than a temporary aberration, a temporary aberration carrying the Canadian economy away from the path of growth and development it was on at the time the government changed on June 4.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Gray: In this budget speech the Minister of Finance talked about his concern for government spending and controlling government spending. But when in this House a few days ago he was asked about the cost of this mortgage tax credit plan, all he had to say was, "Don't worry about it. It is just a squeesly-measly couple of billion dollars". In order to pay for this plan—and he would not admit this during the debate on Bill C-20—obviously he has chosen the route of higher taxes on lower and middle income Canadians, higher taxes cancelling out benefits to people who are still hoping, in spite of Conservative higher interest rates, to benefit from the mortgage interest tax credit plan, and adding to the burden of taxes on the many more Canadians who do not benefit from this plan at all: the renters, the people with no mortgages, the people with incomes too low to pay income tax against which a tax credit can be claimed.

This is really just a "squeesly-measly" budget for Canadian workers, farmers, consumers, and small business people, when it comes to helping them to have better standards of living and to secure a chance for success in their chosen endeavours. This budget gives a little with one hand and takes away a lot with

the other. The Conservatives in this budget are taking a lot more than they are giving.

The total tax grab of some $5 billion in this budget is a lot more than they are giving back through tax credits to lower income people and the other modest, and in some cases, useful changes offered, for example, to small business. In fact this budget will bring about an increase in inflation of more than 2 per cent; a loss in Canadian gross national product of more than 1 per cent; an increase in unemployment of some 1 per cent. All of this was set out in the Conservative government's own background budget paper.

The increase in energy prices, and the tax increases set out in this budget, will cost Canadians some $5 billion in 1980. This is the equivalent of at least a 14 per cent increase in personal direct taxes for individual Canadians. Imagine the burden of that on people already struggling with the burden of Conservative high interest rates. As a result of this Conservative "hard times" budget, it is likely that the real gross national product in Canada will decline in 1980, the first such decline in output in the last 26 years.

Let us take a quick look at the impact of what is in the budget—the higher energy costs proposed, the excise tax on gasoline—on average Canadian families. These increases will not be cancelled out by the special tax credit or anything else in this budget. I am told that the increase for an average family in Atlantic Canada will be $398. I am told that the increase for an average Ontario urban family will be more than $400, and for an average Ontario rural family in the dairy farm area, it will be an increase of some $621. For a family grain farm in Manitoba, there will be an increase of some $453, because of this Conservative budget.

This is a budget that is bringing hard times for Canadians who face higher taxes through the revenue grab in this budget, a revenue grab disguised by the government in its budget as an emergy self-sufficiency policy. These higher prices for energy will mean more inflation and fewer jobs, as Canadians companies draw back from their efforts in the economy because of the lesser competitive advantage than the one they would have had previously through lower energy prices.

This is no way to develop an industrial strategy for Canada, something our country needs, something we Liberals are working for and want to see implemented. Such a strategy means policies to create a more productive and efficient economy. It means capitalizing on the basic strengths we have in Canada. These strengths include our actual and potential energy supplies, and the justifiable fact that up until now, at least, we have had prices much lower than world prices. But these Conservative budget policies will greatly eliminate these natural advantages for economic development which we have in Canada. We have here an unreal attempt to bring our energy prices close to, if not right up to world prices.

To conclude for this evening at least, I want to say that, contrary to what the Minister of Finance tried to say at the beginning of his budget, this is not an "achieve our potential" budget. It hits at Canada's potential, it harms Canada's potential. The late R. B. Bennett would be proud of this new Minister of Finance this evening, but I do not think Canadians generally, especially middle- and lower-income Canadians, would be proud of the minister or of the Conservative government. They will be hoping for an early opportunity to get rid of that government. So, we will be accepting the invitation of the Minister of Finance to cross the floor. This party will cross the floor a lot sooner than many think; it will be the government once again.

[*Translation*]

I now move, Mr. Speaker, seconded by the hon. member for Ottawa-Carleton (Mr. Pepin):

That the debate be now adjourned.

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

Some hon. Members: Agreed.

On motion of Mr. Gray, debate adjourned.

* * *

[*English*]

PRIVILEGE

MR. CHRÉTIEN

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I should like to raise a very serious question of privilege at this moment. Yesterday in the media there was what I would consider a very serious leak about the budget which was read by the Minister of Finance (Mr. Crosbie) tonight in the House. I would like to give notice to the Minister of Finance and to the Prime Minister (Mr. Clark) that we on this side of the House consider it a very serious matter and that it should be treated by the Prime Minister in the best tradition.

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I gather my friend has given notice of a question of privilege. In that event, I move:

That the House do now adjourn.

[*Translation*]

Mr. Speaker: Order. The hon. member for Saint-Maurice (Mr. Chrétien) has raised a question of privilege, that is he has given notice that he will raise tomorrow or in the near future a question of privilege concerning information given in advance about the budget presented this evening.

Motion agreed to.

Mr. Speaker: The House stands adjourned until tomorrow at 2 p.m.

On motion of Mr. Baker (Nepean-Carleton), the House adjourned at 9.30 p.m.

APPENDIX

FOUR YEAR PROJECTION TABLES PRESENTED BY MINISTER OF FINANCE DURING BUDGET SPEECH

Table 2
Government of Canada
Fiscal Position
Public Accounts Budgetary Revenues

	1978-79	1979-80[1]	1980-81[1]	1981-82[1]	1982-83[1]	1983-84[1]
			($ millions)			
Personal income tax	14,048	16,455	17,805	19,705	22,045	24,890
Corporation income tax	6,262	7,740	8,920	10,620	12,210	13,830
Non-resident tax	568	655	740	800	895	985
Customs duties	2,747	3,205	3,395	3,680	3,990	4,285
Sales tax	4,729	4,405	4,805	5,525	6,355	7,180
Oil export charge	328	735	630	435	305	210
New energy tax	0	0	415	1,640	2,650	3,630
Gasoline excise tax	516	935	2,945	2,895	2,870	2,855
Other excise duties and taxes	1,453	1,580	1,805	1,890	1,975	2,065
Total tax revenues	30,651	35,710	41,460	47,190	53,295	59,930
Non-tax revenues	4,564	5,010	5,375	5,850	6,420	6,710
Total budgetary revenues	35,215	40,720	46,835	53,040	59,715	66,640

[1] Numbers in these forecast columns should be interpreted as mid-points of ranges of estimates.

Table 3
Government of Canada
Revenues and Expenditures
National Accounts Basis

	1978-79	1979-80[1]	1980-81[1]	1981-82[1]	1982-83[1]	1983-84[1]
			($ millions)			
Revenues						
Direct taxes, persons	18,136	20,910	23,320	25,955	29,155	32,955
Direct taxes, corporations	5,996	7,230	8,455	10,090	11,510	12,925
Direct taxes, non-residents	636	725	815	880	980	1,075
Indirect taxes	9,904	10,925	14,245	16,205	18,290	20,370
Other current transfers from persons	16	15	15	15	20	20
Investment income	3,973	4,275	4,870	5,490	6,180	6,700
Capital consumption allowances	651	730	815	935	1,070	1,210
Total revenues	39,312	44,810	52,535	59,570	67,205	75,255
Expenditures						
Current goods and services	12,315	12,700	13,950	15,450	16,950	18,600
Transfer payments to persons	14,670	15,000	16,725	18,375	20,550	23,050
Subsidies	2,335	3,450	3,250	3,075	2,925	2,875
Capital assistance	470	625	900	950	1,000	1,075
Current transfers to non-residents	732	715	775	825	875	900
Interest on the Public Debt	6,869	8,450	10,200	11,400	12,650	14,050
Transfers to provinces	10,441	11,750	12,925	14,325	15,750	17,175
Transfers to local governments	371	400	450	500	550	600
Gross capital formation	1,285	1,150	1,200	1,250	1,300	1,350
Total expenditures	49,488	54,240	60,375	66,150	72,550	79,675
Surplus or deficit (–)	–10,176	–9,430	–7,840	–6,580	–5,345	–4,420

[1] Numbers in these forecast columns should be interpreted as mid-points of ranges of estimates.

Table A1.1
Growth Rates of Budgetary Revenues (Public Accounts Basis)

	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84
	(Per cent per year)					
Personal income tax	4.5	17.1	8.2	10.7	11.9	12.9
Corporation income tax	7.4	23.6	15.3	19.1	15.0	13.3
Non-resident tax	12.9	15.3	13.0	8.1	11.9	10.1
Customs duties	18.8	16.7	5.9	8.4	8.4	7.4
Sales tax	6.8	−6.9	9.1	15.0	15.0	13.0
Oil export charge	−24.1	124.1	−14.3	−31.0	−29.9	−31.2
New energy tax	n.a.	n.a.	n.a.	295.2	61.6	37.0
Gasoline excise tax	−13.7	81.2	215.0	−1.7	−0.9	−0.5
Other excise duties and taxes	2.3	8.7	14.2	4.7	4.5	4.6
Total tax revenues	5.8	16.5	16.1	13.8	12.9	12.5
Non-tax revenues	17.4	9.8	7.3	8.8	9.7	4.5
Total budgetary revenues	7.2	15.6	15.0	13.3	12.6	11.6

n.a. = not applicable

HOUSE OF COMMONS

Wednesday, December 12, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

FINANCE

THE BUDGET—INCREASE IN EXCISE TAX FOR FUELS USED ON FARMS—MOTION UNDER S.O. 43

Mr. Maurice Foster (Algoma): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. In view of the provisions of the budget last night which will have the effect of imposing a new 15-cent per gallon excise tax on fuel for farm tractors and equipment and a 25-cent tax per gallon for farm vans and trucks, and considering the devastating effect this tax will have on farmers' costs which are already rising rapidly due to inflation, and considering that these extra costs will result in higher food costs to the consumers of the country, I move, seconded by the hon. member for Essex-Kent (Mr. Daudlin):

That this increase in excise tax for fuels used on farms be reconsidered by the government and cancelled.

Mr. Speaker: Such a motion can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

THE BUDGET

REQUEST LEADER OF CRÉDITISTES ASK PREMIER OF QUEBEC FOR INSTRUCTIONS CONCERNING BUDGET—MOTION UNDER S.O. 43

Mr. Yvon Pinard (Drummond): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask for the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

I move, seconded by the hon. member for Rosemont (Mr. Lachance):

That the Leader of the Social Credit Party of Canada communicate forthwith with Mr. Lévesque to know whether he should support the people or the multinationals in the face of the Progressive Conservative budget of last night.

* * *

[*English*]

NUCLEAR POWER

ESTABLISHMENT OF PARLIAMENTARY INQUIRY—MOTION UNDER S.O. 43

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I rise pursuant to Standing Order 43. In view of the fact that since June of this year many Canadians have been under the false impression that this government genuinely wished to review the development of nuclear power in Canada and intended to set up a parliamentary inquiry, I move, seconded by the hon. member for Vancouver-Kingsway (Mr. Waddell):

That this House instruct the government to get moving on the establishment of its promised parliamentary inquiry into nuclear power.

Mr. Speaker: Such a motion can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL SECURITY

RUSSIAN INTELLIGENCE ACTIVITIES IN CANADA—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Mr. Speaker, I rise on a matter of urgent necessity arising from the quotation by CJOH TV Ottawa from a document classified "Top secret; Canadian eyes only" and expressing priority being given by the Russian intelligence service to the Department of Industry, Trade and Commerce and the National Research Council. I move, seconded by the hon. member for Hamilton Mountain (Mr. Beattie):

That the government make public all details in this regard, specifically mentioning the parts played by Captain Valari Nicolayevich Smirnov of the Russian GRU, Yuri Demitriyevich Shcherbina and Vasaliy Andrevich Shimchik who has been labelled a suspected member of the Russian military intelligence by the RCMP security service, and specifically that the government investigate why the former government never permitted the Canadian people to know the details.

Mr. Speaker: Such a motion can be introduced for debate only upon unanimous consent. Is there unanimous consent?

S.O. 43

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

AGRICULTURE

REQUEST GOVERNMENT NEGOTIATE NEW CANADA-U.S. AGREEMENT TO PROTECT POULTRY INDUSTRY—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with a very important matter.

Considering that the Canadian Chicken Marketing Agency has announced that under a Canada-United States agreement the import quota of American poultry was 22,250 tons this year and that it would be doubled next year, considering that the Minister of Industry, Trade and Commerce is issuing additional import permits and that Ontario has invaded the Quebec market with its quota, following the Quebec threat to withdraw for those reasons from the Canadian Chicken Marketing Agency, I move, seconded for the hon. member for Beauce (Mr. Roy):

That the House urge the government to renegotiate the Canada-United States agreement of October 22, to protect the interests of Canadian producers as well as Canadian slaughterhouses.

Mr. Speaker: The House has heard the motion of the hon. member. This motion can be presented at this time, pursuant to Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1410)

[*English*]

REQUEST FOR INQUIRY INTO POTATO INDUSTRY—MOTION UNDER S.O. 43

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, under the provisions of Standing Order 43, I should like to move a motion on a matter of urgent and pressing necessity. I move, seconded by the hon. member for Westmorland-Kent (Mr. LeBlanc):

That the government immediately establish an independent commission of inquiry or, if it prefers, a royal commission into all aspects of the potato industry in Canada.

Mr. Speaker: In accordance with Standing Order 43, such a motion can be introduced for debate at this time only upon unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

FINANCE

DISBURSEMENT OF QUARTERLY PROFITS OF OIL AND GAS COMPANIES—MOTION UNDER S.O. 43

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity regarding the projected increased profits in the oil industry of 1,000 per cent, meaning that by the mid-1980s foreign-owned firms producing oil and gas in Canada will be either repatriating large flows of dividends or acquiring large, new Canadian investments outside the non-conventional oil and gas producing sector. Therefore, I move, seconded by the hon. member for Essex-Kent (Mr. Daudlin):

That the government allow the oil and gas companies to retain a certain percentage of their quarterly profits, while placing the balance with the government in trust, to be drawn down by and paid to the respective oil and gas companies if and when these drawdown amounts have been expended by those companies in oil and gas exploration or certain aspects of research and development.

Mr. Speaker: This motion can be introduced for debate at this time only upon unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE BUDGET

PROPOSED MOTION UNDER S.O. 43

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. In last night's budget speech, the Minister of Finance (Mr. Crosbie) took pride in comparing his budget to the farsighted budget delivered by his grandfather to the Assembly of the Dominion of Newfoundland 51 years ago.

Noting that shortly after the delivery of that budget the Dominion of Newfoundland was bankrupt and that the Dominion was compelled to seek colonial status from the government of Great Britain, I move, seconded by the hon. member for Selkirk-Interlake (Mr. Sargeant):

That the Prime Minister table in this House records of any discussions or any correspondence between the Government of Canada and the British government dealing with the possible surrender of responsible government to London.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order.

CANADIAN BROADCASTING CORPORATION

EDITING OF PROGRAM "THE NATION'S BUSINESS"—MOTION UNDER S.O. 43

Mr. Don Cameron (Kamloops-Shuswap): Mr. Speaker, I hope hon. members will agree to my motion. I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. Last Sunday night, on the CBC program "The Nation's Business", three answers were edited from the tapes of the House of Commons. The hon. gentlemen asking the questions clearly lacked the moral fibre, the courage of their convictions and the intestinal fortitude—

Some hon. Members: Order.

Mr. Speaker: Does the hon. member have a motion pursuant to the provisions of Standing Order 43?

Mr. Baker (Nepean-Carleton): He is just coming to it.

Mr. Cameron: —to include the answers to the questions as given by the Prime Minister (Mr. Clark). So that taxpayers will know the answers as well as the questions, I move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That they use their next time allotment for this purpose.

Mr. Speaker: Order, please.

* * *

THE BUDGET

PROVISIONS NOT IN CONFORMITY WITH ELECTION PROMISES—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I move that this House notes that the only generous part of the budget delivered by the Minister of Finance (Mr. Crosbie) was on page 83 of the Budget Papers, namely, that he is removing the duties on Bible recordings, certain bird-scaring devices and also the duty on farm storage tanks for animal waste.

Some hon. Members: Oh, oh!

Mr. Jarvis: What is the matter with that?

Mr. Nystrom: In light of the fact that the Conservative party now has broken almost all the promises it made prior to the election, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instructs the Minister of Consumer and Corporate Affairs to prosecute the Progressive Conservative Party of Canada for misleading advertising.

Some hon. Members: Hear, hear!

Mr. Speaker: Oral questions.

• (1415)

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

REASONS HOUSE SHOULD SUPPORT PROVISIONS

Hon. Allan J. MacEachen (Cape Breton Highlands-Canso): Mr. Speaker, I have a question for the Prime Minister. In view of the budget statement last night, painting a picture for the future for Canada of double-digit inflation, increased unemployment, higher taxes and slower economic growth, is the Prime Minister contemplating any special steps to try to convince the House of Commons that it should support this budget?

Will he, for example, be writing to the leader of the Social Credit group before the votes, giving him special reasons why that group should support the budget and, if so, would he make available copies of his correspondence to the rest of us, which might assist us in considering this extraordinary document?

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the special measures that we intend to use to encourage the House to support the budget are the measures that were introduced and announced by the Minister of Finance last night in a budget which has been widely celebrated as the most honest budget in years.

Some hon. Members: Hear, hear!

Mr. Clark: It is also a budget which spells out specifically steps the government intends to take—steps, by the way, which the former government, although they were urged upon it, refused to take—to help small business, to help women and to help a number of groups in the country. We believe the measures that are included in that budget will recommend themselves to the House. If the House is interested in having economic recovery generated in the country, then the House will support this budget.

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, in view of the Prime Minister's statement to the House on October 18 that inflation was public enemy number one, would he relate for me that objective with the very heavy burdens that are now placed in this budget on low and middle-income Canadians? Has he now decided to fight public enemy number one on the backs of low and middle-income Canadians, or have those groups become the new public enemy of the government?

Some hon. Members: Oh, oh!

Mr. Clark: Mr. Speaker, the budget proposes to move this country towards a significant reduction in deficits, which will have an effect on bringing inflation down. The budget also proposes to change the Liberal practice of having Canada rely

on unstable, expensive sources of foreign oil, which reliance is a significant contributor to inflation in the country.

Mr. MacEachen: Mr. Speaker, I am getting a number of homilies from the Prime Minister, but no answers to my questions. May I ask him one final question? In view of the fact that the substantial increases in the budget are intended to finance the tax credit program for home owners—and that is obvious—will the Prime Minister justify, or explain to the country why all the taxpayers in Canada should be called upon to finance a program which is intended to serve and help only a special group in the community?

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, the official opposition has carried its opposition to this program, which will benefit thousands of Canadian home owners, into obstructive measures in the House of Commons. They are now carrying that opposition into the question period. If the member has questions he wants to direct in relation to the budget, and to use the question period for the purpose for which it was intended, I invite those questions.

Some hon. Members: Hear, hear!

• (1420)

EFFECT ON INTEREST RATES

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, my question is to the Prime Minister. For over a year now the Prime Minister has promised lower interest rates. Can he tell the House what measures there are in the budget that will have the general effect of lowering interest rates throughout Canada, outside the small business development bonds?

Some hon. Members: Oh, oh!

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, while the whole thrust of the budget—

Some hon. Members: Oh, oh!

Mr. Speaker: Order. While heckling has been part of our practice, I cannot understand how it is possible to start to heckle a person before they have begun to give a response.

Some hon. Members: Hear, hear!

Mr. Crosbie: Mr. Speaker, the whole thrust of the budget is to create an environment in which interest rates can go down. That will be done by reducing the size of the government deficit and by reducing the government's financial requirements for next year by $1.75 billion, which will give more room to the private sector and ease the pressure on interest rates. I hope that the forecasts in our budget are more accurate than those made last year, when an inflation rate of 6.5 per cent was prophesied and it is now 9.2 per cent.

Mr. Lumley: Mr. Speaker, I regret that the Prime Minister, who made the promise during the election campaign, could not answer my question and had to defer it to the Minister of Finance. I will put my supplementary question to the Prime Minister. The Prime Minister has talked about helping special groups in our society. Outside of the minimum relief provided by the energy tax credit, what does the Prime Minister plan to do for the senior citizens of this country, particularly those living on fixed incomes?

Mr. Crosbie: Mr. Speaker, the senior citizens of this country will be assisted by the energy tax credit, which will apply particularly to those who have an income of up to $21,380. They have been assisted by our spouses' allowance legislation, which was introduced in this House this fall to account for a Liberal gap. Senior citizens will also be assisted by the new veterans' allowance legislation that has been introduced, and further assisted by the fact that we will bring our economy back to a healthy state, which will have the effect of increasing the amount that they will get from the government generally.

Some hon. Members: Hear, hear!

ALLEGED REVERSAL OF ELECTION CAMPAIGN PROMISES

Mr. Edward Broadbent (Oshawa): Mr. Speaker, blarney is blarney whether or not it comes from Newfoundland. I would like to ask the Prime Minister a serious question.

During the recent election campaign, the Prime Minister promised to stimulate the economy, provide low interest rates and bring forward major tax cuts for the people of Canada. Considering that in last night's budget the government reversed itself completely on virtually every one of these promises by bringing forward a restrictive budget, by maintaining high interest rates, and by increasing taxes by some $3.5 billion for the people of Canada, would the Prime Minister explain to the House and to the people of Canada why, in a parliamentary democracy, after reversing himself so completely, he ought not go to the Governor General to seek dissolution in order to get a mandate from the people of Canada for this complete reversal of policies?

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, one can always tell when the Leader of the New Democratic Party intends to raise a question that he does not regard as serious, because he prefaces it by calling it a serious question. The Leader of the New Democratic Party should know that if he wishes to force an election upon the country, he will have to take it on his own shoulders and not seek shortcuts in the way he has suggested and as he has done in a number of other ways.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, the Prime Minister will see from the amendments we intend to move today—when we will have all 27 members present—that we intend to be consistent, at least, with what we promised the people of Canada.

● (1425)

I should like to shift to the shifty Minister of Finance and ask him a question, Mr. Speaker. Will he confirm that out of a total of a $90 billion increase in oil revenues that is going to come as a result of last night's budget, less than 2 per cent will go to the energy bank, while some $73 billion will go to the multinational oil companies and the province of Alberta? If so, will he explain why Canadians from coast to coast are being gouged to provide such a small sum for an energy bank but are bankrolling the multinationals in the province of Alberta?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, what a simplistic approach to problems the Leader of the New Democratic Party has! As the budget document shows, if there are certain oil and gas price increases which are outlined in the budget over the next four years, it shows how much of that will go to the provincial governments, how much to the industry and how much to the federal government. I think it is $17 billion to the federal government, $33 billion to industry and a larger figure to the provincial governments.

Of the amount that comes to the Government of Canada, all of the $17 billion will be spent on energy projects in Canada, conservation projects, home insulation programs, oil furnace retrofit programs, assistance to the Atlantic provinces because of their high dependence on oil-generated electricity, assistance for hydro projects like the Lower Churchill project in Newfoundland, assistance for gas pipelines like the gas pipeline to the maritime provinces, and assistance for projects that will help Canada and the people of Canada all over this country. That is what it will be used for.

Some hon. Members: Hear, hear!

EQUALIZATION PAYMENTS TO ONTARIO RESULTING FROM BUDGET—LOSS OF JOBS

Mr. Edward Broadbent (Oshawa): A final supplementary question, Mr. Speaker. It is still 2 per cent for the energy fund and $73 billion for the multinationals. The minister could try again, Mr. Speaker. Will he confirm the figure used by a cabinet minister in the Ontario government when he said last night that in 1980 alone, as a consequence of the oil price increases forced on the people of Canada by this government, Ontario will lose some 20,000 jobs? Will the Minister of Finance confirm that figure?

Will he also confirm that, as a result of the policy of oil price increases of this magnitude, hundreds of millions of dollars in the next few years will have to be paid out to the province of Ontario in equalization payments as a result of the unprecedented attack by this government on the industrial core of Canada?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I will not confirm anything of the sort. First, with reference to the industry and the $33 billion that they will get over a four-year period, they will invest that in tar sands plants costing $5 billion each, in heavy oil plants costing $4 billion or $5 billion. There are billions and billions of dollars of projects for them to invest those funds in. If they do not invest their funds in those projects, then we will review their activities. But we know that they will.

As for Ontario, I will confirm, Mr. Speaker, that Ontario will rise with stronger industrial plant and capacity than ever after the next two or three years as we go gradually up in oil and gas prices. We have pledged to Ontario that we are not going to exceed 85 per cent of the U.S. or international price, whichever is the lower. The official opposition was going to go to 100 per cent, but we are only going to go to 85 per cent in the interests of Ontario and the rest of Canada.

* * *

[*Translation*]

AGRICULTURE

INQUIRY WHETHER MINISTER WILL BE ALLOWED TO ISSUE POULTRY IMPORT PERMITS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the hon. Minister of Agriculture.

According to our information, the Maple Lodge corporation of Toronto has requested and obtained an additional import permit of over 1,760,000 pounds of poultry for 1979. Could the Minister of Agriculture confirm this and advise the House whether he will continue to allow chicken imports permits to be issued by the Minister of Industry, Trade and Commerce?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, in response to the hon. member's question, it is true that some weeks ago an application was made by a particular processing firm for a supplementary permit. The Department of Industry, Trade and Commerce did contact the national agency. The national agency, in turn, contacted its provincial counterparts. They were able to secure about half the amount of product that that particular processing plant wanted from Canadian sources, and a supplementary permit was issued. However, since that time a number of applications have been received from that processor.

● (1430)

My colleague, the Minister of Industry, Trade and Commerce, and I have appointed a committee which is made up of a cross-section of the industry. We have said publicly that no further supplementary permits would be issued to any processor in Canada without the approval of that committee.

[*Translation*]

FLOODING OF QUEBEC MARKET WITH POULTRY—MEASURES TO BE TAKEN TO PROTECT PRODUCERS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I rise on a supplementary. In allotting the quotas, a certain percentage was set for Ontario, another for Quebec and so on for the

other parts of the country. In this regard, does the minister know that the Ontario company, Maple Lodge, has flooded the Quebec poultry market with part of the quota allotted to Ontario, so much so that it could lead to the withdrawal of Quebec from the Canadian Chicken Marketing Agency? In addition, could the minister take steps to protect Quebec producers who are on the brink of bankruptcy, which will result in financial difficulties for Quebec slaughterhouses?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am aware that some of these comments have been made and, indeed, some of these charges. I am quite certain that the national board, which is made up of provincial counterparts, will be able to resolve this difficulty.

* * *

THE BUDGET

INCREASE IN UNEMPLOYMENT RESULTING FROM ALMOST NO ECONOMIC GROWTH

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to ask a question of the Minister of Finance. Last night he indicated to the nation that his government will be satisfied with almost no growth in the economy next year. Consequently, there will be a big increase in unemployment in Canada. Will the Minister of Finance agree to follow what was suggested on April 18, 1978, by the hon. member for St. John's West when he said:

> Any government that is not led by a man obsessed with unemployment in Canada today should resign and get out and let people take over who are obsessed with unemployment.

Some hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, it is because I am obsessed with unemployment that we are going to do everything we can to see that these projections do not come true. We are honest with the Canadian public. We are giving the Canadian public what our professional economists think is likely to happen next year. We are going to do everything we can to show that the professional economists are wrong in unemployment as well as in other directions.

I am not going to pretend that inflation is going to be 6.5 per cent, when it is going to be 9.2 per cent, or anything like that, as was done last year. Nor are we satisfied with no growth in the economy. We are expecting real growth of at least one per cent. If our efforts are right, we will have in excess of that despite the impediments that we are carrying on our backs from the past. A lot depends on what happens in the United States of America.

[Mr. Lambert (Bellechasse).]

[*Translation*]

INQUIRY WHETHER ENERGY SELF-SUFFICIENCY TAX WILL BE LEVIED ONLY AFTER AGREEMENT WITH PROVINCES

Hon. Marc Lalonde (Outremont): Mr. Speaker, in view of the commendable efforts of the Minister of Finance last night in the use of the language of Molière, may I be allowed to ask him a question in French today? We are asked to approve this budget which contains a forecasted revenue from 1980 to 1984 of some $13 billion from the self-sufficiency in energy tax. Unfortunately, Mr. Speaker, nowhere is there any indication of how that tax will be levied, or what type of agreements will have to be reached with the provinces. At this time, there are no agreements.

So my question to the Minister of Finance is this: first, the budget indicates that additional increases in price in July 1980 will not become effective until such time as the new tax applies. Can the minister say whether he intends to apply this tax only after agreements have been reached with the producing provinces, or does he intend to apply it even if there are no agreements with the provinces? Will that tax be levied on corporate income, gross income, or profits, and does the minister intend to levy a 50 per cent tax, or less, on the surplus income of the companies? Finally, does the minister agree that by 1990 that tax will bring us to the point where we now stand, that is, the one explained by the Minister of Energy, Mines and Resources last Friday in the standing committee, where we will be importing 250,000 barrels of oil—

Mr. Speaker: Order.

[*English*]

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, to answer the hon. member's question, I would have to read over the budget speech of last night and it would take me an hour and five minutes. The oil and gas price increases are going to be as set out in the budget. There will be an energy tax which will give us the revenues as set out in the budget. Whether that is to be a revenue tax or a profits tax has not yet finally been decided.

There will be such a tax. Without a tax there will be no such increases. We are going to take the amount of revenue that is shown in the budget and use that to help people all across Canada and help prepare Canada for self-sufficiency in energy. It was all laid out in the budget last night.

EXCISE TAX ON FARM FUELS—DETRIMENTAL EFFECT ON PRODUCERS

Mr. Robert Daudlin (Essex-Kent): Mr. Speaker, my question is for the Minister of Finance. Given that the forecasts of the officials of the Department of Agriculture are for a drop in farm incomes over the next year of some 12 per cent, and that all producers' estimates find this optimistic in the extreme, given that those projections were made in advance of notice of the over 100 per cent increase in taxes on fuels to the farmer for land preparation, cultivation and harvesting of food, and

given the fact that some farm organization representatives are now estimating that this fuel input cost increase is likely to cost something in the order of $50 to $200 more per acre next year, does the minister not now agree—

Some hon. Members: Order.

An hon. Member: Come on.

Mr. Daudlin: —that the additional impact of the increased fuel costs as announced by the Minister of Finance last night is likely to result in an actual loss to the producers, by way of income, more closely approximating 16 per cent than the forecast 12 per cent, and that the rebate of 10 cents proposed by the minister is totally inadequate? Does he not agree that a blue Newfoundland herring drawn over and disguised as a tax concession is, in fact, a direct tax on the production of food and an indirect tax on all consumers in this country?

An hon. Member: Right.

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, the hon. gentleman has very little faith in the farmers of Canada if he is going to take that defeatist attitude. Food is always needed. Canadian farmers can produce it. They are efficient producers, and to assist them the excise tax on gasoline is reduced by 10 cents in connection with farm operations, which will be a considerable boost to them.

In addition, we are assisting the farmers by removing the tax burden when they sell their farms at the end of their careers to help in their retirement. We are going to look after the interests of the farmers; the hon. gentleman does not need to worry about that. On a comparative basis, the farmers will be in good shape next year.

[*Translation*]

REASON FOR 15 CENTS A GALLON EXCISE TAX ON URBAN TRANSIT SYSTEMS

Mr. Pierre Deniger (Laprairie): Mr. Speaker, my question is for the hon. Minister of Finance. In reply to one of my questions last November 23, the minister indicated that mass transit was a subject dear to his heart, and last night he urged Canadians to cut their consumption of oil products. Can the minister tell the House and the Canadian people why he is imposing a 15 cents a gallon excise tax on urban public transit and thereby taxing the users of this type of service?

[*English*]

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, the government is levying an excise tax on urban transit systems which is 10 cents less than on the other sectors in the country—with the exception of farmers and fishermen—to encourage the use of mass transit. In addition, the energy bank which is to be funded from the new energy tax and other energy revenues coming from the energy tax will be used to help assist the development of urban transit systems throughout Canada on the basis that this is a conservation move. So there will be more good news for urban transit systems in Canada in the next 12 months.

* * *

NATIONAL SECURITY

RELEASE OF TASCHEREAU PAPERS

Mr. Tom Cossitt (Leeds-Grenville): Mr. Speaker, I have a question for the Prime Minister concerning recent statements attributed to him by the news media in regard to the release of the so-called Taschereau papers.

Is the Prime Minister now in a position to tell the House approximately when, or if, the papers will be released and whether there was really any legitimate statutory power for the former government not to release them after 30 years? Finally, was the non-release decision made in any way, according to investigations so far, to protect the interests of former Liberal governments?

• (1440)

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, the comment that was attributed to me after a press conference in relation to those files followed a question put to me concerning two files, the Featherbed file and the Taschereau file. I indicated in relation to the Featherbed file that in our judgment it contained primarily gossip and was not a matter to which we intended to give credence by publication.

The question of the Taschereau file is still under consideration. We are looking at a way by which we can have a respected and independent review of the contents of the Taschereau file prior to coming to a decision on whether or not it should be published.

* * *

THE BUDGET

SQUARING OF TAX INCREASES WITH ELECTION PROMISES

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, my question is for the Minister of Finance. I would like him to confirm that the tax increases which were announced last night—over $3.5 billion in personal taxes alone—were the highest tax increases since World War II, and that the effect on the average family will be somewhere between $260 and $480 a year, net, depending on whether one spouse or both spouses are working.

How can the minister square that tax increase with the promise that he and the Prime Minister took to the Canadian people before May 22, that there was going to be a significant reduction in taxes in the first Conservative budget in 17 years?

Some hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I can confirm that this budget and associated measures contain

a significant tax reduction for the people of Canada: $1.2 billion for 1980, which hon. gentlemen opposite are trying to stop, a mortgage interest and property tax deduction, another $1 billion in 1981 under the energy tax credit, and $1.4 billion in connection with the index of the income tax.

That is what I can confirm, that every consideration has been given to the Canadian taxpayer, but that we need to have a drive toward conservation and energy self-sufficiency, which is another part of the budget and which the people of Canada are responding to very positively.

Some hon. Members: Hear, hear!

Mr. Rae: Mr. Speaker, it is clear that this budget should be subtitled "New Adventures in Mathematics". I have a supplementary question to the Minister of Finance. In view of his statement last night that the creation of new jobs and new employment was essential, can he explain to us as well as he explained in his first answer how it is that the government saw fit to increase the cost of unemployment insurance premiums by $800 million at the same time as they are saying they want to increase employment. How does that increase jibe—to use a Newfoundland expression—with the intention of the government to create new jobs?

Mr. Crosbie: Mr. Speaker, I am glad that the hon. member accepted my answer to his first question and did not follow it up with a supplementary. As far as jobs are concerned, if the hon. gentleman looks at the budget he will see that the new employment tax credit program is going to create 100,000 jobs; that we are going to spend, in tax expenditures, $150 million more than the official opposition did last year; that we also have a special fund of $50 million for employment creation projects in eastern Canada, Quebec and the Atlantic provinces; and that this whole budget is replete with job-creation through our assistance to small business corporations by making the salaries of spouses deductible in small, unincorporated businesses.

There are 400,000 unincorporated businesses across Canada which can benefit from that, and 300,000 small business corporations from our small business development fund. On and on it goes, a budget of job-creation and reaching toward our potential.

Some hon. Members: Hear, hear!

ADDITIONAL EXPORTS OF NATURAL GAS TO UNITED STATES—COST OF REPLACEMENT FROM FRONTIER AREAS

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, my question is to the Minister of Finance. The centre-piece that he announced last night in the budget—at least, the current account showpiece—is the 3.8 trillion cubic feet of gas to be exported to the United States which will bring $15.5 billion according to the minister.

Since the Minister of Energy, Mines and Resources admitted last week that conventional supplies of gas would run out, or at least demand would exceed supply in 17 years, can the minister give me an estimate of the cost to the next generation of Canadians of replacing this gas from frontier areas which would be far more expensive than what we are selling it at now?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I can give the hon. gentleman this assurance, that the next generation of Canadians will be freezing in the dark if we do not take the steps we are taking now for energy self-sufficiency in Canada.

Some hon. Members: Hear, hear!

Mr. Crosbie: In connection with the export of gas, that has been approved by the National Energy Board, an independent agency whose members were appointed by the last government—all of them—and who have reached the conclusion after studying this area that we have this surplus that can be exported. Unless we export this surplus gas, we will not have any exploration and development of other sources that is going to go on year after year well into the twenty-first century. So the hon. gentleman does not need to worry: we are looking after the next generation, unlike his government which did not do it.

Some hon. Members: Hear, hear!

INCREASE IN PRICE OF OIL—DETRIMENTAL EFFECT ON FOOD PRICES

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Finance. In view of the fact that even before last night's brutal budget, spokesmen for the food industry and for consumers at a conference sponsored by Agriculture Canada yesterday were predicting an increase in food prices of at least 15 per cent in 1980 because of transportation and energy costs and high interest rates—a figure which will quickly become even higher as a result of last night's oil price hike—and in view of the fact that the chairman of metro Toronto has been quoted today as saying that it will be necessary to raise property taxes in metro because of the oil price hike, will the minister tell the House how he justifies taking billions of dollars away from consumers while failing to use it to finance energy-saving measures?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, one of the important influences on food prices is the state of the Canadian dollar. Hon. members opposite have been complaining because steps have been taken to try to maintain the Canadian dollar around its present level so that the food and other goods which we import will not increase in price because of the price of our dollar compared to that of the United States, from which we import much of our food. That is one of our concerns. We are very concerned about the situation. It is the government's energy policy and its drive toward conservation and energy saving that is going to result in improvements in food prices in the future. There has to be some short-term pain for long-term gain; that is the way we have to look at it.

EXPENDITURES BY TREASURY BOARD AS A RESULT OF THE BUDGET

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, my question is for the President of the Treasury Board, who has revelled in his new nickname, "the slasher", which he thought he earned stemming from his bravado about indiscriminate cutting of people and expenses.

Mr. MacEachen: He slashed himself in committee: the "self-slasher."

Mr. Andras: Since the disclosure last night it is evident that he has accepted expenditure increases of 10 per cent per year, greater than in the past three years; expenditure increases from $48 billion to $78 billion in five years, an increase of 60 per cent in those five years; and since in the exposé—and that is what it is—the so-called cash deficit reduction stems, not from expenditure restraint but from increased taxes and an accidental accrual of pension funds, how can the President of the Treasury Board accept the total loss of his credibility, and what is left for him to slash but his own throat?

Some hon. Members: Hear, hear!

Hon. Sinclair Stevens (President of Treasury Board): Mr. Speaker, I would suggest to the hon. member that if he has a knife available, he had better start slashing his own throat after I give him the answer. I cannot get over the gall of the hon. member in standing up and asking that question. He seems not to have read the budget of last night, which made it clear that there is a negative real growth in expenditure after inflation in the figures revealed by my colleague, the Minister of Finance.

● (1450)

Certainly, even the hon. member must know that, based on the figures we revealed last July—which were simply their figures—the figures released last night indicate we are going to narrow the deficit in Canada between now and fiscal 1983 by over $17 billion.

Some hon. Members: Hear, hear!

Mr. Chrétien: Raising taxes.

Mr. Stevens: I think the former president of the treasury board and the immediate past president of the treasury board should get up and apologize to this House for not supporting—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

DEFICIT FORECAST IN BUDGET

Mr. Arthur Phillips (Vancouver Centre): Mr. Speaker, I would like to ask my question of the Prime Minister, because earlier the Prime Minister said that one of the main objectives of this budget was to slash the deficit. The hon. minister who just spoke named some figures regarding slashing the deficit, and the people of Canada are being asked to make considerable sacrifices to this end.

My question is a very simple one: Why is it that in the government's own figures, at page 21, the deficit is shown—that is, the excess of expenditures over revenues—as droppping only from $11 billion in the current year to $9 billion five years from now?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, if hon. gentlemen will be patient, the reason is this: that is a tremendous decrease, in view of the anticipated inflation, in view of the tremendous interest cost expenses which we cannot control, the $1.7 billion increase in interest expenses—due to the profligacy of the last government—that we are going to have next year in our budget, and in view of the fact that it takes two or three years to get that under control. This is going to be a magnificent achievement. With financial requirements reduced from $10 billion to $4.5 billion in the same time-period, that is a tremendous achievement.

EXCISE TAX ON FARM FUELS—COST TO FARMERS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question also goes to the excited Minister of Finance. In view of the fact that last night the minister increased the price of fuel for farmers by some 15 cents a gallon and that there will be a future increase of $4 per barrel coming in 1980— and this is on top of interest rate increases all year long—I would like to ask the minister whether he can tell the House how many hundreds of millions of dollars increase in tax this will mean for farmers. Does he have those figures for the House today?

Second, while he is on his feet, can he tell us why he will not rebate this increase to farmers, since fuel is a necessity, not a luxury, in the production of food?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I have never yet seen an NDP member who could excite me.

Some hon. Members: Hear, hear!

Mr. Crosbie: With one exception, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Crosbie: I think the hon. member should look on the positive side. With this impetus to conservation, we are going to save the importation of 100 million barrels of oil by 1985. We are going to save $2.5 billion of current prices in our deficit and our current account. That is going to help the farmers of Canada; that is going to help all the people of Canada; that is going to give them a future; and that is going to make us a strong country. That is what he should remember.

CONCERN OF FISHERIES COUNCIL OVER INCREASE IN EXCISE TAX ON FUEL

Mr. Roger Simmons (Burin-St. George's): Mr. Speaker, I have a question for my good friend from Newfoundland, now

that he is in the process of opening his mouth and changing feet. In view of the budget announcement of an increase in the excise tax on fuel to 25 cents a gallon, with the 10-cent rebate to primary producers, and in view of the statement of the Fisheries Council today that this increase raises serious questions about our competitiveness in the export fish market, can the minister confirm that the net increase of 15 cents a gallon, first of all, applies to all fishermen, both salt water and inland, and to all farmers; and, second, does the minister share the expressed concern of the Fisheries Council?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I want to congratulate the hon. member for Burin-St. George's on his election to the House.

An hon. Member: You elected him.

Mr. Crosbie: It is true that his provincial district of Hermitage is now PC, so it was a good move.

An hon. Member: What happened to Carter?

Mr. Crosbie: With reference to the hon. member's question, the fishing industry in Canada is in a very healthy state. The main market is in the United States of America. Energy prices in the United States of America have increased far more swiftly than ours, and are going to continue to do so. We are going to keep our fuel costs well below those in the United States of America.

Although costs for the fishing industry and all other industries are going to be increased, they will still be very reasonable, from an energy point of view, compared with any other of the western industrialized countries, particularly in Europe and the United States. If the fishermen carry on with their usual efficiency and enthusiasm, there is no reason for them to worry at all—in addition to which we are giving them assistance. We are making it attractive for investors to invest in fishing vessels of sizes from 40 feet to trawlers, the long-liners. We are doing quite a bit to assist them in that direction.

INVESTMENT IN SMALL BUSINESS—NO TAX SHELTER IN BUDGET

Mr. Roy MacLaren (Etobicoke North): Mr. Speaker, my question is for the Minister of Finance. The government's decision to allow Canadians investing in Canadian companies listed on Canadian stock exchanges a $20,000 tax shelter next year does not extend to investments in small businesses. Will the government indicate why this new opportunity is limited to investors in large corporations and is not afforded to investors in smaller businesses? What has become of the Prime Minister's promise of last year to allow a tax credit for capital investments in small businesses?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, the plan to which the hon. gentleman refers is one which will apply to publicly-traded companies on Canadian stock exchanges. For technical reasons, it is impossible to include in that plan companies which do not trade. But there are stock exchanges today which can handle companies in the trading of shares of no great size in the ordinary term, so that this will apply to a great many companies.

In addition, the small business sector will get the tremendous advantage—the incorporated small business sector—of the small business development bond after-tax financing. They will be able to cut their interest costs during 1980 very, very considerably. That is a tremendous incentive and boost to them. In the unincorporated area of small business, they will be able to deduct the salaries of their spouses, at a cost of $150 million. That is a tremendous boost to small business in all sectors, publicly-traded, incorporated and unincorporated.

Some hon. Members: Hear, hear!

INCOME DEBENTURE FINANCING

Mr. Donald J. Johnston (Saint-Henri-Westmount): I have a supplementary question, Mr. Speaker. The Minister of Finance fails to point out that the very measure of which he is so proud is simply a recycling and a retread of an idea which was eliminated in Bill C-17, namely, income debenture financing. As far as the spousal allowance is concerned, he fails to point out that the recipients—

Mr. Speaker: Order, please. Does the hon. member wish to put a question?

Mr. Johnston: My question is to the Prime Minister in order to elicit a serious response. Why is there this patent discrimination in this budget against the small business sector, where no provision is made to attract equity capital into that sector at this time? Only in the case of listed corporations are these provisions available.

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, in Bill C-17 we were dealing with a problem of the previous government, where they let the giant corporations—the Petro-Canadas, the billion dollar outfits—get the benefit of after-tax financing. That loophole has now been stopped and we are giving that benefit where it should have been given in the first place—to the small business sector. That is our approach—not the approach of the monopoly capitalists opposite.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

SPORTS

FINANCIAL SUPPORT FOR NATIONAL ORGANIZATIONS

Mr. Louis R. Desmarais (Dollard): Mr. Speaker, my question is for the Minister of State for Fitness and Amateur Sport.

● (1500)

[*English*]

Would the minister tell the House what precautions he took to ensure that our national sports organizations which were supported by Loto Canada will continue to receive support after the disappearance of Loto Canada? Also, what level of support can they expect to receive in 1980 as opposed to what they received in 1979?

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism): I have a question today. I should like to take this opportunity to thank the hon. member for his question.

I would like the hon. member to know, through you, Mr. Speaker, that after the wind-down of Loto Canada, as of December 31 there will be $12 million coming from the provinces from the wind-down, the full amount of which fitness and amateur sport will be getting, which means they will be receiving three or four times as much money as they have in the past three or four years. In the past, we have been averaging about $2.7 million, although we were promised at least $6 million annually from the lotteries. Now we will be receiving half of the $24 million which we negotiated, in 1979 dollars, connected with CPI.

* * *

THE BUDGET

CEILING ON GOVERNMENT EXPENDITURES—EFFECT ON SOCIAL SECURITY PROGRAMS

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I have a question for the Minister of Finance. The minister is forecasting an 11 per cent inflation rate next year, yet the government has adopted a 10 per cent ceiling on all government expenditures. Since this will mean a $500 million cutback, can the minister indicate to the House what specific programs will be cut, and can he give us an unequivocal assurance that there will be no further cutbacks on health and social programs which are already being eroded by previous government decisions?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, the hon. gentleman's question points up the fact that we are tightening expenditures and that under the regime of my friend next to me, the President of the Treasury Board, through his fierce efforts a considerable amount of money will be eliminated from the budget which was previously wasted on cost overruns and the like.

I can also reassure the hon. gentleman that we are not planning any cutbacks in the health or social services. There will be a review to see whether funds can be better directed to those who need them most, not necessarily on a universal basis. This will be studied. It is one of the things we intend to do to better direct the funds. But as for cutbacks, there will be none.

Mr. Ogle: Mr. Speaker, I should like to direct my supplementary question to the Minister of National Health and Welfare. Since the minister is not a member of the inner cabinet, can he find out from the Prime Minister what programs of his department, if any, will be affected by last night's budget; and will he inform the House and the Canadian people whether senior citizens and low income people will be further cut from government programs?

An hon. Member: He has not been told yet.

Some hon. Members: Oh, oh!

Hon. David Crombie (Minister of National Health and Welfare): Mr. Speaker, I can assure the hon. member that there is absolutely nothing in the budget of last night—

Some hon. Members: Hear, hear!

An hon. Member: You won't even be in the outer cabinet from now on.

Mr. Crombie: Mr. Speaker, it is obvious that members opposite have so little to occupy their minds that they would halt me in the middle of a sentence. I can assure the hon. member and all members of the House that nothing in the budget of last night will adversely affect any health program or, indeed, any social service program. Also, I would like to remind the hon. member that the reviews now being carried out—which we have talked about in the House previously—will continue to be carried out through 1980. Indeed, the way we have approached it so far is to look for ways in which we, as the Minister of Finance has indicated, will be able to provide funds for those most in need.

I am sure the hon. member has already had an opportunity to read the report which has come from the National Council on Welfare entitled "In the Best Interests of the Child". On a number of occasions in the House I have indicated the importance of making sure there is sufficient income for low and moderate-income people. This report gives support to that kind of review, and I thank the hon. member for the question.

* * *

[*Translation*]

PRIVILEGE

MR. CHRÉTIEN—ALLEGED BUDGETARY LEAK

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I rise on the question of privilege I raised last night after the budget speech. The confidentiality in which the details of a budget are kept is a constitutional practice which forms an integral part of a parliamentary system. Such practice is based on the principle that no individual, whoever he may be, must know in advance the details of a budget which he could use for personal gain.

On July 24, 1975, the hon. member for York-Simcoe, now the President of the Treasury Board (Mr. Stevens), stated, and I quote:

[*English*]

Ministers deliver their budget speeches, and any amendments that the minister may think fit thereafter, in a spirit of confidentiality. For example, budget speeches themselves are usually delivered in the evening to avoid any possible effect on the stock market. The tradition of secrecy ensures that all Canadians will enjoy the same advantage or disadvantage with respect to any budgetary matter, and that any announcement will be made first in the House and not privately to those who rightfully have no access and should have no access to that information. I suggest that budget secrecy is essential to guarantee to all taxpayers that no group can escape its share of taxation, and that in particular those whom they have elected to the House of Commons cannot escape laws approved for everybody... The point is not only a question of budgetary secrecy, but also the importance of keeping any tax change also secret, and I would suggest that the two are really one and the same.

All the ministers of finance have been critical of the fact that this tradition was creating some problems for them in carrying on the normal consultations which they wanted to have with either the provincial government, the business community, economists, and so on. Ministers of finance have always been extremely careful about their actions in that field. Of course there are some precedents that are well estabished for this long-standing British tradition, to the effect that ministers of finance must keep budgetary information very close to the chest. This is something that I and all my predecessors were very careful about. I do not want to recite all the precedents, but there are two well-known cases in England where ministers casually revealed some budget information or someone around them did so, such as Hugh Dalton, a former chancellor of the exchequor, who had to resign as a result.

In Canada in 1975 there was a member of the House, namely, the hon. member for Kenora-Rainy River (Mr. Reid), who was accused by the then opposition of leaking some budget information, which he denied. Despite his denial, the House ruled that he had to justify himself in front of a committee. He went before a committee of the House and explained the matter, following which it was proven that he had done absolutely nothing wrong and no leak had taken place. Nevertheless, members of the House, and especially members who are in the government today, cast innuendoes and accusations of all sorts so that for many weeks thereafter the hon. member for Kenora-Rainy River was subjected to them. He had to go before the courts to clear his name in the minds of the Canadian public.

On Monday night, on the CTV national news, the Ottawa bureau chief, Craig Oliver, who is one of the senior men in the gallery and a very respected reporter who would not have made this information public had he not been completely sure of his sources, said the following:

The finance minister's budget will be hitting hard at major corporations in Canada. They face an increase of five points in their corporate tax rates from 46 to 51 per cent. The government is expected to raise one and a half billion dollars with the measures, which sources say will be the highest corporate tax rates in years. To sweeten the pill they will receive some tax breaks.

But for individuals, there are no tax increases in the budget. However, there are no cuts either. To help with the increase in the costs of energy for low income Canadians, Ottawa will offer an energy tax credit of $80, to those whose income is less than $18,000 per year. If there are two of you in the house, you can both claim, and it doesn't matter whether you live in a single family dwelling in a highrise or whether you rent. The measure will cost Ottawa $1 billion. The budget will be heavily energy-orientated in other ways too—it will increase the assistance to and expand the home insulation program. To raise a lot of the revenues the government requires for the budget measures, Mr. Crosbie will impose a 25-cent transportation fuel excise tax—it will be registered on Canadian gas pumps Wednesday morning.

This is very close to what was in the budget. Today the press reports all over Canada that there were last night line-ups at the gas pumps because of it. The fact that he was very close to the real thing—

● (1510)

Mr. MacEachen: He was dead on in some places.

Mr. Chrétien: Of course it is very obvious it was someone who spoke—who did not deliver a document, but spoke to him, or through him, to another person.

It is nothing personal which I have against the Minister of Finance (Mr. Crosbie). But I have to tell the House that I have been the minister of finance myself. I went through an extremely difficult consultation with the provinces where some members of the opposition accused me, because I could not be as candid as I wanted, of being a dictator. That was because I was doing something with the provinces for the first time in the budgetary process in Canada. I was trying to involve the provincial governments. In spite of that, I took all the necessary measures to make sure that there was no leak. That gave me extreme difficulties in this House and outside, but I always kept in mind the responsibility which I had in terms of budget secrecy.

There were some stories in the press that it was the first time in history this budget was kind of a "strip tease", because we had bits and pieces—everything out—until yesterday we realized that there was absolutely nothing new when we sat in the House for more than an hour. Everyone knew, one way or another, what would be in this budget.

It is pretty ironic that I would be standing in my place defending the best British traditions. I am sure Mr. Diefenbaker would be very proud of me standing to defend the British tradition and asking the Minister of Finance to take his responsibility. Of course it is extremely difficult, and I have a lot of sympathy for the minister. He is forced to conduct those consultations in order to have a budget document prepared. Sometimes he has to consult with the department and so on. He has the responsibility of making sure that there is absolutely no leak.

With what I read to Mr. Speaker today, and with what has been said in the House over the last few days, I have no choice but to raise this problem. The oil companies have jumped the gun on the government by increasing the price of oil and gasoline in the last few days. There was a fantastic indiscretion by the Prime Minister (Mr. Clark) a few weeks ago, when he said to the House that he was to consult the industry before increasing its taxes. We see that he has done just that, because

the industry was able to jump the gun and increase the price of gasoline last week.

I have absolutely no choice but to raise this fundamental problem of parliamentary democracy. When we have a government that is responsible to this House, the Minister of Finance has to take all the necesary steps to ensure that there is absolutely no leak. I realize that a pair of mukluks is more leaky than a pair of shoes. Also I realize that the hon. minister has no choice but to reveal to the House what happened. In order to help him to clarify the question of whether there was a leak—and I think there was a leak—in my judgment he will have to take his responsibility in the best British tradition.

Therefore, I move, seconded by the hon. member for Kenora-Rainy River (Mr. Reid):

That the Standing Committee on Privileges and Elections be instructed to investigate the advance knowledge by journalists and others of measures to be proposed in the budget, including proposed changes in corporate and commodity taxes, in advance of the delivery of the budget; and that the committee report its findings no later than December 31, 1979, and in the absence of a final report, make an interim report by that date.

Some hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, the hon. member is really straining with this motion. First I will submit to Your Honour that there is no question of privilege whatsoever.

Mr. Baker (Nepean-Carleton): Precisely.

Mr. Crosbie: But just let me say on a factual basis that there has been no budget leak. There was certainly no budget leak for which I am responsible. There was no budget leak from the Department of Finance. There was no leak, period.

Everyone in the country has known for some months that the Government of Canada is involved in negotiations with the provinces over the energy situation. It has been known in public documents tabled at the first ministers' conference and given to the government of Saskatchewan, the government of Alberta, and to the government of British Columbia. It was known to dozens of officials in the government that there were being contemplated energy price increases and an excise tax. They were given to the government of Ontario, every government in Canada. They were filed at the first ministers' conference.

It was widely known that there was likely to be an energy tax, and there was speculation to that effect. Some speculators said that it would be 30 cents, some said that it would be 20 cents, some said that it would be 25 cents. In actual fact it was 17 cents.

Mr. Lalonde: You are not even right. It is 18 cents.

Mr. Crosbie: If we look at the report of Mr. Craig Oliver of Monday, December 10, Mr. Oliver was guessing like everybody else. He guessed the 25 cents, and he guessed wrong because the increase to the personal consumer is not 25 cents; it is 17 cents.

Mr. Baker (Nepean-Carleton): It is 18 cents.

Mr. Crosbie: I am sorry, 18 cents.

Some hon. Members: Oh, oh!

Mr. Crosbie: When we look at this broadcast again, what do we see? Mr. Craig Oliver said that the rise in corporate income tax "will be a heavy blow to major corporations; they face a jump of a full five points from the present income tax rate of 46 per cent to 51 per cent; government insiders say the increase will raise as much as $2 billion." That is completely inaccurate. There is no accuracy to it at all. It is not correct—incorrect to the last degree. The increase of 5 per cent is in corporate surtax, Mr. Speaker. The 5 per cent corporate surtax will raise $370 million in the year to come. That is not even near $2 billion. It is really stretching the point. There was no increase in the corporate tax rate at all. So much for that allegation!

Then Mr. Oliver went on to say or to guess that there would be an energy tax credit. The possibility of an energy tax credit was discussed with all the governments that I have mentioned. They were aware of the fact that there might be an energy tax credit. Mr. Oliver suggested that there would be some incentives, that low income families would get assistance. He said that any Canadian whose income is less than $18,000 a year would receive a flat energy tax credit of $80. That is not accurate at all. It is every Canadian who has an income of up to $21,380 a year. So, on and on it goes.

Let us look at the rest of his report. He said that in the budget we would beef up grants for home insulation programs. That was not done in the budget. He said that we would offer generous tax incentives to convert furnaces from oil to natural gas. That is not in the budget.

An hon. Member: You should have done it.

Mr. Crosbie: On and on it goes. There was no leak in the budget secrecy process. But let me say that we are trying to open up the budgetary process. There is quite a difference between a budget leak which could give people a chance to make a large amount of money on the stock market or whatever, if they had inside knowledge, and some speculation that there will be an excise tax increase or not an excise tax increase, or whatever. So this is just in the realm of speculation.

In addition the Prime Minister (Mr. Clark) yesterday, when asked a question in the House, denied that there was any budget leak. He denied the fact that there was any budget leak.

An hon. Member: How does he know?

Mr. Crosbie: This broadcast was made on Monday evening. That denial has not been accepted by the hon. member for Saint-Maurice (Mr. Chrétien) who should know better.

I should like to refer to a statement made by Your Honour on April 17, 1978, where you ruled on a matter which involved the hon. member for Saint-Maurice. It was alleged that there had been leaks in connection with certain sales tax proposals. I

do not like to mention this as it is a very painful experience for the hon. member for Saint-Maurice. He was trimmed, pounced on, trounced on and jounced on by the government of Quebec because of these sales tax proposals last year. Before the budget was brought down there was a story in the *Toronto Star* which indicated there were going to be these sales tax proposals in the budget. The actual sales tax proposals were outlined in the *Toronto Star*. This was also done on CTV national news on April 9. There were also allegations that the CTV had said there were going to be changes to research and development benefits for corporations. They had revealed that before the budget. The minister was very, very injured by the fact that allegations of leaks had been made against him.

● (1520)

Your Honour dealt with the matter on April 17. You pointed out that the minister had made it clear that there was ample room for speculation with respect to research and development benefits as this subject had been discussed at a recent first ministers' conference. That is right on, and a wonderful precedent in relation to the matter he is bringing up here this afternoon. His excuse last year was that research and development benefits had been discussed at a first ministers' conference. The whole House knows that energy taxes and energy tax credits, and the whole business, have been discussed at first ministers' conferences. Your Honour then went on to say:

> In addition to those, it seems to me that the matter has been disposed of in a complete way, as far as this House is concerned, by the minister's explanation that he was not able to discover and did not take any responsibility in any way for any leak of budgetary information.

I say that I am not able to discover and I do not take any responsibility in any way for any leak of budgetary information, and in fact there was no leak, so certainly I am not going to take the responsibility.

Then Your Honour went on to say:

> —I must express some serious doubt whether the conventional budgetary secrecy falls within the area of privilege at all.

You dismissed the whole allegation and the fact that it could have been a breach of privilege last year. The member has cited nothing to indicate any leak of budgetary secrecy. There was no leak, Mr. Speaker. There was scuttlebutt and there was speculation, as there always is when a budget is coming forward. Naturally people last night went to fill up their cars before the budget came down because they had heard so much speculation about an excise tax increase. The only one who did not was myself. I did not dare go and do it, but everybody else in the country who had any sense did.

So, Mr. Speaker, as far as mukluks are concerned, the hon. member is in the muck without any luck.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The motion that has been put forward is to be seconded by the hon. member for Kenora-Rainy River (Mr. Reid). I am going to permit the hon. member a brief intervention, but I must point out to the House that there is no allegation in the motion of any misconduct on the part of the minister or on the part of any other member. The motion and precedents to which I have referred, and to which the Minister of Finance (Mr. Crosbie) has referred, it would seem to me, ought to lay the matter to rest. However, I am prepared to hear briefly from the hon. member for Kenora-Rainy River since he is named as the seconder of the motion.

[Mr. Crosbie.]

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, I would like to refresh your memory as to the precedents on this going back to 1975. Your Honour may recall that you were in the chair and at that point I was accused of having released budgetary information illegally. There was an investigation by the Committee on Privileges and Elections as a result of a decision subsequently taken by the House and after Your Honour had made a decision that, indeed, there was a prima facie case of privilege involved. I do not want to go into the details of that experience, but I do want to indicate—

Mr. Speaker: Order, please. I think the hon. member should realize that this is the point I have just made. That motion made an allegation directly against the hon. member for Kenora-Rainy River. This motion makes no allegation against the actions of any member of the House of Commons. That is the fundamental difference.

Mr. Reid: Mr. Speaker, it seems to me that the motion says there have been budget leaks. Your Honour said in 1975 that the question of budgetary secrecy was one of the great constitutional conventions of our system, and that anything that broke that obviously put the people who had done that in contravention of our constitution.

It seems to me the fact that this is mentioned, with some evidence by the hon. member, is an allegation that the privileges of myself, the hon. member for Saint-Maurice (Mr. Chrétien), and other members of the House of Commons, have been breached.

I think we could have an argument as to whether in point of fact budgetary leaks did take place as alleged by the hon. member for Saint-Maurice, but that would be the job of the standing committee to decide. What is important is the fact that the hon. member for Saint-Maurice has brought forward some evidence to indicate that, indeed, a great deal about the budget was well known before the budget was presented to the House of Commons.

I am prepared to agree with the Minister of Finance (Mr. Crosbie) and also with the hon. member for Saint-Maurice that the budgetary procedures that we go through in this House may, indeed, be obsolete. It may well be that with the kind of mixture of financial considerations by the federal and provincial governments we must have more negotiations taking place at public meetings between the two levels of government. I accept that, but the point is that if the Minister of Finance is going to change the rules in midstream, he ought at least to let the House of Commons know. He did not do that, and we feel that he has in fact changed the rules in midstream. Had he told us, we probably would not be raising this point of order.

There is no question, if you take the transcript of what was given by Mr. Oliver on CTV news on December 10, that you will find that he was more right in his discussion of what was going to be in the budget than was the Minister of Finance, in his rebuttal. Let me give you a couple of examples.

The Minister of Finance said that Mr. Oliver was wrong in his discussion of the increased taxes on corporations. Mr. Oliver said there was going to be an increase of five points in the corporate tax rates from 46 per cent to 51 per cent. The 5 per cent figure was correct. What Mr. Oliver got wrong was not that there was going to be an increase in the tax rate, but that it was going to be a surtax. The total amount of revenue to be raised over the life of that tax he said was going to be $1 billion, not the figure given by the Minister of Finance which was for one year. I would suggest in that case that the Minister of Finance has misled the House.

Some hon. Members: Oh, oh!

An hon. Member: Withdraw.

Mr. Reid: I think if you go on to the other point that the Minister of Finance dwelt a great deal upon, it was that Mr. Oliver's statement was that the excise tax would be a 25-cent one, when it was only going to be 18. Let us read what Mr. Oliver actually said:

—Mr. Crosbie will impose a twenty-five cent transportation fuel excise tax—

What is the value of that tax, Mr. Speaker? It is 25 cents. He has raised it from seven cents to 25 cents, and that is what Mr. Oliver said.

I think when you look at what is there and you take a look at the evidence, you will have to decide that Mr. Oliver had more accurate information than in respect of previous budgets we have had, particularly if Your Honour goes back and looks at other points in time when allegations of the same sort were raised against ministers of finance. Those allegations, after those budgets came down, were never seen to be as accurate as these particular allegations were in this specific case. It is for that reason we feel there is a question of privilege.

We think also that if Your Honour finds there is a prima facie case of privilege we should also have the reference expanded in order that we could look into the question of budgetary secrecy.

I agree with the Minister of Finance and the former minister of finance in thinking that the system we have entraps us into a situation where often we have to go the hard route of raising these matters on a question of privilege, and there ought to be other ways of resolving the difficulty. Successive ministers of finance have argued that there, indeed, is a real problem in terms of this matter, and we agree that it should be cleared up.

Mr. Speaker: Order, please. The House will understand, of course, that I am faced with an intervention by the hon. Minister of Finance (Mr. Crosbie) in which he has directly and categorically denied that there was any leak for which he assumes responsibility.

The House has several traditions, one of which is related to budgetary secrecy. The House also has the very firm and very strong tradition that it always accepts the word of any member given in debate in this House. When the Minister of Finance at any time stands in his place and says, as he has said today, that there is no leak, that he has examined and attempted to discover whether there was and finds none, and therefore does not take responsibility for one and, furthermore, disputes the fact that one in fact took place, that word must be accepted. Therefore, I am not able now to take action which would amount to a contradiction of that word unless, of course, there is a proposal by the House to directly contradict the word of the Minister of Finance in the debate today by accusing him, or someone else, specifically of taking responsibility, or failing in their responsibility, to safeguard budgetary secrecy. That allegation has not been made in this motion, and if there is any basis for such an allegation it will have to be made specifically.

● (1530)

There is a very clear rule which was enunciated by one of my most distinguished predecessors, former Speaker Michener, that to accuse a member of this House of misconduct in any way, and to expect that that accusation can be sent to the Standing Committee on Privileges and Elections for investigation and examination, the allegation of misconduct by a member will have to be clear. The minister has stood in his place and denied that he is responsible for any leak and wishes to argue, as he has said, that there is not in fact any leak at all. On the face of that, I have to set aside the question of privilege, after having permitted, I think, ample contribution by the mover and the seconder of the motion.

I cannot find on the face of the motion, as I am being asked to find, that there has been a publication, even if I were to be persuaded that the publication would appear to be based in some way on a theft of the budget document, as the result of a leak. The fact of an accurate appraisal or prediction of what is in a budget by an outside source speaks in and of itself and on its own merits of the fact that a transgression of the practices of the House has taken place, is not enough to constitute an investigation. I need something more than merely the existence of the prediction, a prediction with which the Minister of Finance takes issue. Therefore, the motion in its form does not allege any misconduct by the minister.

It is a motion based simply on the existence of a report by the reporter who was referred to in the argument. In view of the fact that the Minister of Finance has indicated, first, that he differs with that prediction and, secondly, having investigated the matter and indicated to the House that he is satisfied that there has been no leak and that he is certainly not responsible for it, the House, in its traditions, accepts the word of the Minister of Finance. On that basis, the matter remains closed.

However, if a member wishes specifically to raise an allegation at any time, as was the case with respect to the hon. member for Kenora-Rainy River (Mr. Reid) when the motion made special reference to him, he may do so. When the matter

came to a conclusion, it was obviously under a different consideration because it followed the Michener precedent. This motion does not come within that precedent at all. Therefore, I find this to be a different case and do not consider it to have a priority which can be attached to this kind of motion if it does in fact affect the privileges of the House.

Hon. J.-J. Blais (Nipissing): Mr. Speaker, I recognize from the comments which you have made that you have recognized, not only today but in the past, the importance of the principle of cabinet secrecy and its impact upon financial documents such as the budget. From what you have said, sir, I do not hear any withdrawal from that recognition which you have advanced in the past. I trust that what you have said in your decision is that we are completely free to present such a motion as would be in order in terms of calling the privileges of the House into play so that in effect we could get a reference to the Standing Committee on Privileges and Elections as was the case with the hon. member for Kenora-Rainy River (Mr. Reid).

I trust that we are not debarred by your ruling today, sir, on circumstances that may involve circumstances which we have already identified, from presenting a motion that would be in order.

Mr. Speaker: If the hon. member is asking me to rule in advance on the procedural irregularities of a motion which I have not seen yet, he knows that I would not do that.

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, there still arises the question raised by the hon. member for Nipissing (Mr. Blais) as to what extent does an absolute denial by a Minister of Finance with respect to a particular leak exist. I assume that we have not come to the time when the Minister of Finance would have to face another motion drawn on exactly the same set of facts on another occasion, and to which he would give the same denial. That would be a waste of time for the House, and that is certainly within the purview of the opposition.

Mr. Speaker: Order. It seems to me that the President of the Privy Council (Mr. Baker) is on precisely the same ground as the hon. member for Nipissing (Mr. Blais). It is premature to speculate on what procedural decisions will have to be made until we see the motion.

I have notice of questions of privilege by the hon. member for Madawaska-Victoria (Mr. Corbin) and the hon. member for Kootenay West (Mr. Brisco).

[*Translation*]

MR. CORBIN—LANGUAGE USED BY MEMBER FOR KOOTENAY WEST (MR. BRISCO)

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I rise under the provisions of Standing Order 35 which says a member cannot use offensive words against either House, or against any member thereof. Yesterday, Mr. Speaker, during the debate in Committee of the Whole on Bill C-20, the hon. member for Kootenay West (Mr. Brisco) said the following:

[*English*]

Mr. Chairman, I would ask if this is Parliament or is it a zoo? Because those are the animals over there, and I am damned well ashamed of them.

[*Translation*]

Mr. Speaker, it seems to me in accordance with the very spirit of Standing Order 35 and considering Beauchesne's citation 319, it is clearly indicated no member shall use blasphemous or indecent language. Beauchesne's citation 324 dealing with unparliamentary expressions says, and I quote:

—much depends upon the tone and manner, and intention, of the person speaking;—

The language may be abusive, unparliamentary or indecent. Mr. Speaker, I believe the tone goes far beyond the words, and the tone the hon. member for Kootenay West used to make that statement yesterday appeared to me at first glance both malicious and vicious. I was not the only member who rose on a point of order or a question or privilege yesterday. There was also the hon. member for Verchères (Mr. Loiselle) who dealt with the same matter. In addition, in Beauchesne, in the list of forbidden parliamentary expressions, it is clearly indicated that the word "animal" is prohibited.

Mr. Speaker, I would not want to make this point of order harder than necessary. I quite simply ask you, if you think I am right in my argument, to ask the hon. member of Kootenay West to withdraw his offensive words toward all members on this side of the House, men and women alike.

[*English*]

Mr. Bob Brisco (Kootenay West): Mr. Speaker, at the time of my outburst yesterday I felt it was warranted. I would like to correct the hon. member for Madawaska-Victoria (Mr. Corbin) who has used the descriptive adjective "vicious", and say that I do not have a vicious bone in my body. I have read my remarks, which were directed at no one in particular. I have also read the comments of the chairman, who felt that I was not out of order because I had not directed them to anyone in particular.

However, for the sake of the decorum of this House I do not hesitate to withdraw the word "animals".

Mr. Speaker: I think we have two principles here. The first is that it is always the individual presiding over the meeting who is in the best position to judge. The chairman at the time made a ruling with which I would not want to interfere, since he was the one present at the meeting when the words were spoken. The second principle is that technically it is difficult to ascribe an absolute meaning to any word so that in all circumstances it will be unparliamentary. But without waiting for that, the hon. member, having had an opportunity to reconsider his intervention, has rather generously withdrawn it. I think that that is in accordance with the best principle of the conduct of the House.

MR. BRISCO—NATIONAL ENERGY BOARD HEARING IN VANCOUVER, B.C.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, if I may turn for just a moment to something which is perhaps a little more enlightening, yesterday when I rose on a question of privilege you, sir, indicated that it was not a question of privilege but made a contribution in your summary which was of significant value. I want to report to you, Mr. Speaker, and to the House that on the basis of perhaps our mutual contributions on the question of the National Energy Board, it has today adjourned the meeting in Vancouver until January, 1980. I thank you for your help.

MR. KAPLAN—STATEMENTS MADE BY MINISTER OF EMPLOYMENT AND IMMIGRATION

Mr. Bob Kaplan (York Centre): Mr. Speaker, my question of privilege arises out of statements made by the Minister of Employment and Immigration (Mr. Atkey) on December 6 before the Standing Committee on Labour, Manpower and Immigration. He appeared before the committee to deal with his estimates. On that occasion he announced a cutback was taking place by the government in its program to support publicly sponsored boat people as refugees from Vietnam. He indicated that in taking his decision he had consulted with the provinces.

● (1540)

I have a transcript here of his remarks before the committee where he said:

—committee members appreciate that federal-provincial consultations are an important part of my mandate—

Later he said:

And at the same time I should say that virtually all those provinces made the point—and this was made no more strongly than by Mr. Couture in the province of Quebec—they said: can you not find some way to provide increased food and medical aid to the victims of starvation in Kampuchea, Thailand. And it is having all those factors in mind—

He was referring to the consultations. Subsequently, an article appeared in *La Presse* on December 7 in which Mr. Jacques Couture denied that he had been consulted by the minister and denied that he was in favour of the change which the minister had indicated he was making after several provincial consultations. Yesterday, for the first time, I was able to speak to the office of Mr. Couture, the minister of immigration in Quebec, and was able to confirm from their point of view the accuracy of this report, that is, that Mr. Couture had not been consulted about these changes and that he did not approve of them.

In view of that, Mr. Speaker, I rise on a question of privilege, perhaps as much as anything, to give the minister an opportunity to indicate whether he or the minister of immigration for the province of Quebec was making accurate statements about the consultations which are alleged to have taken place.

Mr. Speaker: Order, please. I am sure the hon. member will realize that for me to permit this would be an extension of the committee proceedings into this House in this way. That is an unwarranted extension of our practice. If the matter is to be pursued any further, it will have to be done in committee or in some other way on the floor of the House. To raise in this way what is evidently a dispute between two persons, one of whom is not a member of this House, on a matter which took place outside this House, would seem to be inviting an extension of committee proceedings on to the floor of this House. The matter will have to be pursued either in committee or brought on to the floor of the House in some other way before I can deal with it.

ROUTINE PROCEEDINGS

[*English*]

REGIONAL DEVELOPMENT

REVIEW OF PRAIRIE FARM REHABILITATION ADMINISTRATION

On the Order: Government notices of motion:

December 10, 1979—The Minister of Regional Economic Expansion—The following proposed motion:—That the Standing Committee on Regional Development be authorized to review: the present role of the Prairie Farm Rehabilitation Administration in keeping with perceived federal responsibilities; whether the legislative base of the Prairie Farm Rehabilitation Administration should be expanded to include non-agricultural areas and other sectors of the economy, or whether these activities should continue to be implemented under the general Department of Regional Economic Expansion legislation; whether the agency should continue to operate under the auspices of the Department of Regional Economic Expansion; whether the agency should operate in the prairie provinces only, or whether there is a requirement for similar programs in other parts of Canada; whether the agency should continue to exist as a federal agency and if there are any changes to be made in its management and administration;

That the committee report back to the House of Commons no later than September 1980, on any legislation required to implement the committee's recommendations; and

That the committee be empowered to retain the services of expert advisers and to commission studies or research to assist in its work and that it also be empowered to retain such professional, technical, clerical and stenographic help as may be required.

Mr. Speaker: Pursuant to Standing Order 21(2) this notice of motion stands transferred to and ordered for consideration under government orders later this day or at the next sitting of the House.

* * *

WAYS AND MEANS

MOTION REGARDING CUSTOMS TARIFF

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, pursuant to Standing Order 60, I now table in both official languages, a notice of ways and means motion regarding the Customs Tariff, and request that you designate an order of the day for the consideration thereof.

This is the customs tariff that results from the MTN-GATT negotiations, the Tokyo round.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-7, an act respecting Canadian non-profit corporations, to which the concurrence of this House is desired.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, the following questions will be answered today: Nos. 46, 79, 71, 189, 208, 292, 301, 320, 442, 593, 594 and 597.

I would ask that the remaining questions be allowed to stand.

Mr. Speaker: I believe the President of the Privy Council (Mr. Baker) said question 79 after 46 instead of 69. I believe the intention was 69.

Mr. Baker (Nepean-Carleton): Yes, Mr. Speaker.

[*Text*]

MUNICIPAL DEVELOPMENT AND LOAN BOARD

Question No. 46—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of the Municipal Development and Loan Board?

2. What is the annual salary in each case?

Hon. John C. Crosbie (Minister of Finance):

The municipal development and loan board no longer functions. Loan repayments, however, continue. These are monitored by the financial services division, Department of Finance.

CANADA DEPOSIT INSURANCE CORPORATION

Question No. 69—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of the Canada Deposit Insurance Corporation?

2. What is the annual salary in each case?

Hon. John C. Crosbie (Minister of Finance):

1. No president or vice presidents.

2. The Chairman is John F. Close, annual salary $15,000—$20,000.

[Mr. Crosbie.]

CAPE BRETON DEVELOPMENT CORPORATION

Question No. 71—**Mr. Orlikow:**

1. Who (a) is the president (b) are the vice presidents of the Cape Breton Development Corporation?

2. What is the annual salary in each case?

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): I am informed by the Cape Breton Development Corporation as follows:

1. (a) D. S. Rankin

(b) B. R. McDade, vice president and secretary

K. Sanderson, treasurer and vice president, Finance

J. L. Dodge, vice president, Operations and Marketing

D. I. Miller, vice president, Industrial Operations

J. Bardswich, vice president, Coal Division.

2.

D. S. Rankin	$55,000—$80,000
B. R. McDade	$45,000—$55,000
K. Sanderson	$45,000—$55,000
J. L. Dodge	$45,000—$55,000
D. I. Miller	$40,000—$45,000
J. Bardswich	$45,000—$55,000

FEDERAL-PROVINCIAL RELATIONS—NUMBER OF EMPLOYEES

Question No. 189—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Ministry of State for Federal-Provincial Relations' payroll on March 31, 1979?

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations): (a) 92 employees (b) 2 employees.

FINANCE—NUMBER OF EMPLOYEES

Question No. 208—**Mr. Herbert:**

How many (a) permanent (b) term employees were on the Department of Finance's payroll on March 31, 1979?

Hon. John C. Crosbie (Minister of Finance): (a) 727 (b) 9.

NOISE LEVEL

Question No. 292—**Mr. Herbert:**

Does the government intend to introduce legislation requiring the labelling of all appliances, equipment and vehicles to indicate the decibel output of the item and, if so, will a maximum noise level be established?

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue):

Under the Hazardous Products Act, there is already a maximum allowable noise level of 100 decibels for toy products. Consumer and Corporate Affairs Canada does not plan to introduce legislation requiring the labelling of all appliances, equipment and vehicles to indicate the noise emission of the products, nor does the department intend to establish maximum noise levels for all such products.

Labour Canada: Labour Canada does not plan to introduce legislation requiring the labelling of all appliances, equipment and vehicles to indicate the noise emission of these products, nor does the department intend to establish maximum noise levels for all such products. The Canada Labour Code which deals with occupational safety and health in federal enterprises, has no provisions for regulating this area. Noise control of these products is subject to provisions of provincial legislation to which provincial governments are actively involved in environmental noise concerns and controls at the manufacturing level.

However, an existing Canadian Standards Association (CSA) standard for chain saws, developed at the request of Labour Canada, includes a sound level and labelling clause which we plan to reference in the Canada hand tool regulations.

Background Information: Under the Canada Labour Code, Labour Canada is responsible for regulating occupational noise exposure in federal work places. The Canada noise control regulations, which apply in federal enterprises, specify the requirements to preclude hearing impairment by the workers. Conplementary provincial legislation also exists in this area. Health and Welfare Canada advises that it does not presently have any regulations under its Radiation Emitting Devices Act concerning noise emission, either audible or inaudible, of equipment but that department is looking at the development of guidelines for occupational noise. Environment Canada no longer has a noise program.

Provincial governments generally are concerned with and are actively involved in environmental noise concerns and controls. For example, the province of Ontario has developed a model modern municipalities in the province. The Canadian Standards Association (CSA) is presently developing a voluntary standard entitled the "Measurement and Rating of the Noise Output of Consumer Appliances." This draft standard includes a proposed labelling component concerning noise output of products. An existent standard at the request of Labour Canada for chain saws includes a sound level and labelling clause.

In the U.S.A., the office of noise control, environmental protection agency, has recently put forward a new package proposing noise labelling requirements for a variety of products such as equipment and appliances.

Transport Canada: Under the authority of the Motor Vehicle Safety Act the level of noise emitted by motor vehicles manufactured in or imported into Canada is regulated. The current maximum noise levels for various categories of vehicles when measured in accordance with specified test methods are as follows:

Motorcycles	86 dbA—decibels, A—scale
Passenger Cars, Light Trucks and Vans	80 dbA—decibels, A—N—scale
Heavy Duty Trucks and Buses	83 dbA—decibels, A—scale

It is planned to recommend requirements for the labelling of motorcycles by the manufacturer with the maximum noise level produced in a simple stationary test, in order to facilitate the control of inuse noise by the appropriate authorities. No plans currently exist for similar labelling of other categories of vehicles.

ST-JEAN MILITARY BASE, QUEBEC

Question No. 301—**Mr. Herbert:**

1. What was the total value of construction at the St.-Jean Military Base, Quebec, in each of the past five years?

2. For the same period, how many (a) contractors (b) sub-contractors had contracts exceeding $100,000 and, in each case, what was the name of the company and the total value of the work performed?

3. For the same period, what was the total design cost and who were the principle firms of designers?

4. (a) How many contractors and sub-contractors listed in Part 2 had authorized addition work exceeding twenty per cent of their original contracts (b) were any working on a cost plus percentage basis?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs):

1.

1974/75	$ 1,199,912
1975/76	2,972,369
1976/77	14,470,373
1977/78	36,108,160
1978/79	26,992,028
1979/80 to 31 Oct 79	5,596,201

2. (a) and (b) eighty one contractors/subcontractors had contracts exceeding $100,000. The names of the companies and the value of work performed is listed in list A.

3. $8,810,163—The principal firms of designers are listed in B.

4. (a) 16—These firms are indicated by an asterisk in list A.

(b) No.

List "A"

Contractors with contracts exceeding $100,000, and Current Value of Contract

Contractor	Contract Value $
Omer Brault Limitée	189,257.02
P. Baillargeon Ltée	*203,711.53
Western Caissons (Québec) Limited	1,638,192.47
Les Entreprises Désourdy Inc.	811,853.41
St-Johns Ready Mix Co. Ltd	1,677,256.75
Acier d'Armature de Mtl (1968) Ltée	633,765.21
Québec Reinforcing Steel Inc.	538,149.52
Formco Inc. & N.A.F. Limitée	1,480,601.20
Wallcrete of Canada Limited	1,695,616.99
Wallcrete of Canada Limited	2,262,244.08
Universal Concrete Services Limited	152,990.16
Eastern Armoured Floor Limited	130,981.56
Lord & Fils Cie Limitée	524,002.55
Pallotta Metal Works Inc.	425,987.46
Robertson Building Systems Limited	320,846.51
Jean Attore Inc.	4,055,007.32
Les Industries Glaverbel Limitée	291,001.06
Pilkington Glass Limited	734,609.97
Duron (Québec) Limited	830,467.09
Hickey Plastics Co. Limited	125,339.00

Contractor	Contract Value
	$
Polybois Inc.	1,388,736.23
Hervé Pomerleau Inc.	633,181.68
Socame Inc.	185,349.83
Gen. Acc. Ass. Co./Kelly-Leduc Ltd.,	319,613.04
Stanley-Bumeda Limitée	545,025.64
Canadian Johns-Manville Co. Ltd.	1,565,741.16
La Cie Can. de Marbre & Terr. Ltée	734,150.99
Mount-Royal Concrete Floor Ltd.	113,071.00
Nap. Laforest & Fils (1968) Ltée	233,015.47
Nap. Laforest & Fils (1968) Ltée	554,839.68
Lagendyk & Company Ltd.	1,077,751.56
Gerco Metal Ltée	158,927.00
Westeel-Rosco Ltd.	155,506.00
Les Entreprises Désoudry Inc.	1,353,469.08
J.M. Szoges Inc.	134,049.86
Cassidy Ltée/Equip. de Cuis. G.H.	1,298,489.14
Les Constructions Gart Inc.	219,336.50
Pilkington Glass Ltd.	121,250.34
Ernest Leblanc Limitée	1,194,260.92
Kolostat Inc.	*1,523,864.70
Kolostat Inc.	271,125.77
Kolostat Inc.	1,289,684.82
Award Ind. (Mech) Limited	*2,143,801.73
Plomberie Bellerose Inc.	1,298,398.20
Sto-Bert Inc.	1,559,612.38
Hervé Houde Limitée	2,291,682.97
Vestmor Enterprises Ltd.	110,809.08
Johnson Controls Limited	939,047.64
Honeywell Ltd.	129,556.00
Asbestos (1976) Limitée	604,744.42
La Cie Electrique Swift (1974) Ltée	*2,035,970.74
Hervé Houde Limitée	*1,400,969.44
Lee Electrical Construction Inc.	1,042,310.04
Les Ascenseurs Labadie Inc.	1,079,319.05
Hervé Houde Limitée	*1,458,345.83
Les Constructions Impact Limitée	*1,613,094.58
Lucien Desranleau Inc.	895,660.06
Construction Canvar Ltée	841,762.47
J.M. Szoges Inc.	618,875.32
Les Gicleurs Acme Limitée	701,152.34
Gicleurs Automatiques Beaudoin Inc.	599,899.14
L.M.L. Electrique Ltée	*252,969.37
F. Vinet Inc.	144,385.17
Chagnon (1975) Limitée	1,287,311.03
R.L.R. Construction Inc.	*534,048.80
Taragon Construction Equip. Ltée	1,808,728.86
Raphael Ruffo	315,375.54
Collet Frères Limitée	729,964.39
Ediltec Construction Inc.	921,433.03
Laurent Gendron Limitée	*495,817.38
Acier Gendron Limitée	157,482.85
A. Marfoglia & Fils Ltée	937,738.33
Seven Brothers Construction Inc.	*365,400.51
Classic Metal Works Inc.	*138,172.88
J. Lewin & Co. Inc.	906,463.69
Bolé Inc.	*280,289.80
Formco Inc. & N.A.F. Limitée	267,645.58
Signalisation Octa Inc.	*133,301.86
Foschi & Liberatore Inc.	*164,702.02
P. Baillargeon Ltée	1,588,927.53
Duranceau Ltée/Beauchemin, Beaton, Lapointe Inc. (Construction Management Services)	*9,944,300.00

*Authorized Work Exceeding 20 per cent of Original Contract Value

LIST "B"

Principal Firms of Designers:

Dobush, Stewart, Longpré, Marchand, Goudreau/David, Boulva, Cleve Architects

St. Amant, Vézina, Vinet, Brassard/de Stein & Associés

Barré, Pellerin, Lemoine & Associés

Pageau, Morel & Associés

Archer, Seaden & Associates Inc.

Monarque, Morelli, Gaudette, Laporte Inc.

Léonard Savoie

P. Mundie & Associates

Jacques Guillon Designer

Morrison, Hershfield, Burgess & Huggins Ltd.

Claude Vermette

MORTGAGE INTEREST

Question No. 320—**Mr. Herbert:**

1. Is the government aware of the many errors made by chartered banks and other financial institutions in the calculation of mortgage interest and, if so, what measures are envisaged to correct the situation?

2. Has the government considered making it illegal for the vendor of a mortgage to absolve himself of any responsibility from any errors in mortgage interest calculation which are subsequently found?

Hon. John C. Crosbie (Minister of Finance):

1. The government is not aware, at the present time, of any widespread errors in the calculations of mortgage interest by the chartered banks and other financial institutions. Rules defining the calculation of mortgage interest are set out in section 6 of the Interest Act and financial institutions must act in accordance with them. On occasions in the past when the government has received correspondence from individuals suggesting that an error has been made, investigations have been carried out in order to resolve the problem. The new disclosure regulations which will accompany the revised Bank Act will also be of help to the consumer in this respect as they will require the bank to clarify the cost of borrowing to consumers and the manner in which charges are being calculated.

2. The second question deals with the legal rights of certain parties upon discovering an error sometime over the life of a mortgage. This is a question of contract law which falls under provincial jurisdiction. The question of a mortgagor's right upon the assignment of title to his mortgage to another party is covered under applicable provincial law, usually under the Mortgage Act. Whether or not the originator of the mortgage can be held responsible for the error is determined in accordance with the contract law in that province.

CHARTERED BANKS—GENERAL LOANS

Question No. 442—**Mr. Herbert:**

What was the chartered banks' percentage increase in the average annual rate of general loans in each of the past five years and, of this percentage increase, what was the business loan component?

Hon. John C. Crosbie (Minister of Finance):

This information is published monthly in table 10 of the Bank of Canada Review. For the years ended December 31, the percentage increases were:

	General Loans	Business Loans
1978	12.8	10.0
1977	12.6	11.0
1976	21.5	21.5
1975	15.5	12.9
1974	19.1	20.0

DEFENCE CONSTRUCTION (1951) LIMITED—EUROPEAN PROJECTS

Question No. 593—**Mr. Herbert:**

What was the cost to Defence Construction (1951) Limited in the fiscal year 1978-79 for the administration of its European projects?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): $248,777.

DEFENCE CONSTRUCTION (1951) LIMITED—RECOVERY OF EXPENSES

Question No. 594—**Mr. Herbert:**

Was any of the $509,322 shown in the 1978-79 fiscal year financial statement of Defence Construction (1951) Limited as recovery of expenses from government departments and agencies, recovered from the Department of Public Works and, if so, what was the amount?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): No.

DEFENCE CONSTRUCTION (1951) LIMITED—EMPLOYEES' BENEFITS

Question No. 597—**Mr. Herbert:**

In the last fiscal year, what percentage of interest was added by Defence Construction (1951) Limited to (a) accrued employees' leave (b) provision for employee benefits?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): None.

[*English*]

Mr. Speaker: The questions enumerated by the President of the Privy Council have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

MOTION FOR PAPERS

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, would you be so kind as to call notice of motions for the production of papers No. 40 in the name of the hon. member for Beauce (Mr. Roy).

PROVINCE OF QUEBEC—SUSPENSION OF CERTAIN TAXES DURING WARTIME

Motion No. 40—**Mr. Roy (Beauce):**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the agreement signed during the War 1939-45 (1942) between the government and the government of the province of Quebec concerning the suspension of certain taxes during wartime.

[*Translation*]

Mr. Ron Ritchie (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I will answer for the Minister of Finance (Mr. Crosbie). The information requested by the hon. member for Beauce is contained in the wartime fiscal agreement between the Government of Canada and the government of Quebec. This document is public and available at the Library of Parliament. I would therefore ask that the hon. member withdraw his motion.

Mr. Speaker: Is the motion withdrawn?

Mr. Fabien Roy (Beauce): Agreed.

Motion withdrawn.

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, I ask that the other notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Shall the remaining notices of motions for the production of papers be allowed to stand?

Some hon. Members: Agreed.

* * *

PRIVILEGE

MR. HERBERT—UNAVAILABILITY OF PAPERS PURSUANT TO NOTICE OF MOTION FOR PRODUCTION OF PAPERS

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, when I rose in the House on Friday to discuss a document that was relevant to the debate, if I may digress somewhat to another motion, you told me to remember that Wednesday was the day to bring up such points. I therefore would like to bring to your attention, and to the attention of the House, the fact that there remain outstanding three sets of documents that I have asked for and the House has ordered to be produced. If the government is going to inform the House and the public at large that the documents are to be produced, I suggest that it should at least indicate the reason for the delay.

Incidentally, the document to which I referred on Friday was produced in my office yesterday afternoon, some four weeks after the government said it would be produced. I thank the government for producing the document.

While I am on my feet, may I refer to the fact that of a total of 29 sets of documents which I have requested, four have been produced, three are now outstanding, awaiting production by the government which has said it will produce them, eight sets

of documents have been refused, and 14 requests, at the moment, have not been answered by the government. In other words, they have neither said that I cannot have them nor that they cannot be produced. They have given no reason at all. At the moment, out of 29 requested, four have been produced.

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I appreciate the kind remarks of the hon. member with respect to the productions that have taken place. I do not think I have to tell him that sometimes there is difficulty in locating the documents and the information. I think I can repeat to him the undertaking of the government to comply, to the greatest extent possible, with the request of hon. members.

I am sure the hon. member will be interested to know that in terms of the percentage of answers to questions, this government has exceeded the former government in the last session. If the hon. gentleman would like me to produce statistics with respect to that, I shall be pleased to do so.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Tuesday, December 11, consideration of the motion of Mr. Crosbie that this House approves in general the budgetary policy of the government.

Hon. Herb Gray (Windsor West): Mr. Speaker, just before I adjourned the debate yesterday evening, I said:

> The late R. B. Bennett would be proud of this new Minister of Finance this evening, but I do not think Canadians generally, especially middle and lower-income Canadians, would be proud of the minister or of the Conservative government. They will be hoping for an early opportunity to get rid of that government.

Of course, Mr. Speaker, R. B. Bennett was the Conservative prime minister and leader of the Conservative government that was in power in Canada from approximately 1930 to 1935, the years of the Great Depression. There are disturbing resonances and similarities between what the Minister of Finance (Mr. Crosbie) said and proposed in his budget last night and what Conservative ministers of finance said and did during the dark days of the thirties. They had the same fixation with the deficit as the present Minister of Finance and his government. Like the present minister, they insisted that tax increases, especially increases in sales and excise taxes, were necessary in order to reduce or eliminate government deficits, irrespective of the effects on the economy.

● (1550)

In 1932, for example, the Conservative minister of finance of that day, in presenting his budget said, I am told, it was necessary, "at whatever sacrifice, (to) fully meet our financial obligations, balance our budget and preserve our national credit". He went on to say:

> This course may result in hardship. It may entail sacrifice. But in the long run it will result in less hardship, it will call for less sacrifice than that which would flow from a policy less courageous.

We know all too well the results of that courageous Conservative policy of the 1930s. It helped push Canada into a depression, with untold hardship for millions of Canadians. In comparing what the minister proposed last night with what his predecessors did in the early years of the 1930s, it is obvious that the minister and his Conservative colleagues are like the Bourbon kings of Europe, of whom it was said regarding their past experience, "They learned nothing and they remembered nothing".

Some hon. Members: Hear, hear!

Mr. Gray: This cannot be said of the Canadian people. They remember the harmful effects of Conservative policies during the 1930s and the harmful effects of Conservative policies during the years of the Diefenbaker government in the late 1950s and early 1960s. They remember the harmful effects on the Canadian economy of the Conservative non-government that we have had already over the past six months. The Canadian people have also learned a lot from what happened to Canada in the past 50 years during those times when Conservative governments were in office. The Canadian people have learned a lot from observing what is in this budget and comparing it with what the Conservatives promised in this House before the last election, and on platforms across the country during the election campaign.

The Conservatives promised that they would reduce personal income tax to Canadians by some $2.5 billion. They promised to do this in their first budget. They promised to do it even though they believed the government's budgetary deficit to be too high, and even though they predicted it would be higher than the Liberals predicted it would be, and higher than the Minister of Finance admitted it has turned out to be.

On November 20, 1978, speaking in the last budget debate, the Prime Minister (Mr. Clark), then leader of the opposition, said, "We are in a deep deficit position today in this country". But in spite of this, he went on in the same speech to say that Canadians needed a "decrease in federal income taxes of at least $2 billion in favour of all Canadians who could spend that money quickly here in Canada". I say that is quite a change from what we heard in the budget speech last night. The Prime Minister also proposed, at the same time, his mortgage interest deductibility scheme.

In that same debate, the budget debate of last November, the President of the Treasury Board (Mr. Stevens), then the spokesman on finance for the official opposition, said that the deficit for 1979-80 would be $13 billion. This turned out to be quite incorrect. In fact the Minister of Finance has admitted the deficit is substantially below that figure.

The President of the Treasury Board, when he was spokesman on finance for the official opposition, argued also in that debate that the budgetary deficit of the government would rise

to $16 billion by 1983. Yet, in spite of this, a few months later in January of this year, while speaking as leader of the opposition, the Prime Minister told CBC News Magazine, in a famous interview—although I suppose it is one the Prime Minister would like to forget—"that to reduce current and future deficits the government must spend more money now to stimulate the economy". A few weeks later he told a reporter that this stimulative deficit would last as long as three years. The Prime Minister and the Conservatives obviously have done yet another flip-flop. The Minister of Finance said just before the budget, as hon. members will recall, that the only stimulative deficit that he would agree to was a smaller deficit.

In order to work out their doctrinaire Conservative fixation with the government's deficit, the Minister of Finance and the Conservatives are willing to force the Canadian economy to come to a halt. They are willing to see tens of thousands of Canadians out of work. They are willing and anxious to impose on Canadians, in addition to the burden of record high interest rates they have placed on them since June 4, the burdens of double-digit inflation and higher taxation. Surely the health of the Canadian economy cannot be looked at primarily in terms of the government's deficit. What is also important, surely, are measures of performance such as the growth of employment, the growth of the economy, and the level of the cost of living. This is not what the Conservatives are doing in last night's budget. These measures are being given second place to a concept which was discredited or, at least, greatly called into question as a result of the bitter experience of the Conservative government of R. B. Bennett in the 1930s.

The budget speech contains the admission that both the government's deficit and the cumulative national debt must be looked at and measured, not in absolute terms, not simply in terms of how many billions of dollars they are, but in terms of what they represent as a percentage of gross national product. Our national debt at this time is in fact a lower percentage of our gross national product than it was during the years of the last Conservative government in the 1960s.

Even the government's own projections accompanying the budget show the results of the higher taxes it proposes for middle and lower-income Canadians will have limited effect on the size of the government's budgetary deficit, the difference between its expenditures and its revenues, a reduction from some $11 billion to some $9 billion by 1984. I want to say in passing that it is significant—perhaps I should say I hope it is not too significant—that all these Conservative projections end in the ominous year, 1984. I hope that concepts associated with 1984 will not arise out of the mis-government and the non-government of the Conservatives as seen in the budget presented last night.

The further reduction in cash requirements which the government projects in additon to the reduction in its budgetary deficit will come through what the budget papers make clear are non-budgetary manipulations of government loans and investments and its employee pension funds. Yet the government wants Canadians to pay a terrible price for all of this in terms of higher taxes, fewer jobs, less economic growth and more inflation. Prior to the election, the Conservatives said they would reduce the government's deficit not by raising taxes but by cutting expenditures. They are allowing expenditures to rise by 10 per cent, an amount higher than the Liberals' intended target. As I recall, their target was some 8 per cent.

The Conservatives are promising to cut expenditures. They criticized the Liberals for allowing expenditures to rise too much and too fast, but they are admitting they are going to spend more.

An hon. Member: Another flip-flop.

Mr. Gray: Another flip-flop. Instead of cutting expenditures as they had promised, they are working out their bizarre fixation with the deficit through raising taxes even though they had promised to do the opposite. They promised to cut taxes for individual Canadians by $2.5 billion in the first budget. The budget is in deficit in terms of its favourable impact on Canadians. It is a big zero. Here is their first budget. We heard it last night. We see they are raising taxes for individual Canadians in an unfair and regressive way.

• (1600)

The burden of the increase in excise taxes on gasoline falls most heavily on low and middle-income Canadians. It has nothing to do with anyone's ability to pay. These taxes fall on the Water Street merchant in St. John's Newfoundland, and on the factory worker in Windsor or Hamilton.

Obviously the burden on these two categories is certainly not the same in terms of ability to pay. This tax takes no account of the fact that many people have to drive to work or have to drive as part of their work since there is no practical alternative public transportation.

Some hon. Members: Hear, hear!

Mr. Gray: If the government wants to encourage use of public transport then the budget it presented last night shows a strange way of doing this since it now imposes the excise tax on gasoline used by public transportation companies. The higher price the government wants people to pay for gasoline, in addition to the excise tax and the higher price the government wants the Canadian people to pay for home heating oil, are the equivalent of a new tax. Yes, a new tax! It takes money out of their pockets just as much as would have been the case for a new tax announced in this budget last night, and we had enough new taxes in it as it was.

The government says it is imposing these higher prices to encourage conservation. It says it is imposing these higher excise taxes to encourage conservation. However, for millions of Canadians this is something they will react to with nothing more than bitter laughter. The Canadian climate means they have to use a certain amount of fuel oil to heat their homes adequately no matter what. The distances in our country and the lack of public transport mean they have no alternative to driving to work as much as they do now.

The only result of these higher taxes on gasoline and the higher prices for gasoline and fuel oil will be to lower the standard of living of Canadians. They will have to cut back on what they are now spending for food, clothing and shelter for themselves and their families, in order to heat their homes adequately, in order to be able to continue driving to work to keep their jobs, if they still have jobs, once this Conservative hard times budget goes into effect.

Some hon. Members: Hear, hear!

Mr. Gray: The Conservatives, I suppose, will now point to their refundable energy tax credit as a way of cushioning the unfair blows of these high energy prices and high excise taxes. These credits will not cover all the additional cost. They will clearly cover only a part of it.

The maximum credit for a family of four is estimated in the budget statement as being $220, and that is after two years. Last night I put on the record information about the impact of these high energy prices and high excise taxes on typical families across our country. In all cases the extra costs are far in excess of the value of the credit. For the typical Canadian family there will be, on the average, an additional annual cost of $381 for heating and transportation, far more than the tax credit.

[*Translation*]

Mr. Speaker, these raises in the excise tax and the cost of gasoline and heating oil will be too hard on lower and middle-income Canadians. For example, the average Quebec dairy producer and his family will pay $800 more because of this harsh Conservative budget which will lead to depression and recession in the province of Quebec and in the whole country.

[*English*]

This tax credit that the Conservatives have proposed will not be paid to anyone until the spring of 1981 and, at that, only half of it can be claimed at that time. Millions of lower and middle-income Canadians will have to get by somehow, paying the higher Conservative energy price and the higher Conservative excise taxes for at least a year and a half, before they get any part of that credit. They will have to get by somehow for more than two years before they get all of it, just the full amount proposed for one year. In the meantime, they will have to take money away from needed food, shelter and clothing for themselves and for their families, necessities which are going up in cost anyway because of the impact of the higher oil prices and higher excise taxes on the cost of manufacturing and the cost of production.

It is likely that many Canadians will have to go into debt, borrowing at the Conservative high interest rates from finance companies and the like in order to get by until, at the very least, they can have that limited, almost illusory relief from the Conservative energy tax credit. Canadians will find this promised tax credit to be an empty promise, a non-existent promise for at least the next two years.

Last night I said the combination of the high excise taxes on gasoline and the higher energy prices for both gasoline and fuel oil is the equivalent of more than a $5 billion increase in taxes for Canadians, an increase falling especially hard on lower-income and middle-income people. I said last night it is the equivalent of a more than 14 per cent increase in direct personal taxes, like a 14 per cent increase in the combination of both income and sales taxes.

I have since had some further calculations of this done. I now say that, contrary to what I put on the record last night, there is an even more severe impact. I am informed that the household sector will pay a $2 billion net increase in taxes from the higher excise taxes on gasoline and the other excise taxes proposed. To this one must add the additional $5.9 billion consumers will have to spend for petroleum products and natural gas, higher prices for them that are a result of the Conservative policy set forth in the budget last night. As a result, consumers will be out of pocket a total of an additional $8 billion in the fiscal year 1980-81.

Some hon. Members: Shame!

Mr. Gray: Therefore I would like to correct my estimate of last night. I want to say instead that, compared to 1979 direct taxes, the impact of the higher Conservative excise taxes and the higher Conservative energy prices for 1980-81 is equivalent to an increase of 39 per cent in federal personal direct taxes—39 per cent more, Mr. Speaker!

Some hon. Members: Shame!

Mr. Gray: Even after allowing for the mortgage interest tax credit plan, this will still represent an increase of approximately 30 per cent. That is bad enough, but for those people who do not benefit from that tax credit plan, and most Canadians will not, it will be the equivalent of a 39 per cent increase in federal direct taxes, probably the largest single increase for individuals in the last 30 years.

That is from a Conservative budget, the largest single increase in taxes on individuals since the war, or perhaps even further back than that excluding the difficult period of the second world war. The increase is even larger when you add in the higher premiums imposed by this Conservative budget for unemployment insurance on individual workers. All this reduces purchasing power. It weakens the possibilities for consumer spending.

The government says in its budget it wants to strengthen business confidence. The confidence of business will not be very high when it sees that the result of the Conservative budget will be to cut back on consumer spending drastically. Business confidence will not be very high when it sees that the results of the budget will also be to increase unemployment by at least one per cent next year. This means some 100,000 people without work as a result of Conservative policy.

These 100,000 people will be out of work in addition to those out of work already, people without regular income to spend. The Conservative policy as admitted in the budget documents will have the effect of reducing the gross national product by one per cent next year and increasing inflation by

some 2 per cent next year. This increase in inflation will certainly wipe out increases in real disposable incomes, and the reduction in gross national product will mean that there will be no gross national product growth in Canada next year, for the first time in 26 years.

• (1610)

Business confidence basically comes from its belief that business can sell its goods at a reasonable profit, but obviously to do this there must be enough Canadians working with satisfactory incomes to be able to buy those goods. This Conservative budget will have the effect of weakening this basic essential belief necessary for business confidence and the investment decisions which accompany it.

Business will see as well as anyone else that this Conservative budget is lessening the potential for consumer spending. Business will see as well as anyone else that the gross national product will be reduced severely because of Conservative budget policies. In proposing a budget which will increase inflation to double digit levels we see another bizarre flip-flop from a government whose Prime Minister said in this House just a few weeks ago that inflation was his public enemy number one. Well, I think this budget shows the public that its enemy number one has to be this Conservative government.

Some hon. Members: Hear, hear!

Mr. Gray: In his budget and the forecasts accompanying it the Minister of Finance has presented a pretty bleak picture of what to expect, even if there are five years of Conservative government, something the Canadian people, I am sure, have already reached the conclusion they want to avoid having as much as possible.

The Conservatives have made all sorts of promises, including some promises about the goals and objectives they want to reach in terms of the performance of the economy. They said that they were going to increase growth to over 5 per cent by 1985, that they were going to create 1.5 million jobs by 1985, that they were going to reduce unemployment to 5.5 per cent by 1985, and that they were going to reduce inflation to 5 per cent by 1985. In the light of this budget these promises are very hollow and very empty. Instead of now assuring us that the goal of 5 per cent growth will be achieved, the Conservatives in their budget documents are projecting an average growth of only 3 per cent to 1985. So much for another Conservative promise. And for 1980 the government, in its budget documents, forecast real economic growth of only 1 per cent. I say that the impact of the Conservative budget is not to permit any economic growth at all.

While the Conservative estimate, in my view, is obviously very optimistic, it still represents lower growth than any achieved in Canada in any of the past 26 years. That is a shameful proposal and a shameful willingness to accept unemployment and economic weakness in this country on the part of the Conservative government. Instead of reducing unemployment to 5.5 per cent by 1985, the Conservatives in their own budget forecast have opted to push it up from the current rate of 7.3 per cent to 8.3 per cent next year, and not to be willing to try to restore it to the current rate even by 1985. Instead of reducing inflation to 5.5 per cent, Conservative policies are now guaranteed to raise it from the current rate of 9.3 per cent to over 11 per cent in the next two years and then to achieve only a very modest reduction thereafter.

These projections themselves are probably understating the negative impact of Conservative policies on the economy because they do not take into account the possibility of efforts of catch-up in wages and efforts of catch-up in profits which will result from the burst of oil-induced inflation created by these Conservative proposals in the budget of last night.

We see that the Conservatives have abandoned their promises of what they want to achieve for the Canadian economy by 1985. They have been willing to admit in their budgetary documents they have done this. This is certainly not consistent with the request of the Prime Minister to Canadians not long ago to raise their expectations, unless, of course, the Prime Minister meant by that that they should raise their expectations as to what they would get from the Conservatives in the way of higher unemployment, higher inflation, and less growth as a result of Conservative economic policy.

What this budget proposes is a multi-billion dollar tax grab from lower and middle-income Canadians—a raid, in effect, on the pocketbooks and wallets of lower and middle-income Canadians—and not to pay for an energy self-sufficiency program, as suggested by the Minister of Finance, except perhaps in a very limited way, but simply to build up government revenues. This tax grab from all Canadians will be used to pay for the government's mortgage tax credit plan, Bill C-20. This tax raid is on the wallets and pocketbooks of all Canadians including Canadians who will not benefit from the plan at all—renters, people with no mortgages, people with incomes too low to claim tax credits—and also cancels out any benefits from those eligible for the plan, if any benefits remain after being offset by the Conservative high interest rate policy.

The Conservatives have also proposed a surcharge on corporate income tax, but this increase is only for two years, unlike the increases in excise taxes and unemployment insurance contributions for individuals—tax increases which are permanent, or at least for as long as the Conservatives are in power. I am sure the Canadian people by now hope that time will be as short as possible.

Some hon. Members: Hear, hear!

Mr. Gray: I think individual Canadian taxpayers will likely not agree that what is found in the budget with respect to corporate income tax increases and personal income tax increases is an equitable sharing of the higher tax burden as between individual Canadians and the friends of the Conservatives, the big business sector of this country.

In his budget the minister mentioned only in passing a deficit which deserves as much and, in fact, more attention than the government's budgetary deficit, and that is the deficit in the balance of payments of our current account of international trade. This budget will do little to help solve that

problem in any meaningful way. This budget says nothing which really matters about interest rates, a factor in this deficit on current account. It does, of course, propose a temporary financing measure to help small business meet the burden of higher interest rates, but this is only for one year, and the burden of high interest rates on Canadians is much wider and heavier than the burden on small business and, of course, that is serious enough. A recognition of this is found hidden in the tables attached to the budget setting out what the government expects to pay in interest on the public debt over the next several years.

In addition, in its provisions to encourage Canadians to invest in shares, the government would allow this to be done only for companies incorporated in Canada and listed on the stock exchanges in this country irrespective of the ownership or control of those companies. Surely this proposal should be, if not limited, at least oriented, to companies which are Canadian-owned or Canadian-controlled.

Some hon. Members: Hear, hear!

Mr. Gray: Otherwise, this proposal would serve mainly as a means of enabling foreign-controlled companies to have even greater access to Canadian savings than they do already simply by making a minority equity interest or an interest in non-voting shares available for public trading, with foreign control of these companies continuing all the same. Surely we want to use measures such as these not only to encourage share investment by Canadians but also to have this done in a way which helps Canadian-controlled companies which often do not have the same access to needed capital as do foreign-controlled subsidiaries. It is strange that the special income bonds proposed in the budget as being available to small business for one year are available only to companies which are Canadian-controlled. Why should this not also be the case for the share investment plan proposals? But at the same time why should the share investment proposals be limited as a vehicle for Canadians only for shares of companies traded on the stock exchanges?

This will make it all the harder for many small privately-owned Canadian companies to get the capital they need to expand, to grow, and in some cases simply to stay in business. This Conservative proposal is biased toward larger companies, those big enough to be able to list their shares. Certainy smaller, privately-owned companies should also be eligible under these proposals. Yet, while these proposals have some use, they will not be much help to most Canadians in the middle and lower-income groups. They will not have the $10,000 of the $20,000 to invest in these plans, certainly not with the additional burden over the coming years of higher energy prices and higher excise taxes imposed on them by this Conservative government.

● (1620)

There is something else that might have been done with respect to share ownership, something the Liberals proposed during the election campaign, that is, something specifically aimed at helping workers purchase shares of the companies where they work. It is a worth-while proposal that should have been given priority in the budget instead of some of the other things we have seen in it.

The Conservative answer to our balance of payments problem is to encourage more exports of unprocessed, non-renewable raw materials. this, in fact, is what their decision to allow larger exports of natural gas really means. Rather than use it to build up and expand our petrochemical industry, rather than use it as a substitute for imported oil, Conservatives have agreed to export it and they have done so without getting any commitment that American gas will be available later to Canada on a swap basis at the same price.

Some hon. Members: Hear, hear!

Mr. Gray: They have done so without getting any commitment in return from the United States for greater access for our manufactured goods. The Conservatives have allowed these exports, without getting any final commitment on the building of the northern gas pipeline. They do not have any final commitment from the gas producers that they will finance and ensure the building of a natural gas pipeline to Atlantic Canada. Instead, through this budget, Canadians are being asked to pay higher fuel prices and higher taxes under the guise of helping Canada reach energy self-sufficiency. But to the extent that any of this money is used to find new oil and new natural gas, I ask the House what assurance Canadians have from the Conservative government that any new reserves found at the expense of Canadian taxpayers, middle and lower-income Canadians, will not simply be exported to the United States. This is happening with much of the reserves of natural gas found in recent years in Canada, natural gas reserves found with money put up by Canadian taxpayers through higher prices and through tax expenditures.

Some hon. Members: Hear, hear!

Mr. Gray: There was no answer to this key question in the budget speech last night.

As I said yesterday evening, this budget is just the opposite to the kind of industrial strategy which this country must have. This kind of strategy must be based on the basic strengths of our economy, our actual and potential energy supplies, and our ability to produce them at less than world price. This strategy must also be based on a commitment gained through government leadership from our industry to produce more end products, more fully manufactured goods both for domestic and, above all, for our foreign markets. Rather than selling abroad more and more of our raw materials in an unprocessed form, we have to produce more end products or fully manufactured goods. This means encouraging Canadian innovation and technology, Canadian entrepreneurship, Canadian ownership and control. It also means ensuring high standards of productivity and efficiency on the part of all sectors of the Canadian economy.

This budget does not do this at all, it conflicts with these objectives, it hampers their achievement.

While I have spoken of the minister's speech last night as a budget, in one way it cannot really be described as a budget. The minister has admitted the government has no agreement at all with the producing provinces on the oil price increase he and the government want and which has been set out in the budget. He has no agreement on the new tax on additional oil company revenues from these high prices. As I said last night, this tax is not even described in the budget. It is not in the ways and means motion.

So two basic fundamental factors on which this Conservative budget are based are as yet unknown. They are hypothetical. This means we are being asked to vote on a hypothetical document, a phantom document which the minister calls the budget.

The minister says he is going to bring in a bill next year to legislate this new energy revenue tax.

An hon. Member: He won't be around.

Mr. Gray: But even if he is around for a few months next year, he will be doing so, in spite of his complaint about the Liberals using fine tuning because they presented budgetary statements more than once every 12 months. If this is not fine tuning, then at least it shows that the Conservative government is completely out of tune as it shows its inability to manage the Canadian economy. This document is a prime example of Conservative mismanagement and of their inability to lead and to govern.

The minister said in his speech that he will be taking steps to move away from the traditional budget secrecy. Let us look at what he has done already when it comes to this new energy revenue tax that he and the Prime Minister said in the House and at the meeting of first ministers they want to have imposed. The Prime Minister has already admitted, well before the budget was presented, that officials of the government were consulting with the oil industry about the form of this energy self-sufficiency tax, the form of this tax which was mentioned in the budget last night. The minister's officials did not ask lower and middle-income Canadians whether they wanted a higher excise tax on gasoline. They did not even ask them whether they liked the form, or what ideas they had on the form of such a tax. The minister's officials did not ask working people across the country whether they wanted higher unemployment insurance premiums, or even about their form.

The Minister of Finance has an approach to budget secrecy, which he has not outlined in his statement last night. This approach involves a different concept of secrecy, a different concept of consultation when it comes to discussing taxes of interest to the multinational oil companies, than the concept of secrecy, the concept of consultation on measures directly affecting individual Canadians. I say that is the wrong approach to budget secrecy. I happen to believe that we should be getting away in this House from traditional budget secrecy concepts. I think they are outmoded, I think they hamper proper and meaningful discussions of tax measures. What we need is more openness by the government about those parts of the budget that really matter to all Canadians. It means making proposals to the House in the budget statement on the basis that the government is open to changing them as a result of input from members of Parliament and Canadians generally at hearings, not in Committee of the Whole, but of a parliamentary committee after the budget is presented. I think that is the approach we should have to a change in budget secrecy, not two standards, not two measures, one for the minister's friends, one for the government's friends the multinational oil companies, and another standard when it comes to individual Canadians.

Some hon. Members: Hear, hear!

An hon. Member: Tell that to Bronfman.

Mr. Gray: Essentially this budget hits the little guy in this country. If the little guy decides to have a smoke or a drink to try to find some solace from the impact of this Conservative budget, he will still be reminded of its unfair impact. He will also be reminded every time he pays for gasoline at a service station. He will be reminded every time he has fuel oil delivered to his home.

At the opening of my remarks, I spoke of how the Conservatives are like the Bourbon kings of France who learned nothing and remembered nothing. But I think the lower and middle-income Canadians and their families will remember this Conservative hard times budget and they will learn, as the result of its impact on them, the negative impact on them, of this budget, never again to trust the Conservatives with their votes. What we should have had from the Conservatives last night was a budget that would reduce inflation, strengthen the economy and create more jobs for Canadians, now, next year, and in the years to come. Instead, this budget brings Canadians a higher cost of living, including higher food prices, more unemployment and no economic growth, as well as higher gasoline and fuel oil prices, and higher taxes.

In his speech the Minister of Finance quoted Sir Wilfrid Laurier who said the twentieth century will belong to Canada. I say to this House that the twentieth century should belong to Canada and that largely because of the efforts of Liberal governments it has belonged to Canadians generally, but the twentieth century will not belong to Canada if the harmful and negative measures in this Conservative budget ever come into effect.

Some hon. Members: Hear, hear!

• (1630)

Mr. Gray: Therefore, Mr. Speaker, I move, seconded by the hon. member for Outremont (Mr. Lalonde):

> That all the words after "that" be struck out, and that the following be added: this House condemns the government for its budget which will place an unfair and unnecessary burden of higher gasoline prices, higher fuel oil prices, and higher taxes on middle and lower-income Canadians.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Olivier: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): The hon. member for Longueuil (Mr. Olivier) on a point of order.

Mr. Olivier: Mr. Speaker, to my knowledge there is only one minister in the House now, and the Minister of Finance (Mr. Crosbie) also seems to be absent. Maybe he is writing a recommendation to the Socred leader in order that the latter supports him when the motion is put, but it is unacceptable to the House and to the Canadian people that there is only one minister present in the House when we are discussing the budget.

[*English*]

The Acting Speaker (Mr. Scott, Victoria-Haliburton): I do not consider that to be a point of order, and I recognize the hon. member for Broadview-Greenwood (Mr. Rae).

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, the champagne was flowing freely in the penthouses in Broadview last night at eight o'clock, just as it was in the tenement houses on the Circular Road in St. John's West. After all, imagine the eager anticipation on the part of the Canadian people at eight o'clock as they turned on their television sets. They were eagerly awaiting the promises of the Conservative government, the promises they were looking forward to: the $2.5 billion tax cuts, the special incentives and tax write-offs for small businessmen, intensive capital programs for Atlantic Canada. Also, an end to big government was promised by the Prime Minister (Mr. Clark), and an end to high taxes. This is the government that was going to set the iittle guy free.

Imagine how flat that champagne turned at 9.20 p.m. when Newfoundland's gift to seventeenth century economics completed his discourse. It was not a tax cut, but a whopping tax increase—billions. Over $3.5 billion in personal taxes alone were taken out of the economy and put into the hands of governments and oil companies. There was no action on interest rates. After all, the policies of "Bouey XVI" have been confirmed for yet another seven years. There were no capital programs. There was nothing for the poor, nothing for the pensioners. There was something for the private investors, and nothing for anybody else.

Some have called it a tough budget. Some have said that the budget was actually a courageous one. It was certainly tough on the average Canadian. While the Minister of Finance (Mr. Crosbie) swaggers down Main Street in his mukluks, he is tiptoeing softly through Bay Street and the corridors of power in Calgary and Edmonton. Somehow Clark Kent cannot find a telephone booth when he reaches the Alberta border. This budget is courageous only in the sense that the Charge of the Light Brigade was courageous: "Into the valley of death rode the one hundred and thirty-five."

In my remarks this afternoon I want to talk about the people of Canada, their jobs, and their standard of living. I want to suggest to the Minister of Finance that he start with the people of Canada, with their jobs, and with their standard of living. We ask ourselves: what does this budget mean for the average Canadian? First, it means punitive taxes. Second, it means prices which continue to climb. It means jobs threatened, that nagging and gnawing insecurity which lies at the heart of every industrial worker not knowing whether he will be able to have his job for the next six months. Down the road it means no change in pension plans, which leaves so many Canadians uncovered and in poverty as they reach age 65.

Thanks to these wonderful projections from the Conservative government, we have been told that we will have no social programs because, as was confirmed again today, there is no money in the bill. Finally the bottom line, Mr. Speaker. Hon. members opposite are so proud of telling members of my party that we have never shaken hands with the bottom line. Well, I should like to introduce them to this particular bottom line. For the average family of four with one working spouse, the tax increases and price increases which have been imposed mean at least $370, and a tax credit of $110. If both spouses are working, which increasingly is the case, because so many families require both spouses working in order to make ends meet, those families will not get a single penny of the tax credit which is being offered to them by the Conservative government, not a single penny of it. Single parent families will pay just as much and receive an even smaller break.

Such a sizeable tax increase would be bad enough when our economy is already slowing down, but it is not just any old tax increase that this government has imposed. It is a hidden tax increase, an indirect tax increase, which makes it worse. I want to try to explain in simple terms which everyone will be able to understand why it makes matters so much worse. Let us look at what the government has told us. The government has told us that we must concentrate on energy conservation. So, we do not have an income tax increase. We have what they call a "conservation tax". The rise in unemployment insurance premiums of some $800 million is to make the scheme look more like insurance. "It is not really a tax. It is in order to get the insurance principles back into the Unemployment Insurance Act." We were not told what the purpose of the tax on booze and cigarettes was. Presumably it is to pay for our sins, since we know that a deficit is sinful. We have been told that by the President of the Treasury Board (Mr. Stevens), so it must be true.

An hon. Member: It is "sin tax".

Mr. Rae: That is right, it is "sin tax". It is "Sincful", not sinful. What about these arguments? Of all the taxes which have been put before us, I want to suggest that the so-called conservation tax is the most dishonest.

I ask Mr. Speaker to think of an average family in my riding. I want to remind the House that my riding is in the downtown area of Toronto. Mr. Jones works in a factory in an industrial park on the outskirts of Toronto. Mr. Jones drives a 1976 model car. Mrs. Jones works downtown. She takes public transportation to work, and the children go to school by bus as well. They live in a house which is 30 years old. They have an oil furnace. As the hon. member for Mission-Port Moody (Mr. Rose) has said often, "Today there is no fuel like an oil fuel". Those are the people who are being lectured, being hectored,

by the Prime Minister and the Minister of Finance as being the profligate energy wasters. These are the new profligates, the new sinners in our society, Mr. and Mrs. Jones.

● (1640)

I want to ask the Minister of Finance to answer these questions. Perhaps he can give these answers during the next election campaign when he has an opportunity to meet Mr. and Mrs. Jones if he comes into my riding. Did Mr. and Mrs. Jones build the factory that is on the outskirts of Toronto, requiring Mr. Jones to drive 20 miles to get to work? Did Mr. Jones design the car that gets 16 or 18 miles to the gallon? Did Mr. Jones design an urban transportation system that does not serve industrial parks such as we have in metropolitan Toronto? How can Mr. Jones buy a new, more fuel-efficient car, with consumer loans now running somewhere between 16 per cent and 20 per cent, and higher if Mr. Jones has had the bad luck to run into credit problems earlier? How can he do this when he is getting constant lectures from governor Bouey and others that he is over-consuming, that he is sinning and that he should be restrained?

How can Mr. and Mrs. Jones afford to buy a gas furnace when that involves a capital expenditure of over $1,000 and the interest rates are running at 16 per cent to 20 per cent? How can they do that when the Minister of Finance admitted in this House today that there is nothing in this budget that allows people to write off the cost of changing from oil to gas?

Another question that comes to mind, Mr. Speaker is this: are Mrs. Jones and her children encouraged to take public transportation when she is paying an excise tax of 15 cents a gallon? That is one of the things, along with the charge to the farmer and along with the charge to the fisherman, that puts the lie to this government when it says this is a conservation tax. If it is a conservation tax, why in the name of goodness are they putting it on urban transportation when that is precisely the means of transportation the government wants the people to use to replace the sinful car? If they want to replace the sinful car, what are they asking the farmers of Canada to do—go back to the horse and the oxen? Is that the standard of conservation the government is seeking to apply to the farmer?

Is the government seriously suggesting that the farmers of Canada will be able to conserve, that they are the profligate energy wasters? All the government is doing is passing this on to the consumer, or putting the farmer out of business. The government is giving the farmer two choices. Those farmers who have a lot of market power will be able to pass this on to the consumer. Those farmers, the vast majority of them, who do not have a lot of market power will get stuck. That is the policy and the result of the policy of this government.

Should the Joneses take advantage of the CHIP program, that program which the minister just two months ago was making such fun of and now has come out in favour of, and which is a substitute for a policy on insulation—should they take advantage of the CHIP program to insulate their home when their neighbour has just had wet cellulose poured into his walls by a night flyer insulation company and his house is suffering from undue damp and mildew with no reduction in heating cost? Is that the model the government wants to put forward when there is no inspection? I can give the figures, the people, and the houses, for the minister's information. I have done it already in one or two cases of people who have been taken to the cleaners by companies in the city of Toronto, and who have had no inspection from CMHC because CMHC does not provide that kind of inspection.

I want to ask this government where Mr. and Mrs. Jones will conserve? They will not conserve on energy because the energy costs which they are undergoing are constant. There is no way they can conserve without a dramatic change, but not in their lifestyle as has been suggested. The Joneses are not suddenly going to be transformed into upper income civil servants running around Ottawa in Volvos, Mr. Speaker. The Joneses are facing the realities of life. Mr. Jones' factory is not suddenly going to be moved next door to his house. He cannot suddenly demand that the Toronto Transit Commission, which has just had a $61 million deficit, start providing decent 24-hour transit for a 24-hour factory 20 miles from his house outside the city. He must have his car.

The hard fact of the matter is that it is lower and middle-income Canadians who have the gas guzzling cars because those were the cars they bought years ago and cannot now afford to replace.

An hon. Member: They cannot afford to drive them.

Some hon. Members: Oh, oh!

An hon. Member: The Tories say they cannot afford to drive them; "let them eat cake."

Mr. Rae: Where will they conserve? They will conserve on other items. They will not buy a new fridge which might be more fuel efficient. They will not be able to afford to buy it. They will not be able to buy furniture. Let me give the minister an elementary lesson in the realities of life. The people who make fridges and furniture are laid off when people do not buy their products. Mr. Jones' neighbour who works at the John Inglis factory making fridges is going to be laid off because the market for consumer durables like fridges is going to go down. That is the meaning of the multiplier effect. It was not invented by the anti-Christ Keynes. It was somebody looking at the reality of an industrial situation who said this is what happens. When you put people out of work, that puts more people out of work, and that puts more people out of work. If you take money out of the economy and tax people to death that is exactly what is going to happen. The people will cut down on entertainment. They will not drink so much, they will not smoke so much, and they will not have such a good time. They will cut down on clothing, and perhaps they will even cut down on food.

An hon. Member: It might save on health care costs.

Mr. Rae: If you cut down on food it might not save on health care costs. I suppose the hon. member who has just spoken might suggest that the only perfect energy conservers

are dead people; the only people who do not consume energy are those people who have passed on to the other side, and I am referring to that side over there.

Some hon. Members: Oh, oh!

Mr. Rae: Let me suggest to you, Mr. Speaker, that the lesson is quite simple. Mr. and Mrs. Jones are being taxed, and they are being taxed punitively. That is what this budget does.

I want to compare Mr. and Mrs. Jones to Mr. Lawyer Jones who lives in one of those celebrated tenement houses on Circular Road in St. John's, Newfoundland. The excise tax is a tax that he can afford. Has Mr. Lawyer Jones been told not to buy a bigger or fancier car? No way; no one has said that. Has there been a tax put on luxury cars which are guzzling gas? The answer is no. Is this the kind of price increase that is going to have an effect, or hurt Mr. Lawyer Jones? No, he will not feel it or, if he feels it, he will not feel it as much, and that is the definition of a regressive tax.

I was upbraided the other day by a member of the press who said that the public does not understand me when I talk about a regressive tax. A regressive tax, to put it quite simply, is a tax which hurts some people more than others, and this tax hurts the poor people, the working people and the middle-income people, far more than it hurts the lawyers, the doctors, and the accountants.

Some hon. Members: Hear, hear!

Mr. Rae: The Christmas message from St. John's West is quite simple. It is an old message; to them that hath it shall be given.

Perhaps we could put the lesson another way. If you drink, don't smoke; if you smoke, don't drive; if you drive, don't drink; if you drive, smoke and drink, don't think, because if you think you will wonder why you ever voted Conservative in the last election!

Some hon. Members: Hear, hear!

Mr. Rae: What I have said about Mr. and Mrs. Jones is so much more true of the farmer, and is so much more true of the unemployment insurance payee who is now being asked to pay more through a completely regressive tax. It is a tax that is not progressive, a tax that does not get higher as your income gets higher.

Imagine the effect on a group whom we ignore in this House far too much, the six million Canadians who live in poverty; those people who, because of age, because of circumstances, because of region, because of the peculiarities of history, because of the marvels of the market system, which is the *sine qua non* of the party opposite, have competed in our society, and, when the race was over, have lost. Those are the people, and there are millions of them—young and old—who are, to put it bluntly, getting a kick in the teeth from the Conservative Party of Canada through the budget which was presented last night.

• (1650)

[*Translation*]

Mr. Speaker, I suggest that socially the budget put forward last night by the Minister of Finance is very unfair. It reflects a regressive attitude that threatens the standard of living of each Canadian, whether French Canadian, English Canadian or other. I would simply like to suggest to my friends of the Social Credit Party of Canada that we are going to move an amendment to the motion put by my colleague from Windsor West. I also take the liberty of suggesting to them they can no longer support a government that is taking money away from the have-nots in order to give it to the haves.

Mr. Caouette: Come now, be serious!

Mr. Rae: I am very serious. I am hearing the minister's words. We have a system of excise taxes that is the most regressive that can be imposed, because these taxes have been rejected by all progressive parties since the turn of this century. And I urge my colleagues from the Social Credit Party of Canada to read it closely, and to weigh seriously the consequences if they go on supporting a government that threatens the basic principles of social justice, which are so important to our future, especially at this point when we are entering a period of economic and social crisis.

[*English*]

I would like to move from the condition of Mr. and Mrs. Jones to looking at the condition of the whole economy. It was John Maynard Keynes, who has become the anti-Christ of the Calvinist economics practised by the other side, who said something which I think is worth reading. John Maynard Keynes said:

—Practical men, who believe themselves to be quite exempt from any intellectual influences—

And that, I think, would include the Minister of Finance.

—are usually the slaves of some defunct economist. Madmen in authority—

And I will leave it to the imaginations of hon. members as to whom that implies.

—who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back.

I had a hard time trying to think of who the economist is behind the ideas of the Conservative party. It could be Milton Friedman, as it is frequently said, but while intellectually defunct, he is still alive.

Mr. Rodriguez: John Turner?

An hon. Member: Joe Clark?

Mr. Nystrom: Eugene Whelan?

Mr. Rae: Joe Clark, John Turner, many names have been suggested to me by my colleagues, but I think that we have tracked it down to that nineteenth century economist who tied the rise and fall of the business cycle to the existence of sunspots. There is about as much connection between sunspots

and the business cycle as we get from the Conservative party in their understanding of the nature of a modern economic system. The fact of the matter is that the real health of the economy is portrayed by whether or not Mr. and Mrs. Jones have a job, can keep the inflation from which they are suffering under control, and can provide for their children in the future.

When we look at the over-all effects of this budget, they include a dramatic redistribution of wealth toward certain provinces, redistribution of wealth toward certain classes, and redistribution of wealth toward certain companies. That is the nature of this government's energy policy. There was a great deal of comment when my leader got up today, as we expected there would be, and pointed out that of this $90 billion which was being collected, $40 billion will go to the producing provinces, $33 billion will go to the multinational oil companies, and $17 billion will go to the national government. Of that $17 billion, a small fraction will go to the national energy fund.

The second thing about this budget is that it is a redefinition of a clarifying of the role of government in our society. It is a redefinition which ignores the economic, social, and political revolutions of our time. That revolution is that people will no longer accept being treated as commodities in our society, to be traded, shipped, transferred, and paid for as though they were another commodity.

With a reduction in the role of the government in the economy such as predicted over the five-year period by the Conservative party, the growth and expansion of large multinational companies, which will be subsidized again as they were subsidized in the past by the Liberal party, will continue. The Liberal party has presided over the sell-out of Canada to these multinational companies. It is something of an irony to hear these reborn, new born, born again Liberals, as if that party sprang immaculate from the loins of the hon. member for Windsor West (Mr. Gray) on May 23, 1979.

Some hon. Members: Hear, hear!

Mr. Rae: That party has a history which the people of Canada will not readily forget. Whether they are left, right, or centre, they have presided over the economic sell-out of our country, and that is a lesson which no Canadian will readily forget.

An hon. Member: They should wash their mouths out with Tory policy.

Mr. Rae: They have been washing their mouths out with Tory policy for many years.

Finally, the element in this budget which is the most unacceptable to most Canadians is the unfairness or the problem of equity. The challenge of the crisis of the 1980s, if there is an economic crisis and an energy crisis—and we accept the fact that there is and are not doubting for a moment that there are very serious problems with energy and within our economy—and if an election must be fought on this issue then let it be so—is who will bear the sacrifices of the 1980s. Will it be the members of the Empire Club, whom the Minister of Finance is so happy to inform that they will have to tighten their belts as they dig into another course? Are those the people who will be making the sacrifices in our society? I suggest not.

I suggest that the people who are being asked in this budget to make the biggest, the most important, and the most difficult sacrifices, are those who can least afford to do so.

An hon. Member: Oh, oh!

Mr. Rae: I hear an hon. member catcalling; that is what we expect from him as he faces the slaughter.

We only need to look at those elements. What have they done? It is appropriate as the power in Canada moves from Toronto, where the Liberal party with MURBs as tax shelters put big advertisements in *The Globe and Mail* saying, "get your shelters in there". Let me suggest that as soon as this budget is passed, there will be other advertisements, but the difference will be that instead of advertising for MURBs they will be advertising for fishing vessels. It is appropriate that the Minister of Finance have an interest in seeing that fishing vessels are built. We have the same interest, but the question is how do we get them built? Do you bribe the lawyers, the accountants, the doctors, by giving them a tax write-off? If that is the way to do it, then I suggest it is a society of which most Canadians do not want any part. If they were aware of the cost of the tax expenditures and the subsidies to the wealthy in our society, they would be shocked.

● (1700)

I want to suggest an alternative to these policies. I think it was Maurice Chevalier who, when asked what it was like to be 75, replied that when you consider the alternative, being 75 is not so bad. I said it was Maurice Chevalier, Mr. Speaker, and not the hon. member for Winnipeg North Centre (Mr. Knowles)!

None of us like the fact that the Liberal party has left us with a gigantic deficit as a result of the extraordinary tax policies they followed, the incredible expenditures they allowed, and the pork-barrelling which was the defining quality of the Liberal party. When the tomb of the Liberal party is built, a large statue of Mirabel will be placed on it. That represents the worst form of public spending that we have seen.

Some hon. Members: Hear, hear!

Mr. Caccia: Even the Tories applaud you.

Mr. Rae: I find it no more unacceptable to be applauded by Conservatives than I do the odd time that I am applauded by my friends to the far right in the Liberal party. Guilt by association is not pleasant, but it is not always possible in this game of politics to choose people who decide to align themselves with you for their own reasons.

Mr. Grafftey: How pompous!

An hon. Member: You should know.

Mr. Rae: There are alternatives to the policies of this government, Mr. Speaker. This is the last time we should be taking Canada on a forced march to a reduced deficit of $4 or $5 billion in 1984. On the government's own figures, this will lead to unemployment of 7.5 per cent, which is an increase. Inflation will remain at exactly the level it is at now, but next year will be higher. We have to ask ourselves what we are getting. We are getting Herbert Hoover and R. B. Bennett, but I do not see any advantage to the policy.

The minister says that we have terrible unemployment and terrible inflation in Canada and that we need a five-year plan to deal with these horrendous problems. But with this five-year plan we find we have exactly the same inflation and the same unemployment as there is now. If that is the kind of long march the minister now wants to take us on, I suggest he put on his mukluks and head off by himself. He will not be followed by the rest of the Canadian people.

In his closing remarks the minister mentioned his grandfather. I should like to mention my grandfather. Seventy years ago he came to Canada as an immigrant, worked hard, fought in a war, suffered through a depression. Were he alive today, I doubt very much that he would find anything has changed in the consecutive budgets produced by Liberal and Conservative governments.

Some hon. Members: Hear, hear!

Mr. Rae: I should like to recite to hon. members a poem by T. S. Eliot, which goes as follows:

Though you have shelters and institutions,
Precarious lodgings while the rent is paid,
Subsiding basements where the rat breeds
Or sanitary dwellings with numbered doors
Or a house a little better than your neighbour's;
When the Stranger says: 'What is the meaning of this city
Do you huddle close together because you love each other?'
What will you answer? 'We all dwell together
To make money from each other'? or 'This is a community'?

Mr. Grafftey: You look like a college boy now.

Mr. Rae: I see the minister with his usual knowledge and common sense has a comment. I should like to tell him where I first saw this poem. It was in a United Auto Workers' hall in Port Elgin, Ontario. If he wants to go and see it himself, he can. The message that came from that union movement is one with which I am not the least bit ashamed to associate myself. It is:

What will you answer? 'We all dwell together
To make money from each other'? or 'This is a community'?

Let me suggest that there is a very clear alternative to the policy of this government which is about to be defeated, and that alternative is a policy which recognizes that Canada is a community—not a community of communities only, but a community. It is a community in which the critical question in the 1980s will be: are we simply here "to make money from each other" or are we here to do something different?

In the policies which this party suggested during the election campaign, such as a cost of living tax credit, the need for an industrial strategy, the importance of providing jobs for Canadians and looking at the real health of the economy, and not some abstractions which so upset hon. members opposite, we have suggested that there is an alternative to the policies of the government. That alternative is the social democratic alternative.

Some hon. Members: Hear, hear!

Mr. Rae: Let me suggest that between the new Conservatism and the new democracy there is no middle ground. It has something which my friends to the far right in the Liberal party are quickly going to discover, that there is a message in this budget—the government has thrown down the gauntlet, the government has waved its flag and said, "We dare you in these trying political times, with the resignation of the leader of the Liberal party, to oppose the policies with which we want to take Canada into the eighties." We accept that challenge, Mr. Speaker. We accept it happily. We accept it with confidence and with vigour, because we are convinced that the message contained in this budget is a message of injustice. It is a mean message, not a generous or compassionate message; it is a message which will be rejected by the Canadian people because it is so mean and not compassionate.

Some hon. Members: Hear, hear!

Mr. Rae: Mr. Speaker, I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

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

and this House unreservedly condemns the government for its outright betrayal of its election promises to lower interest rates, to cut taxes, and to stimulate the growth of the Canadian economy, without a mandate from the Canadian people for such a reversal.

Some hon. Members: Hear, hear!

• (1710)

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I rise in this House as the first new member of Parliament to speak on the budget debate. As I sat here and listened to hon. members opposite, I was reminded of some phrases that were thrown at us that I might like to twist and throw back at them.

There is a choice for Canadians, and the hon. member is correct when he says that our budget clarifies that choice. One of the choices we have is to continue to deal with poetry or choose to deal with reality. Are we going to become a nation of doers, or are we going to continue to be a nation of dreamers? Are we going to deal with promises, or are we going to deal with plans?

I am particularly proud to stand up in this House today, because about three years ago I committed a significant portion of my life working within this political party to develop plans for governing this nation. As most new members of

Parliament have done, one does so at some personal cost in terms of time and other dimensions. I chose to do so, and I think most of the new members on this side of the House chose to do so because we were concerned about this nation and about the direction in which it was heading.

I understand that it is parliamentary tradition to be allowed a little latitude on the subjects to which one chooses to address oneself during the throne speech debate and the budget debate. I am going to digress from the budget for a moment but I will return to it.

I want to deal with something which has caused me increasing concern as I sit here day after day. We on this side have been accused of being no different from the previous government. I think one of the differences, which has been long in the planning and is taking some time in the execution because of obstructionist tactics from the other side, is the reform of the institution of Parliament. In the last week or two we have been treated with increasing frequency to those kinds of tactics which delay, which waste the time of members of the House, which waste the attention of the Canadian people, the long-term consequences of which are for Canadians to lose faith in their political process.

An hon. Member: They waste the taxpayers' money.

Mr. Hawkes: This government is concerned about changing the institution of Parliament and, after having sat in this House for only two months and three days, I understand even more completely why that is a priority of this government. In that connection I would just like to review our two-month record with respect to the change of this institution. The most important piece of legislation which is before this House and before the Canadian people is the freedom of information bill. If we, as Canadians, are dependent upon the interpretation of information which flows from the other side of the House, we are going to be bankrupt of ideas, bankrupt of the kind of information which will enable us to make solid decisions. If we pass the freedom of information bill in this House, and then put the information out into the public domain, we can let Canadians decide who is telling the truth and who is playing a magician's game.

Some hon. Members: Hear, hear!

Mr. Hawkes: We believe in that principle over on this side of the House, and I believe our actions give credence to that principle.

Last night we had our Minister of Finance (Mr. Crosbie) stand before us and lay out for the information of the Canadian people, for the members of this House, a five-year budgetary projection, not a six-day wonder, not a six-month wonder, but a five-year budget projection. That is what we laid out in the House of Commons. And that is an important principle for the kind of stability which this nation needs.

Members opposite might ask: what is so important about that? Where is the courage in that kind of step? Well, Mr. Speaker, I say to the people of Canada and to the members of this House that in the next five years we are going to have those numbers thrown back at us. They are projections which represent the best guess we can make today as to the state of the economy over the next five-year period of time. As is true of all guesses, not all of them will be correct. And members opposite will take advantage of that and attempt to throw those figures back in our faces. But I say that the Minister of Finance, and this government, have the courage to say to the Canadian people, "This is the way we think it will go." We had that same kind of courage in March, April and May of this year.

Based on the information which was provided to us we laid out to the Canadian people the kind of steps we felt we would be able to take, the kind of things we felt were necessary to undertake. And today we are getting some of those things flung back in our faces. In some cases I welcome the opportunity to debate them.

One other thing I would like to say before I turn to the budget itself is that we have had another historic precedent set by the Prime Minister of Canada (Mr. Clark) in recent days. The Prime Minister chose to voluntarily appear before a committee of the House of Commons to defend his personal budget. The accountability of the expenditure of taxpayers' dollars begins on this side of the House. From the Prime Minister it flows to the cabinet, and it continues to be a concern of each and every one of us who sit on this side of the House.

Some hon. Members: Hear, hear!

Mr. Hawkes: As I learn my parliamentary responsibilities in the ten standing committees of the House, and listen to question period, I hear many pleas from the other side of the House to spend money. I cannot recall, in two months and three days, a single suggestion of how to save money or how to raise the increased taxes to pay for what they propose to spend.

Mr. Speaker, the information provided to me as a member of Parliament, which is relevant to this budget and to the Public Accounts of Canada, is a stack of information which in reality is about 12 inches high. It is difficult material to comprehend. It was made available to us yesterday. If it is difficult for a member of Parliament to comprehend, I can imagine how confused the Canadian people must be in many cases about the provisions of the budget and about the state of the economy in Canada.

I would like to try to pin it down to some fundamental aspects that we should be debating with great gusto. The New Democratic Party is clearly on record as favouring a larger deficit. The Liberals talk about our "bizarre fixation" with the deficit.

An hon. Member: Bookkeeping matters!

Mr. Hawkes: I would like to ask the Canadian people to look at their family budgets. If one makes $500 a month and spends $600 a month, I ask the Canadian people: how long can you continue to do that? If you make $500 and you spend

$600, how long can you continue to do that? If you make $2,000 but each and every month you spend $2,400, how long can you continue to do that? One year, two years, three years, four years—we have now had seven years in a row of that kind of spending. When we stand on this side of the House, and the finance minister stands up and says, "we must reduce the deficit," that is what he is talking about.

In the absence of the kind of controls which we on this side of the House are proposing, we have a future, but it is a bankrupt future. In the presence of the kind of expenditure controls and taxing policies proposed on this side of the House we have a rosy future. But we must begin to pay our way.

• (1720)

I ask the people of Canada to consider what happens if they take their Chargex card, or oil company card, and spend each month 20 per cent more than they make. Sooner or later you have to pay it back. You have to begin paying the interest on it and your expenses rise. The situation in Canada today is such that the federal government will be borrowing something in the order of $12 billion. That is the size of our deficit. The finance minister stood up in this House last night and talked about the cash requirements of the government. I wonder how many Canadians really understand those words, the cash requirements of the government.

I would like to draw an analogy. Out west we have a tradition called the auction sale. I think it exists in all parts of the country. We make great use of it. The auctioneer tries to get a big crowd with a lot of money, to compete for what he is selling. That is his job, to get the best price he can for his customer. I draw to the attention of the Canadian people that money is a commodity. It is like a car or a sofa, a commodity. It is in limited supply under any responsible government.

The way we auction money in the world is on the basis of interest rates. What you are doing in Canada today with a $12 billion debt is forcing the Government of Canada to go out and borrow in that restricted money market $600 for every man, woman and child. You are putting pressure on that auction market. If the government were not borrowing that much, the lenders would have it to lend to the private sector. There would be less competition. Ultimately we would have lower interest rates, the kind we can all live with.

The government is an unfair competitor in that auction sale for money and for resources. It, and it alone, has the power to tax. It can determine what it spends and what it raises. None of us in a free democracy have that choice. The government makes that decision on our behalf, and it has been making some terrible decisions over the years.

I would like to go to another feature of the budget. I saw over television last evening the president of the chamber of commerce from my area, Calgary.

Mr. Benjamin: Another barefoot boy.

Mr. Hawkes: He was one of the people who was very critical of the government for its budget. This criticism was based on the fact that we were not cutting budgetary expenditures quickly enough. I bring to the attention of the House that close to 80 per cent of the budgetary expenditures laid out in the documents before us are a consequence of legislation passed by this House or agreements signed by the previous government. I wish to illustrate the three most important parts of those expenditures.

The first is interest on public debt. We are approaching the point where 20 cents out of every dollar we raise through taxation is used to pay the interest on the debt created by government. I ask members opposite who want this bigger deficit, who want this government to borrow more money, how much social good could be done if we had that 20 cents of every dollar to give to the senior citizens of this country. Let's not be dreamers, let's be doers.

Let me come to the second large item which accounts for more than 30 cents of every dollar. That is the transfer payments to persons: unemployment insurance, old age pensions, family allowances, and social assistance of various kinds. Thirty cents out of every dollar goes to those kinds of people. This government has decided to leave the indexing provisions in place. Those allowances which go to the disadvantaged of this country will increase at the same rate as the cost of living. They are protected by this Minister of Finance and this government. That is a point we should make with clarity.

Another area of expenditures which accounts for approximately 20 cents out of that dollar is the transfers to provinces and other jurisdictions. Those are agreements which come up for renewal in 1982. If the Prime Minister continues on the course which he has started, which is working within a federation—not trying to run the whole show, but working with the provinces—I am optimistic that by 1982 the fiscal arrangements which we as a federal government have with the provinces can be arranged. Somehow they can be made more equitable so that the federal government will have more freedom of choice in its expenditure pattern.

These are the major features, interest payments on public debt 20 cents out of every dollar, transfer payments to persons 30 cents out of every dollar, transfers to provinces 20 cents out of every dollar. There are other agreements which account for the remaining 10 per cent. There is very little room in a federal budget for a new government to make significant changes because the agreements which have been signed are historical and long range.

Mr. Benjamin: Why didn't you say that during the election?

Mr. Hawkes: We did say much of that during the election. We said we wanted information, we could not get it and we could not tell. However, these were the directions. This budget is consistent with the directions I talked about during the election campaign.

Members opposite would have Canadians believe there will be no change in what they are going to find in their income tax form when it arrives at their houses next January. Let me just run over a few of them. I have used the context of a man and wife with a couple of children. I simply say that Canadians

should look at this tax form. Their personal exemptions this year compared to last year will be $530 higher. The mortgage deductibility provision will allow many of them to deduct $375, and the energy tax credit will amount to $240 for many of them. Those are three of the major ways in which each individual Canadian family will be helped. That comes to almost $1,200, which is $100 that is non-taxed each month. Those are significant changes to all Canadians, and they should be identified. On that one they do not have to trust members on this side or the other side of the House. They can look at their individual tax forms and determine for themselves.

What have we done in terms of raising taxes? Members opposite would have you believe that we have really clobbered the Canadian people. That, I suggest, is simply not so. The group which will be hardest hit in terms of tax increases are the corporations.

● (1730)

The group of corporations which will be most affected by changes in tax legislation are those corporations which are engaged in the oil and gas industry. Those are the corporations, some 700 of which have headquarters in the city which I represent in this House of Commons, and I know that the chief executive officers and employees of those companies do not welcome the kinds of tax changes which will affect them, because the world for them will be significantly different after last evening than it was before. However, at the same time, the people in that industry—my friends, my neighbours, and the people who live around me—are Canadians first. I should perhaps back up from that and say that they are human beings first, the same as the rest of us.

Hon. members opposite talk about multinationals as if there were no human beings inside those corporations. Well, my friends and neighbours laugh, love, and breathe the same as hon. members of this House of Commons and those who work in the automotive industry and every other industry in this country.

Some hon. Members: Hear, hear!

Mr. Hawkes: I said that they are the same. They are in some ways. In some ways we do not do justice to what may in fact be the best example of pioneering left in Canada today, but there is a branch of that industry which is very seldom talked about and should be talked about more, and that is the exploration end of the industry.

Living in this part of the country, Ottawa, is a new experience for me, but when you live in this part of the country you come into contact with the oil and gas industry because someone drives a truck up to your home and puts fuel oil in your tank, or you drive your car to a service station and somebody puts gasoline in your tank. Let me tell hon. members that the oil industry begins out in the field in 40 below Fahrenheit weather with a wind-chill factor of 120.

What are we doing out in the bush country day after day in that industry? We are drilling a hole one mile, two miles, three miles, or perhaps four miles deep in the ground. How are we drilling it? The same way one drills a hole in a piece of wood. There is a drill down there except that that drill is going down through a narrow pipe. Sometimes it runs into granite, and it does not last very long. You are down there two miles in your search for oil and gas, and you have to bring up that whole two miles' worth of pipe to change the bit on the end of that drill. It comes up in 30-foot lengths. It is steel, and let us remember that the wind-chill factor is 120 below. That is where the oil industry begins, and that is what we are talking about when we are talking about oil self-sufficiency. It is human beings out in the bush in very difficult circumstances.

I would like the public record to show that by October 1 of this year in the province of Alberta alone there had been 19 industrial deaths in that industry. It is an industry which employs approximately 7,500 people when it is flat out. There were 3,500 time loss accidents. It is a hazardous occupation, full of risk for those who choose to invest in it, but a risk of life and limb for those who choose to work in it. Let us not forget that.

Mr. Benjamin: No health and safety laws in Alberta.

Mr. Hawkes: The hon. member opposite talks about health and safety laws in Alberta. We have a tradition in Alberta and in Alberta governments of listening to the people, not telling them what is good for them. We have just gone through a commission in which we looked at health and safety aspects. That will be done again and again. If there is any chance to improve the climate, I think we will be out in the forefront of those who seek to provide the kind of improvement which is necessary.

Mr. Speaker, all public policy is biased. There was never a government invented which could make a decree of any kind which did not show bias in favour of some and against others. Any document such as a federal budget should be judged in the light not only of its details as they impact on particular individuals but also in the light of what it attempts to do and the fact of whether it will accomplish what it intends to do. In his own words and in his own way, the Minister of Finance expressed his view of the budget as a budget which would rely on the initiatives and the sense of enterprise of Canadians. I reviewed the budget and came to some different words which may have relevance for our deliberations, but I think the budget addresses itself in two primary ways to the Canadian condition. What it attempts to do and what I think the policies of this government collectively attempt to do, is bias the universe for at least a period of time in favour of ownership. That is the first thing it does, and if one really looked inside the tax changes as they are going to affect Canadians, I think one could see that.

The most publicly visible part to this point is the mortgage deductibility plan, which encourages Canadians to own homes and makes it a little more possible for them to finance the costs of those homes.

One of the provisions which is in the same category is the provision related to spouses in small unincorporated busi-

nesses. For years, husbands and wives have been running small businesses and working long hours. The tax system has not encouraged that. The tax system has discouraged that. In terms of signalling a change in direction, that small provision, which is not at high cost to the taxpayers of Canada, is simply an expression of willingness on the part of this government to acknowledge the importance of husbands and wives working together to create businesses and economic futures for themselves. Owning a business and spending the 16 to 18-hour days which small business frequently requires is not everybody's cup of tea, yet as a government we still wanted to encourage ownership.

The provisions in this budget which address themselves to the issue of common stocks and related matters, I think, are an encouragement to all Canadians to invest in enterprises inside Canada. If you do not feel competent to run your own business, then this government wants to encourage you to put up part of the money and put it into the hands of somebody with the skill and drive to go out and make it grow through some other means. That is what the common stock provision is, and that relates to the issue of ownership.

The debenture bonds which will help relieve small business from the high cost of interest rates are interesting in two ways. It is a budgetary provision which is targeted to the principle of ownership, and it is a time limited provision. It is a step we need to take in this particular economic climate, but it is one which we hope a year or two down the road can disappear because it will no longer be needed as the government will be borrowing less money. The cost of money will go down, and we will all benefit from that.

The provisions related to capital gains on farms are another example of what I call the ownership philosophy which characterizes the budget which we heard last night.

The second major issue to which this budget addresses itself is something which professional economists would call the infra-structure concern, and we see its expression in the energy package. We see some words dedicated to the starting of an energy bank. In my city the words "energy bank" conjure up an image of oil and gas and their exploration. I want to say to the people in my riding that the words "energy" and "energy bank" in the Canadian context are much broader than that. We are talking about bringing substitute energy sources on stream so that individuals and corporations can have the kind of fuel which is indigenous to the regions of this country in economic terms so that they can go out and get the job done in the region.

● (1740)

Is my time up, Mr. Speaker? I will conclude very shortly. I have one idea which I would like to lay out for public debate and I hope that people will communicate with me on it. I think there is something psychologically damaging about the concept of unemployment insurance. I would like to throw out into the public arena of policy debate the whole concept of employment insurance. I believe the key word in both instances is insurance, and I think the steps in last night's budget move us closer to the reality of the insurance principle. But I think there is something psychologically damaging to the recipients of insurance payments when we say to them, "You cannot work, you cannot do things that are socially useful the way your friends and neighbours do." I would like us to begin to engage in a debate on a fundamental change in relation to that program in the direction of employment insurance. I would caution members of the House and members of the government that such a fundamental change should not be entered into hastily, but I think it is an issue that we might well support over the next year or two. Thank you for your attention.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Dennis Dawson (Louis-Hébert): Mr. Speaker, it is a pleasure for me to participate in this debate on this budget which is the first and, I hope, the last one of the present Minister of Finance (Mr. Crosbie). It would have been more interesting even for the new member to speak on a budget with positive points. The hon. member even admitted to participating a few years ago in drafting the economic policy of the Progressive Conservative party, so I think he might have been better off keeping his mouth shut.

That is not so, Mr. Speaker, no, there is nothing in this budget to talk about, nothing to give Quebeckers and Canadians generally the least impression that there is something progressive in that so-called Progressive Conservative party. I would have liked to see the hon. member talk of job creation. Unfortunately, we heard nothing or nearly nothing about that, Mr. Speaker. In a speech that lasted over an hour, there were 30 seconds on job creation. One paragraph out of 25 pages, Mr. Speaker.

Not only nothing in terms of job creation, but in addition there are measures harmful to job creation in Canada. The rise in the price of gasoline, Mr. Speaker, as was pointed out by the critics of this budget, is going to create at least 100,000 more unemployed. If you add to that the other harmful measures in this budget, we will have at least 150,000 new unemployed. I could talk at length about the absence of concrete measures in the budget to protect the purchasing power of older people. There is nothing, Mr. Speaker, absolutely nothing, only higher transportation costs and unemployment. Nothing for pensioners. They will have to pay more to travel within their cities. They will have less purchasing power because inflation will probably reach 10 and 11 per cent. There will be less money for food and less money for clothing.

What about workers, Mr. Speaker? Workers will see in this budget an increase in their transportation costs to get to work, an increase in their contributions to unemployment insurance so that at the end of the week they will end up with a loss of at least 2 or 3 per cent on their regular salaries as a result of the budget measures alone, not to say anything about inflation. Before this budget, these same workers, these same unem-

ployed, these same pensioners were sure that thanks to these programs their purchasing power would be protected. This is no longer the case, and I shall mention the high interest rates they have to pay on their loans.

The Canadian farmers whom hon. members of this Progressive Conservative government and the Social Credit Party of Canada claim they want to defend will have to pay more for the gas they need to operate their farm machinery and to carry their products to markets and to consumers. The budget will cause all these things farmers need to cost more. They may cost the average farmer between $500 and $800 more a year. This budget was put together by a Progressive Conservative government which claims to be the farmer's friend. This Progressive Conservative government has been supported for the past six months by Quebec Social Creditistes who also claim they are the farmer's friends. Well, Canadian farmers will certainly remember this Progressive Conservative government. In the next election Quebec farmers will remember Social Creditistes who let this government come up with this budget. We hope it will be called soon, Mr. Speaker, even if it implies an election campaign in the middle of winter. Farmers will remember Social Creditistes and Progressive Conservatives.

We could elaborate on the small and medium-size business and on the instability this government has been creating around them for the last six months, but in their case as in the case of other persons, of senior citizens, of pensioners, of businessmen, they will be penalized by the same increases in the cost of transportation, they will be penalized at all levels. Those people are going to remember in the next election.

As my colleague, the hon. member for Broadview-Greenwood (Mr. Rae), emphasized, I hope that Social Creditistes will stop propping up this Progressive Conservative government, as they have done in the last six months, and that they will co-operate with us to defeat it in the weeks to come, not only in this House but in their constituencies.

I also urge the Social Credit leader to remember his past as a great champion of provincial jurisdiction. That same leader, who claimed that the federal government interfered too much in provincial policies, will remember today that several provincial premiers, that of Alberta and even the Quebec finance minister have told this Progressive Conservative government that the excise tax is an unwarranted intervention in provincial jurisdiction. I trust the Social Credit leader will remember that when the time comes to vote on the budget and the non-confidence motions.

I trust that, tormented by his support of the Progressive Conservative party, of the right hon. Prime Minister (Mr. Clark), and tortured by the support he gives the Parti Québécois, he will for a change fight for the interests of Quebeckers and quit supporting this Progressive Conservative party as he has done in the last six months.

With regard to unemployment, let us look at the performance of the present government. For six months now they have been in power and they keep putting off implementation of their promises which have been changed only to shrink. They keep telling us they are looking into the problem and consulting the provinces. That is all very well, Mr. Speaker, but they should now start to act. Waiting till December to announce the employment programs for the fall, winter and spring is irresponsibility on the part of this government. In fact, we are still waiting because in his budget last night the minister spent only 30 seconds on the problem.

I trust the Minister of Employment and Immigration (Mr. Atkey) will take the opportunity of his intervention to announce concrete measures for job-creation. The only thing they have managed to do is reduce the Canada Works program, freeze funds for job-training programs, create economic uncertainty which penalizes especially the young, those who in the past were encouraged by the former Liberal government to propose programs for their communities which gave them both a chance to get some experience and earn a little money.

As early as June last, young people were told everywhere in Canada that unfortunately there would be no jobs for them in the civil service because the President of the Treasury Board (Mr. Stevens) had decided to stop making jobs available especially to young people, women and Francophones. Those young people, Mr. Speaker, even if they have graduated from college or university during the past six months cannot plan a career in the civil service due to the drastic steps taken by the Progressive Conservative party which are based on Progressive Conservative dogma no longer consistent with the policies of 1979.

In addition, these same young people cannot hope to find a job on the labour market, as we can see from the figures published last month. These show that two-thirds of the newly unemployed in October were young people under 25 and that only one-third of all new workers were young people. There is therefore a gap and it is increasing steadily; it has increased by 25,000 for men between 15 and 24, by 18,000 for women 25 or more and by 4,000 for women between 15 and 24, which means that 22,000 people more have been forced into unemployment by this Conservative government, and that less than one-third of the new jobs went to young people.

This is the first increase in unemployment in over one year and it reflects the difference in the programs of the previous government and those of the new government. Mr. Speaker, it would be appropriate to underline the contempt that this new government has shown towards the House, as exemplified by the actions of the Minister of Employment and Immigration. Last month, the hon. member for Blainville-Deux-Montagnes (Mr. Fox), the hon. member for Manicouagan (Mr. Maltais) and myself asked the Prime Minister and the Minister of Employment and Immigration to give us details about job creation. They replied that no details would be made public

before the budget speech last evening. Mr. Speaker, I could quote the right hon. Prime Minister who said that if we wanted answers concerning the budget, we would have to wait until after the minister made his budget speech. He said the following:

Mr. Speaker, I can repeat for the information of the hon. member that a job creation program aimed at providing job experience for young Canadians will be included in the budget.

This took 30 seconds, Mr. Speaker, and two paragraphs over 25 pages. I do not believe that this can be considered as fulfilling the promises or commitments made by the government. That same week, Mr. Speaker, before the Standing Committee on Labour, Manpower and Immigration, the Minister of Employment and Immigration announced that the budget would contain concrete measures, but without giving any details. The next day, he spoke before the Canadian Club in Toronto and gave them scoops on some details he refused to give us as members of Parliament, he refused to give to this House and the committee. That kind of arrogance will destroy the government.

In that budget the minister tried to get rid of the problem by passing it on to private industry, or by blaming rising unemployment on the population explosion. Mr. Speaker, I see no reason why an increase in the population growth rate should penalize the young. It is my view that young people born in times of high birth rate have a right to work as much as those who were born in times of low birth rate.

Mr. Speaker, the same minister announced a program for the placement of 105,000 young Canadians by March 1981. In his budget he repeated this last night, but he brought no concrete measure that could show us he is going to achieve this. All we know is that they reduced the Canada Works projects, they froze the manpower training budgets. In that statement he tried to pass the buck once more by suggesting this will require total co-operation from private industry. What the minister is ignoring is that private industry is waiting for government leadership and this has not yet been forthcoming from this government.

It is wishful thinking to imagine that the tax credit programs will solve every problem, because there must be a tax liability in order to receive credits, and under the current conditions many companies do not pay tax. Where are the programs to help municipalities and co-operatives that do not pay tax, companies that do not have enough money, that do not make enough profits to pay tax, Mr. Speaker? We find nothing in the minister's proposals that could be of help to them.

● (1750)

[*English*]

Since I represent a riding with one university and five colleges, and 56 per cent of the unemployed in my riding are between the ages of 17 and 25, I must say that it is a subject of interest for me. I would not pretend to have found some miracle solution to a problem which plagues the economy of the whole western world. But I would say that it is our duty to do the utmost to "sensibilize" and to convince the government that we must make a supplementary effort if we are to heal this unacceptable situation.

As I mentioned before, we are not the only country to be faced with this situation. Hon. members surely know that youth unemployment in all countries is higher than the national average in each country. But for reasons I have yet to discover, whether they be historical, economical, seasonal or what, Canadian youth are, or at least seem to be, harder affected than the youth in other countries. We have statistics on that. In 1976 there was a 10 per cent unemployment rate for youth in Canada, and it was half that amount in most European countries. Those are the figures of the O.E.C.D. It is even more dramatic in the part of the country I represent which is French. They do not have the same possibility as those in the rest of Canada, the same possibility to pick up their belongings and move away, leave their province or leave their country. That is because of the linguistic situation which does not always guarantee the Francophone his rights all across the country.

[*Translation*]

In Quebec's case, the difference in language and culture limits the mobility of young people towards provinces offering more job opportunities. Statistics show a lower mobility rate for all Quebeckers. The most recent figures unfortunately date back to the 1966 to 1970 period. The study from which these statistics are taken points to the difference in language and culture as one of the causes for the lower mobility rate.

Thus Ontario, where the unemployment rate is lower, has a higher mobility rate than Quebec even though its net migration is positive. The same study points to the high proportion of young people among the migrants and the importance of economic reasons in the migration phenomenon. Therefore, the difference in language and culture keeps the unemployment problem among young people in Quebec at a higher level than would otherwise be the case.

[*English*]

Some technocrats in our present government and in past governments have found many reasons which explain our present predicament, such as the lack of effective bridges between the world of school and the world of work; the baby boom, or the demographic aspect of Canada; the general weakening of our economic situation and the structural factor of our labour market. These reasons might be acceptable to technocrats and government officials, but I do not think they are acceptable to Canadian youth and Canadian politicians. They cannot explain the fact that as long as 15 years ago youth unemployment was 1.7 times higher than adult unemployment.

Youth unemployment is not the difficulty of a splinter group or minority. At present there are 2.5 million to 3 million young people under the age of 25 in a labour force of ten million people. Since 1966 the number of young people unemployed

has tripled, to more than 400,000, and the youth unemployment rate has more than doubled to 13.1 per cent in October.

Figures given out by the Economic Council of Canada are not more encouraging. In 1960 the youth unemployment rate was 1.7 times higher than the adult rate. By 1970 it had climbed up to 2.3 times the adult rate. In 1976 it was 2.5 times the adult unemployment rate. Now it is three times that, three times the unemployed rate in the regular work force. Technocrats can probably find the reasons for it, but that does not make it more acceptable for those young people who are unemployed.

But we also have to give the other side of the medal. It is a known fact that youth unemployment causes a company to make major investments. When an employer hires a group of youths, it is a fact that there is an expense cost for him in developing skills training programs. A high rate of turnover in youth is often a major factor which might make an employer hesitate. Also it is a fact that many young people at least seem to be less productive at the beginning of their careers than the rest of the labour market. But I think it is the responsibility of the government to try to minimize these effects, and the Liberal government was doing that already.

I can talk about the different kinds of youth unemployment programs. For the last few years the Liberal government set up a special Canada Manpower centre for youth co-operation and education programs which were joint federal-provincial initiatives to encourage the development of co-operative and work experience programs in order to facilitate the transition of young people from school and their integration into the labour force. Canada Manpower centres on campus play a positive role but there are jurisdictional federal-provincial conflicts. Job exploration and job experience training programs were designed to provide secondary school students with opportunity, based on exposure to the unemployment market, to make an informed and realistic career decision as to whether to continue with the in-school education process or to enter the labour force market on a permanent basis.

Following that, the Liberal government set up the Student Summer Employment and Activities program, Canada Manpower Centres for Students, the Young Canada Works program and the Summer Job Corps. These programs all have budgets which have increased in the last few years. The rise in youth unemployment must be kept to a minimum. We are hoping that the present government will continue those types of programs, not only for now, but for next summer. Also we are hoping that even though they waited for the month of December to announce programs for the creation of jobs for the winter and the spring, they will not wait until the month of July to do the same thing for the summer and fall.

An hon. Member: They probably will not be here.

Mr. Dawson: As the hon. member behind me said, probably they will not be here then. I hope we, as a Liberal government, will be over there trying to create those jobs.

May I call it six o'clock?

Mr. Deputy Speaker: It being six o'clock, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, December 13, 1979

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*Translation*]

THE CANADIAN CONSTITUTION

PROPOSAL THAT FUNDAMENTAL RIGHTS OF CANADIANS BE ENTRENCHED IN CONSTITUTION—MOTION UNDER S.O. 43

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an important matter of pressing and urgent necessity.

Being aware that respect for minorities is, in any parliamentary system, a guarantee of its quality; considering the alarming rate of assimilation of Francophones outside Quebec in a Canada advocating linguistic equality for its two founding peoples, considering the necessity for Canada to convince all provinces of the necessity of recognizing the linguistic rights of its citizens, and considering the historic judgment delivered today by the Supreme Court of Canada concerning constitutional respect for linguistic rights, I move, seconded by the hon. member for Madawaska-Victoria (Mr. Corbin):

That the Canadian Parliament urge the government to implement a very strong, bold, untiring and fair linguistic policy by convening immediately a federal-provincial conference to convince the still wavering provinces of the necessity of entrenching basic rights in a renewed constitution, including linguistic rights for all Canadians.

Mr. Speaker: The House has heard the motion of the hon. member. Pursuant to Standing Order 43, such a motion can be presented for debate only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

ENERGY

EXCISE TAX ON NATURAL GAS AND GASOLINE—MOTION UNDER S.O. 43

Hon. J.-J. Blais (Nipissing): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. In preparing his budget, the Minister of Finance (Mr. Crosbie) neglected a major area of potential government revenues—an export tax on natural gas. As the matter now stands, the natural gas industry gets $1.85 more per 1,000 cubic feet for exported natural gas than it gets for the gas it sells in Canada. That $1.85 premium provides the industry with $1,850 million a year in additional revenues, and with the 40 per cent increase in exports recently announced that figure will continue to grow. I move, seconded by the hon. member for Ottawa Centre (Mr. Evans):

That the Minister of Finance revise his budget by imposing an export tax on natural gas that will remove the considerable incentive to export which is built into the present pricing scheme, and permit the government to reduce its excise tax on gasoline while maintaining its increased revenues.

Mr. Speaker: This motion can be presented for debate, pursuant to the provisions of Standing Order 43, only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

GASOLINE EXCISE TAX REBATE FOR HANDICAPPED PERSONS—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina West): Mr. Speaker, I rise on a matter not only of urgent and pressing necessity under the provisions of Standing Order 43 but because I believe there has been a slight oversight in the preparation of the budget which, I am confident, was unintentional on the part of the Minister of Finance (Mr. Crosbie) and his colleagues.

In view of the fact that the government's budget eliminates the excise tax rebate on gasoline for the handicapped, which will increase their gasoline cost by 25 cents per gallon, compared with an 18-cent per gallon increase for the rest of us, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That this House rescind the cancellation of the gasoline excise tax rebate for handicapped persons and reinstate their eligibility for a full rebate.

Mr. Speaker: This motion can be presented for debate at this time, pursuant to Standing Order 43, only by unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*Translation*]

FINANCE

REQUEST FOR INQUIRY INTO BANKING SYSTEM—MOTION UNDER S.O. 43

Mr. Fabien Roy (Beauce): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity—a motion which, hopefully, will be unanimously supported.

In view of the fact that Canada is currently facing a difficult economic and financial situation, that interest rates are higher than ever before in the history of our country, that the chartered banks stand to gain most from this situation and accumulate scandalously high profits, that these institutions are not required to submit individual reports by regions or provinces, and that the chartered banks enjoy exclusive rights and privileges with regard to granting credit to the Canadian society, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the House recommend to the government the establishment of a royal commission of inquiry into the Canadian banking system.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

STATUS OF WOMEN

DISCUSSION AT UPCOMING MEETING OF FIRST MINISTERS—MOTION UNDER S.O. 43

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, I rise, under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. In view of the fact that 900,000 women over the age of 65 in this country are below the poverty line, and in view of a persistent and increasing wage gap wherein the average wage of a woman is 60 per cent of that of a man—a figure which represents only in part the deprivation of women in Canada—and in view of the need for a whole arsenal of support systems for women wishing to work outside the home, including child care facilities, retraining centres, secure unemployment, maternity and pension benefits,

[Mr. Speaker.]

I move, seconded by the hon. member for Timmins-Chapleau (Mr. Chenier):

That the Prime Minister, on recognizing the urgency of this pressing national issue, act unilaterally to replace the topic of women as an agenda item before the first ministers' meeting next week.

Mr. Speaker: Pursuant to Standing Order 43, this motion can be introduced only by unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL SECURITY

PUBLICIZING OF U.S.S.R. DOCUMENT ON PLAN FOR MILITARY ACTION—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Mr. Speaker, I rise on a matter of urgent necessity concerning the angry reactions, particularly this morning, from Moscow concerning the deployment of further nuclear missiles by the United States and NATO allies in western Europe, and at the same time the existence of a restricted British intelligence document, ten pages of which are in my possession and which I intend to give immediately to the Minister of National Defence and Minister of Veterans Affairs (Mr. McKinnon). I move, seconded by the hon. member for York North (Mr. Gamble):

That the Canadian government request the government of the United Kingdom to make public a document entitled "Soviet Military Doctrine and Order of Battle", approximately 100 pages in length, detailing the entire plan of the Soviet armed forces for military action, including nuclear, against the west and, finally, that this should be done particularly to put a stop to the Soviet Union indulging in the old habit of the pot calling the kettle black.

Mr. Speaker: The introduction of such a motion for debate, pursuant to Standing Order 43, can be done only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSE OF COMMONS

LIGHTING IN CHAMBER FOR TELEVISION BROADCASTING

Mr. Speaker: Order, please. Before commencing the oral question period, may I point out to members something which they may not have noticed. We are undergoing in the House an experiment with lighting. There has been an installation of lights high in the ceiling on one side, in the hope of being able to relieve the severity of the lighting that is placed lower down. This is experimental only. I should not, I suppose, add that the technicians hope the experiment will last more than one day. In any case, the experiment is there and the technicians have asked me and our colleagues in the House to evaluate this

experiment to see whether it is better than the more severe lighting lower down.

Oral questions.

● (1415)

ORAL QUESTION PERIOD

[*Translation*]

OFFICIAL LANGUAGES

REQUEST MINORITY RIGHTS BE ENTRENCHED IN CONSTITUTION

Mr. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, in the absence of the Prime Minister, I shall direct my question to the Minister of State for Federal-Provincial Relations.

Today, Mr. Speaker, the Supreme Court of Canada has ruled on two historic cases concerning the protection of official languages in Quebec and in Manitoba. Mr. Speaker, that judgment demonstrates the protection our federal system could give us concerning the rights of minorities and basic liberties. My question to the minister is the following: During the negotiations on the constitution, is he now going to insist on having the rights of minorities, and basic liberties, protected in the renewed constitution?

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations): Mr. Speaker, first I should like to say that I, for one, have not yet read the decision of the Supreme Court of Canada, but half an hour ago I spoke with officials in my department who did read it. I am not sure what consequences this decision may have.

[*English*]

Mr. Speaker: Order. I think we should delay the proceedings until the technical problem is solved.

After a delay of 30 seconds:

[*Translation*]

Mr. Jarvis (Perth): Second, Mr. Speaker, I should like to say that a meeting of the standing committee on the constitution will be held on January 23 or 24 next, I believe. This topic will be on the agenda, as a priority, with four or five other matters. I told the House some two or three weeks ago that this question is a priority with this government.

[*English*]

Mr. Johnston: Mr. Speaker, would the minister agree that of all the benefits of our federal system, none is more evident than the one we see in the judgments rendered today, namely, the capacity of federalism to protect fundamental rights from the jurisdiction of any one legislative authority? In view of that self-evident proposition, could the minister assure the House that he and his government share that fundamental philosophy?

● (1420)

Mr. Jarvis (Perth): Mr. Speaker, I have no hesitation in saying, as a member of the government, that I share that philosophy: I doubt that there is a person in this chamber who does not share it. I might ask the hon. member to agree with me on one point related to the judgments. On my first briefing I did not perceive a direct implication on federal laws arising from these judgments. I would ask the hon. member to be a little patient, because there may be implications that on first reading one does not see.

I have instructed my officials to analyse the decisions. I emphasize that the decision was a very strong one—a unanimous decision of a nine-person court—and, as a lawyer, I appreciate its significance. I would ask the hon. member to be patient until I am advised of the implications that might flow, not necessarily on policy but in terms of federal legislation, from the decision.

[*Translation*]

SUPREME COURT DECISION—DISCUSSION WITH PREMIERS OF MANITOBA AND QUEBEC

Mr. Robert Bockstael (St. Boniface): Mr. Speaker, in the absence of the Prime Minister, my question is directed to the House leader.

In view of the historic decision brought down today by the Supreme Court of Canada, which recognizes the rights of the Francophone citizens of Manitoba—

[*English*]

—will the Conservative cabinet urge the Prime Minister to contact the Premier of Manitoba to discuss ways and means of implementing the decision of the Supreme Court as it affects the citizens of that province?

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations): Mr. Speaker, I certainly accept the hon. member's question as a representation. I would not be hesitant, if I were to ask the Prime Minister to contact the Premier of Manitoba, to ask him also to contact the Premier of Quebec.

[*Translation*]

REQUEST THAT CONSTITUTIONAL RIGHTS BE GUARANTEED

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, in the absence of the Prime Minister, my question is directed to the Minister of State for Federal-Provincial Relations or to the Acting Prime Minister.

In view, once again, of the historic decision brought down today by the Supreme Court of Canada on the constitutional respect for linguistic rights, is the government willing to recognize that the present laissez-faire policy toward the provinces in linguistic matters has been called into question now by

the Supreme Court of Canada, and is he willing, today, to guarantee all Canadians the same constitutional rights that are granted the citizens of Quebec and Manitoba and, in particular, those of Ontario and the provinces where we are now a minority threatened with extinction?

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations): Mr. Speaker, first of all, I should like to say that ours is not at all a laissez-faire policy. I have pursued the work initiated by the former government on the constitution by using the sector approach which includes languages, communications and other topics. The work is progressing. The next conference will be held next month. Language is on the agenda. Our policy is not one of laissez-faire. We are trying to make the progress the former government tried to achieve. With regard to Ontario, I have little to say because I do not know what the consequences will be of those court rulings. I recognize that it is an historic decision, the consequences of which will be very important, so I think I should wait till I receive the report of my legal advisers before commenting further.

INQUIRY WHETHER GOVERNMENT RECOGNIZES TWO FOUNDING PEOPLES AND DISTINGUISHES MULTICULTURAL GROUPS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, the major implication of this decision is that we need a national leadership. I would like to know whether that national leadership will come from this government. That is the question I put to the minister. Also, last November 23, again in the absence of the Prime Minister, I asked this government whether they recognized the equality of both founding peoples. The Minister of State for Fitness and Amateur Sport and Multiculturalism answered, and I quote: "We on this side have always realized that this is a bilingual country and a multicultural society." In view of this ambiguous answer by the minister, I would like to ask the Minister of State for Federal-Provincial Relations whether he can assure the House that the definition of the two founding peoples differs from that of multicultural groups, and that his government recognizes the equality of both founding peoples while respecting the major contribution of multicultural groups?

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations): Mr. Speaker, the hon. member has put two questions to me. First, the leadership came on May 22. Second, I said, for instance to the Fédération des francophones hors Québec, that there was a difference between the two peoples and other minority groups. As I see it, the Minister of State for Fitness and Amateur Sport and Multiculturalism did not confuse the situation.

[Mr. Gauthier (Ottawa-Vanier).]

ENERGY

HOME HEATING FUEL—LACK OF SUPPLY FOR INDEPENDENT DISTRIBUTORS

Mr. Edward Broadbent (Oshawa): Mr. Speaker, I want to say at the outset that my colleagues and myself agree entirely with the ruling given today by the Supreme Court of Canada. We must at last recognize the rights of minority groups in all provinces.

● (1425)

[*English*]

Is the minister aware that Ultramar, a British multinational oil company, has cut off the supply of home heating fuel to at least 50 independent distributors in Ontario and Quebec in recent weeks? If so, what he has done about it?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): Mr. Speaker, in connection with the supply to independents I took a number of initiatives this summer and fall to increase the supply to them. There is a tight situation. My department does monitor the situation and the cost on an ongoing basis. We are continuing to look at the situation to see whether any sort of assistance can be given. I wrote to all the refiners and terminal operators this past summer, indicating to them that it was this government's policy and issued a directive to the companies that they should treat independents in a fair and equitable manner. The responses that I have had from all the refiners and operators that responded to my telex indicated that they understood this principle and were prepared to comply with it.

Mr. Broadbent: Mr. Speaker, I respectfully suggest to the minister that he check this out, because at a meeting this morning with representatives of independent distributors from the province of Quebec and the province of Ontario I was informed that the cutting-off process is continuing and a number of them are in danger of going completely out of business.

In this context, since these gentlemen brought to my attention their concern about the actions of Ultramar in this respect, and since there have been serious allegations that Ultramar just recently diverted oil supplies intended for Canada and sold the same supplies on the spot market, has the minister investigated that situation and, if so, what can he report to the House?

Mr. Hnatyshyn: Mr. Speaker, if the hon. member has any specific information with respect to diversion, I wish he would bring it to my attention, with all the details connected with it, so that I could investigate the circumstances that he brings to the attention of the House. If there is any such report, naturally I and my department will follow it up with respect to the kind of information that is obtained. If any diversion has taken place, I will advise the hon. member that it has taken place on the basis of the information I receive. I repeat, if the hon. member has any specific information I wish he would give it to me so I can follow it up.

• (1430)

Mr. Broadbent: Mr. Speaker, I would be glad to send the information to the minister about the dealers who have been cut off completely and also the allegation that a shipment intended for Canada has been sold on the spot market, specifically to Algeria, which country has been mentioned as the destination of the ship that was originally scheduled for Canada.

The final question I would like to ask, in the absence of the Prime Minister, is that in the House on Monday the Prime Minister assured me that he would check with the National Energy Board to see if the NEB was still considering export permits for home heating fuel. I wish to ask the minister if that checking has been done. More specifically, has the government taken steps to ensure that no more home heating fuel will be exported from Canada this winter?

Mr. Hnatyshyn: Mr. Speaker, the Prime Minister, through my office, has in fact checked with the NEB. He will be providing the hon. member with a full and detailed explanation of the circumstances. I can assure the hon. member that recent applications with respect to the export of home heating fuel have not been accepted. There have been three over the course of the last month or so. I understand that three exports did take place during the course of last summer, with respect to summer heating fuel as opposed to winter heating fuel. A full and detailed explanation will be given to the hon. member by way of a letter, so that he can assess the information.

* * *

THE CANADIAN CONSTITUTION

SUPREME COURT DECISION ON QUEBEC BILL 101—LEGALITY OF LEGISLATION

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for the Minister of State for Federal-Provincial Relations. Now that the Supreme Court of Canada has ruled certain sections of Quebec bill 101 ultra vires and unconstitutional, what does the government intend to do to settle the legality of the other sections?

Will the minister make a commitment to this House to continue assisting the actions of individual litigants right up to the Supreme Court, in the same way as the previous government assisted Mr. Forest? I have in mind, in particular, the actions that are now before the Supreme Court by the Quebec Home and School Association, the Protestant School Board of greater Montreal, and the Devine case. Will he make a commitment to this House to continue supporting financially those actions right up to the Supreme Court of Canada?

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations): Mr. Speaker, I thought that commitment had already been given by the Secretary of State in response to a question some weeks ago. Certainly that continues to be the policy of the government.

TRANSLATION OF ALL MANITOBA STATUTES

Hon. John M. Reid (Kenora-Rainy River): Mr. Speaker, my question is also for the Minister of State for Federal-Provincial Relations. In view of the historic decision as it affects the province of Manitoba, will the minister get in touch with the premier of that province, Mr. Sterling Lyon, to offer him what translation facilities and technical expertise can be spared by the federal government in order than he can begin the historic job of translating all Manitoba statutes passed since 1890, some 89 years of statutes passed only in English, so that they can quickly and speedily be translated into French in conformity with the decision of the Supreme Court?

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations): Mr. Speaker, I am not convinced that that is the implication of the decision. The hon. member may be right. I ask him, please do not misunderstand, but on the basis of my preliminary briefing I am not sure that the decision extends that far. It may be significantly more narrow and may relate to the legal process rather than to all statutes. As the hon. member will know, on the exact point that he raises there is litigation pending: if I am not mistaken, it is the asbestos nationalization case.

I apologize, but as the hon. member knows, the decision is only a very few hours old. I am not sure that is the implication. Once I have received the advice of the government's legal advisers, I will be in a much better position to respond directly to the hon. member's question.

* * *

NATIONAL DEFENCE

NEW FIGHTER AIRCRAFT

Hon. Judd Buchanan (London West): Mr. Speaker, my question is to the Minister of National Defence. There is growing concern that we are not being given full and complete information on the proposed F-18A fighter aircraft. Has the minister seen the report of the past week which was prepared by the General Accounting Office in the United States government and which states that the F-18A program is in difficult straits due to major cost overruns, deficient performance, severely delayed delivery dates and, of extreme importance, deliberate concealment of information needed to redress these difficulties?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I am glad to see that the critic for the Liberal party is now on the distribution list, courtesy of the NDP, of leaked documents from the GAO.

Some hon. Members: Hear, hear!

Mr. McKinnon: I was made aware of the existence of this draft document last week and realized that the General Accounting Office in the United States plays a very important and real role in their selection of all military equipment in a

critical fashion. They have pointed out the difficulties that the F-18A is undergoing. We had our chief of the project office down there two weeks ago. There are five or six areas, some of which were mentioned by the hon. member, of real concern. We are confident that in four out of the five, corrective action is being taken. There is one other area that we are more concerned about, and we will be reporting back on it later.

Mr. Buchanan: Mr. Speaker, I am happy to hear that the Minister of National Defence is also on the receiving list for the reports. The reports seem to indicate that they are having considerable difficulty in keeping the F-16 in the air, and are having even more difficulty in getting the F-18A off the ground. As the minister indicated, the report pointed out that there are structural faults with this aircraft which may well entail some major redesign. There are problems with late delivery of the sub-systems, and many other difficulties.

In light of these difficulties, will the minister indicate to this House that any decision relating to this aircraft and to the choice between the two aircraft will be delayed until there has been a full and complete investigation of these allegations, and the concerns that have been expressed in this House have been allayed?

Mr. McKinnon: Mr. Speaker, I am glad to tell the hon. member that the cost overruns are not one of our serious concerns. The contract that we will have to sign with either company will cover us against cost overruns. They are going to be in fixed 1977 dollars. The report will be studied in great detail. We will not take any precipitative action until we are satisfied that the problems they are having are only the normal problems that any plane manufacturer has when putting a new plane into production.

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CONSUMER AFFAIRS

INCREASED OIL PRICES—STEPS TO PREVENT GOUGING OF CANADIANS

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs. Last week, Imperial Oil raised the price of gasoline to their dealers by the equivalent of eight cents a gallon. This week they have directed their retailers to increase immediately gasoline by 20 cents a gallon at the pumps, for a total of a 28-cent increase. Diesel fuel has gone up by 35 cents per gallon in the last week and a half. An excise tax official in the Department of Finance informed my office this morning that an oil company has the right to set the price at whatever they feel the market will bear.

Is the Minister of Consumer and Corporate Affairs monitoring this situation in order to prevent Canadians from being gouged by much higher than necessary prices, and also to protect individual service station and outlet operators from being criticized simply because they have no choice but to charge the price that has been dictated to them by the oil companies, the latter of whom were obviously supported by the present government in last Tuesday night's budget?

Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs): Mr. Speaker, the Department of Consumer and Corporate Affairs monitors price increases only from the aspect that there may be a conspiracy to restrict trade or to restrict competition.

* * *

• (1440)

[*Translation*]

THE BUDGET

INQUIRY AS TO PROGRAMS FOR QUEBEC

Mr. Fabien Roy (Beauce): Mr. Speaker, my question is for the hon. Minister of Finance.

Yesterday, in reply to a question from the hon. member for Cape Breton Highlands-Canso, the Minister of Finance spoke of the effect of higher energy prices and also of programs for the maritimes and Newfoundland. We are also aware of the spin-offs on central and western Canada. As the minister said nothing of projects for Quebec, I was wondering whether that was just an oversight or whether the minister simply had nothing to announce for Quebec.

[*English*]

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I must apologize to the hon. gentleman that I cannot answer him in his native tongue but, as hon. members know, I am a bit clumsy in that language. There are many things in the budget that will benefit the people of Quebec. For example, 30.3 per cent of the energy tax credit will go to the people of Quebec yet they have 26.7 per cent of the population, and 81.5 per cent of the people of Quebec will benefit from the energy tax credit.

In addition, we have rectified a wrong imposed on the taxpayers of Quebec by the government which preceded us. I refer to page 68 of the budget papers. We are going to make a refundable Quebec abatement. We are going to assist Quebec taxpayers, those with low incomes who presently lose the benefit of the existing 16.5 per cent Quebec abatement. From now on they will be paid the amount of that abatement. This is to rectify the injustice done to the taxpayers of Quebec by hon. gentlemen opposite during the past five or six years.

[*Translation*]

INQUIRY WHETHER AMOUNTS RECEIVED BY QUEBEC WILL BE USED FOR PROJECTS IN THE PROVINCE

Mr. Fabien Roy (Beauce): Mr. Speaker, first of all I want to tell the minister that he does not need to apologize for not using my mother tongue. Besides, he made a commendable effort in the House and I congratulate him on it. But I must

say, Mr. Speaker, that through our excellent simultaneous translation service I noted he deftly evaded my question.

Mr. Speaker, the credits announced are not solely for Quebec, they will benefit all Canadians. There remains a balance of $360 million to $375 million which the federal government will get from Quebec taxpayers. Can the Minister of Finance tell us today, yes or no, whether he is ready to guarantee that the money coming from Quebec will be used for projects in Quebec?

[*English*]

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, there are many other benefits I could mention. The provisions of this budget apply to the Quebec small businessman in the same way as they apply to businessmen in the rest of the provinces, and I promise that the taxpayers and the people of Quebec will be treated just as well as, or in the same way as, people in any part of Canada.

The way I look at it is this: confederation is not a question of dollars and cents; it is a question of whether we build up Canada together with the people who come from other countries, and this is what we must continue to do. We cannot measure that in dollars and cents.

Some hon. Members: Hear, hear!

* * *

PETRO-CANADA

POSSIBLE INVOLVEMENT OF CORPORATION IN OIL REFINERY AT COME-BY-CHANCE, NEWFOUNDLAND

Mr. Fonse Faour (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Can the minister tell us whether his department has been approached by the government of Newfoundland concerning the possible involvement of Petro-Canada in the idle oil refinery at Come-By-Chance and, if so, has he instructed Petro-Canada to study the feasibility of its involvement in this project?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): There has been some communication between our two governments with respect to the refinery at Come-By-Chance. I do not recall a specific reference to Petro-Canada, but I will refresh my memory as to the correspondence and get in touch with the hon. member.

* * *

ENERGY

STEPS TO REDUCE CONSUMPTION OF HOME HEATING OIL

Mr. Tom Lefebvre (Pontiac-Gatineau-Labelle): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources and it relates to a question I addressed to him on November 13 while his estimates were being considered in the House.

I asked him what his government intended to do to help alleviate the impact of the rising cost of heating by fuel oil in areas of Canada where it is not possible to switch to natural gas because it is not available. The hon. gentleman mentioned a new nozzle designed to reduce consumption of fuel oil. I understand the Canadian Standards Association has not as yet even received a proposal in connection with this device. Has the minister anything further to announce to the House to help 30 per cent of Canada's population who face this problem?

Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources): The hon. member will recall I told him that in our energy package we are trying to bring about a substantial transfer to natural gas. This, in itself, will improve security of supply to those who stay on oil. On the conservation side we shall be taking certain very substantial initiatives. With respect to the retrofitting of oil furnaces, this will be encouraged by tax incentives. In addition, we intend to greatly expand our conservation program through CHIP. So we are taking a number of initiatives which will apply across Canada but which will have special application to those who continue to use oil-burning furnaces.

* * *

[*Translation*]

THE BUDGET

REASON TAXI DRIVERS NOT GRANTED TEN CENTS A GALLON TAX REBATE ON GASOLINE

Mr. Jean-Claude Malépart (Sainte-Marie): Mr. Speaker, my question is for the Minister of Finance.

Surely the minister knows that before the presentation of the budget taxi owners were entitled to a refund of 7 cents on a gallon of gas. Surely the minister is aware that if he does not change his decision, taxi owners will suffer a loss of about $2,000 a year, and in the Montreal region alone about 700 taxi drivers will be unemployed. Could the minister tell me why he did not give taxi drivers a refund of 10 cents on a gallon of gas, as he did to farmers, commercial fishermen and public transport systems?

[*English*]

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, the general excise tax increase is to apply to everyone. Three exceptions have been made for certain reasons—urban mass transit, farmers and fishermen in connection with work on their farms or their fishing boats—and we cannot allow further exceptions. Taxi drivers will, of course, have to increase their fares to cover their increased costs. There is no way of avoiding this. It has happened in the United States, it has happened in England, in Germany, in Japan, in Italy, in France; we cannot avoid it. I am sorry, but I cannot give the hon. member any other answer than that.

[*Translation*]

RESEARCH AND DEVELOPMENT

REQUEST FOR MEASURES OTHER THAN TAX DEDUCTIONS FOR ENTERPRISES

Mr. Louis Duclos (Montmorency): Mr. Speaker, my question is for the Minister of State for Science and Technology.

The budget being totally devoid of measures to increase Canada's effort in research and development, in spite of his party's election campaign promise to give tax breaks of about $125 million to businesses to encourage them to spend more money on research and development, could the minister tell the House whether the government intends to use other means than tax write-offs for businesses, to promote further research and development in Canada?

Hon. Heward Grafftey (Minister of State for Science and Technology): Mr. Speaker, I can inform the hon. member that a few weeks ago we voted an increase of $40 million to universities in support of research and development. It is true that there are no incentives for research and development in the budget. We put down some plans a few weeks ago with respect to incentives for research and development. In the meantime, I can assure the hon. member we are going to act very shortly in the area of research and development with direct help to industry, but not necessarily through tax incentives.

* * *

[*English*]

FISHERIES

INVESTIGATION OF LICENSING POLICY

Mr. Charles Haliburton (South West Nova): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. The minister has on a number of occasions indicated his desire that hon. members and others should express their views and participate in the making of decisions relevant to fisheries policy, particularly licensing policy.

● (1450)

In view of the fact that departmental studies are under way or completed, can the minister advise when the Standing Committee on Fisheries and Forestry might be asked to examine the proposals of Messrs. Levelton and Sinclair affecting the licensing on our respective coasts?

Hon. James A. McGrath (Minister of Fisheries and Oceans): Mr. Speaker, as the hon. member has indicated, I have ordered a complete fisheries policy review and I would like very much to include this House in that policy review. To this end I have been endeavouring to have the two reports referred to by the hon. member—the Levelton report on licensing on the east coast, and the Sinclair report on licensing on the west coast—referred to the standing committee where they would form a reference so the committee can involve itself directly in this policy review.

Unfortunately, the official opposition has not co-operated with us to that end, in that they have not been able to agree on the order of reference to the committee. I am hoping that they may, perhaps, find it in their hearts during the Christmas season to allow one of our motions under Standing Order 43 to pass so that the committee can get on with its study.

* * *

INDIAN AFFAIRS

FUNDS FOR MANITOBA INDIAN BROTHERHOOD

Mr. Rod Murphy (Churchill): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. In light of the fact that this government owes the Manitoba Indian Brotherhood $270,000 for third-quarter core funding, and that although the MIB has settled their internal difficulties this government has still refused to give them the money which it owes them, would the minister tell us when he will give the money to this organization, so that it can pay its phone bills and pay the salaries that are owing, before Christmas as well as make sure that this organization can work on behalf of the Indian people of Manitoba?

Hon. Jake Epp (Minister of Indian Affairs and Northern Development): Mr. Speaker, I want to tell the hon. member for Churchill that the point he makes, that the Government of Canada owes the Manitoba Indian Brotherhood that amount of money, is not correct. I had a meeting with representatives of the Manitoba Indian Brotherhood today, along with my colleague, the Secretary of State. We agreed this morning that tomorrow at nine o'clock, representatives of the MIB and representatives of the two government departments would sit down in Winnipeg to look at the bills that have to be paid immediately, as well as to establish a very clear plan of action in terms of how repayment can be made as well as future operations of the MIB covered. That was agreed to this morning and the plan will go forward.

Mr. Murphy: Mr. Speaker, it is the second time in the House that the minister has told me meetings will take place. I hope that these meetings will really take place.

My supplementary question is addressed to the Secretary of State. Since his department owes the Manitoba Indian Brotherhood over $250,000, and that amount is owing, will the minister confirm that he has refused to pay this money; and will he also confirm that he has ordered his junior minister, the Minister of Indian Affairs and Northern Development, not to pay the money owed by that department?

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, I am not in the habit or ordering anybody, and certainly none of my colleagues. I think the hon. member should understand, as I am sure he is well aware, that there has been a very difficult situation with

respect to both the organization of the Manitoba Indian Brotherhood and their financial situation.

What my colleague, the Minister of Indian Affairs and Northern Development, and I have tried to do today is to work out a plan that is both sensible and helpful in the situation. I think it was a very useful meeting with the representatives and the chief this morning. Tomorrow there is to be a full-scale meeting, and I believe that by the end of the day tomorrow we will be well on the road to putting things in order so that the MIB can function effectively.

* * *

EMPLOYMENT

THE BUDGET—EFFECT ON EMPLOYMENT STRATEGY FOR WOMEN

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, my question is addressed to the Minister of Employment and Immigration. Does the budget proposal to allow men to gainfully employ their wives represent the sum total of the entire employment strategy for women long promised by the Conservative government and, if not, when can the women of Canada hope that the minister's many previous pious utterances on this subject may acquire some substance?

Hon. Ron Atkey (Minister of Employment and Immigration): The point to which the hon. member has referred in the budget address of my colleague, the Minister of Finance, is an important one, but she well knows that it is not by any means the only commitment to the employment of women that this government has made and will be making. I suggest to the hon. member, through you, Mr. Speaker, that the hon. member stay in the House later this afternoon, when she may well hear further details of the employment strategy of this government relating to women.

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THE BUDGET

REASON FOR INCREASING TAX ON GASOLINE

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Finance. The Prime Minister said in the House in 1975, when he was still member for Rocky Mountain, that an excise tax on gasoline is "very unfair", "inequitable", and would be something that would "hit the little guy".

I want to ask the minister why the government is imposing a tax increase of 18 cents a gallon that, to use the Prime Minister's own words, is unfair, inequitable and would hit the little guy, since even when the proposed refundable tax credit is fully phased in, it would return less than half—perhaps a third—of the amount collected in excise tax, and the full credit would not be paid at all to taxpayers, to the little guys of this country, until two years have gone by.

Some hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, in 1975 the hon. gentleman's government imposed a 10-cent excise tax on gasoline—8 cents less than the tax we are planning to impose in our budget—without any tax credit relief to the Canadian people; and when they did that I did not hear the hon. gentlemen moaning, groaning, wailing, gnashing their teeth and spilling crocodile tears as they are now.

Some hon. Members: Hear, hear!

[*Translation*]

INQUIRY WHETHER WOODSMEN WILL RECEIVE TEN-CENT EXCISE TAX REBATE ON GASOLINE

Hon. Pierre De Bané (Matapédia-Matane): Mr. Speaker, I have a question for the Minister of Finance.

I would like, first of all, to thank the hon. Minister of Finance and the Minister of Regional Economic Expansion for having included in the budget the suggestion made by my colleagues and myself concerning tax incentives for the Gaspé peninsula and the Atlantic region.

I would like to ask the hon. Minister of Finance whether the rebate for farmers, fishermen and local public transit systems will also apply to forest workers. Let me explain: as you know, these workers are either full-time farmers who work as woodcutters occasionally or full-time lumbermen. In my area, the North Shore—

Mr. Speaker: Order, please. Will the hon. member ask his question?

Mr. De Bané: Will forest workers benefit from this 10-cent rebate on the excise tax as well as the farmers who also work as lumbermen?

[*English*]

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, the exemption applies to farmers in connection with their off-highway activities, to fishermen in connection with the operation of their fishing vessels, and to urban mass transit systems. It does not apply to forest workers. We had to ask everyone to bear an equal part of these increasing costs, the same as do forest workers in the United States and other countries who have to bear these increased costs which are, due to a vanishing resource, becoming more and more expensive.

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BROADCASTING

TELEVISING OF FORTHCOMING LIBERAL CONVENTION

Mr. Bob Lane (Winnipeg-St. James): Mr. Speaker, my question is for the Secretary of State. In view of the fact that the Liberal party convention was booked into the Winnipeg convention centre prior to December 6 of last week, and in

view of the fact that a recreational vehicle dealers show was booked into the centre for March 20 to 23 and was asked, on December 6, to cancel their show because the CBC said they would not televise the convention if they could not get in two weeks ahead of time, would the minister advise the House, first, why the televising of a political convention by a Crown corporation takes precedence over a private enterprise program and, second, can he tell me whether the corporation will reimburse the recreational vehicle association for their brochure printing out of their $4 million budget?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Hon. David MacDonald (Secretary of State and Minister of Communications): I would assume, Mr. Speaker, that both recreational events can be looked after adequately, but I will check with the corporation to see whether or not there is a problem with this location.

Mr. Speaker: Order, please. The House will recall the slight delay at the beginning of the question period. The last question to be recognized will be at five minutes past three o'clock.

* * *

THE BUDGET

IMPACT OF RISING OIL PRICES ON NORTHERN RESIDENTS

Mr. Peter Ittinuar (Nunatsiaq): Mr. Speaker, my question is for the Minister of Finance. In light of the fact that the Yukon and the Northwest Territories are totally dependent on oil as an energy source, and whereas the severe climate makes residents of these territories the highest consumers of heating oil in the country, will the minister agree to revise the budget to include measures that will cushion the impact of rising oil prices on northern residents?

● (1500)

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, as the hon. member no doubt knows, the measures announced in the budget have no effect: there is no excise tax involved with respect to heating oil. With respect to the question of future increases in oil and gas prices and their effect on the people of that area, certainly that is something we can take into consideration. If there were to be a program to assist in that area, the difficulty is boundaries because, of course, there are northern areas of Canada right across the whole continent; there are areas which are more south that are just as cold as the far north, and other problems of that nature.

Mr. Ittinuar: Mr. Speaker, the minister allowed super depletion allowances for frontier packages in exploration, yet he is deplete of answers for northern residents.

Some hon. Members: Hear, hear!

[Mr. Lane.]

Mr. Ittinuar: On October 29, 1979, the minister told the House that he was very sympathetic to the economic problems of northern residents. Today I received a telegram from Yellowknife, in the western Arctic, which is a Conservative riding—

Mr. Speaker: Order, please. Does the hon. member wish to put a supplementary question?

Mr. Ittinuar: Can the minister explain why oil prices are being cushioned in the Atlantic provinces while residents of the Arctic are left to fend for themselves?

Some hon. Members: Hear, hear!

Mr. Crosbie: Mr. Speaker, I can only suggest that the hon. gentleman wait until the full plentitude of our energy program is outlined.

Some hon. Members: Oh, oh!

An hon. Member: Did the minister say "platitude"?

Mr. Crosbie: They do not like this, Mr. Speaker, because they are afraid we might do something that they will be happy about.

Some hon. Members: Oh, oh!

Mr. Crosbie: The proceeds from the energy tax will be used in many ways to help in the area of conservation and energy alternatives generally.

* * *

THE CANADIAN CONSTITUTION

RENEWED FEDERALISM—INQUIRY WHETHER GOVERNMENT WILL SOON ADOPT CONCRETE MEASURES

Mr. Denis Ethier (Glengarry-Prescott-Russell): Mr. Speaker, I have a document in my possession indicating that the Minister of State for Federal-Provincial Relations recommended, at one of their caucus committee meetings, that they put forward proposals regarding symbolic actions the government can implement to promote the concept of a renewed federalism.

[*Translation*]

My question is as follows: Could he assure the House that in view of the judgment of the Supreme Court he will stop speaking about symbolic action and will very soon do something concerning renewed federalism?

Hon. Bill Jarvis (Minister of State for Federal-Provincial Relations): Mr. Speaker, I believe that we have taken concrete action as a government since May 22 and that some of our other initiatives are also important for Canadians. We have made some progress. I am not sure which document the hon. member has in his possession, but I would like to see it. I think

the hon. member will agree that other things such as symbols are also very important.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

FUNDS TO CONSTRUCT MORE ADEQUATE FACILITIES IN TORONTO

Mr. Jesse Flis (Parkdale-High Park): Mr. Speaker, my question is for the Secretary of State and Minister of Communications. It concerns the antiquated and scattered facilities of the Canadian Broadcasting Corporation in the city of Toronto.

Would the minister please indicate to the House and to the nation whether the government is considering an appropriate allocation of funds within its present financial program to permit the CBC to construct a single, modern facility in Toronto and when a decision on the project can be expected; and would he not also agree that the construction of such a centre would create many badly-needed construction jobs in metropolitan Toronto?

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, the hon. member well knows that the question of new and improved facilities for the CBC in Toronto has been a matter of concern to the corporation for many years. Of course, it is an issue of great expenditure, and I know the corporation is working toward eventually establishing such facilities. But I cannot indicate in more precise terms whether that is likely to happen with greater speed this year.

* * *

[*Translation*]

FINANCE

INQUIRY WHETHER MINIMUM WAGE WILL BE INCREASED

Mr. Jacques Olivier (Longueuil): Mr. Speaker, in the absence of the Minister of Labour, my question is addressed to the Minister of Finance. I would like to remind him that a few weeks ago, in answer to my question, he said he would help those persons who really need help in Canada. Therefore, I want to ask if he deliberately forgot to announce in his budget that he would raise the minimum wage, set at $2.90. Can the minister tell us if he intends to raise this minimum wage, which is now set at $2.90, or does he simply intend to go on making the rich richer and the poor even poorer by his decision to lay the burden of taxation on those who always end up paying, namely, the medium-income people.

[*English*]

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, the present minimum wage is one that was left with us by the last administration. I am sorry to hear that the hon. member is disgusted with it: he never expressed that view when he was a member of the other government.

An hon. Member: Of course he did.

Mr. Crosbie: This is an issue which is under review by the Minister of Labour. I am sure that he will bear every consideration in mind, including the callous disregard of the last government to do anything about it.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

* * *

POINT OF ORDER

MR. REID—LEVEL OF LIGHTING IN CHAMBER

Hon. John M. Reid (Kenora-Rainy River): Mr. Speaker, as one of those who raised some concern about the light levels, I want to say that the experiment is a success, and I hope Your Honour will keep the light levels down as they are now.

An hon. Member: Perhaps it is a success over there, but not back in this corner.

Mr. Speaker: As I indicated to the House earlier, we are experimenting with a set of lights that are higher up which hopefully will produce the same illumination with less glare. We will try it for a short while.

An hon. Member: It does not improve the view.

Mr. Speaker: Order. I have notice of a question of privilege from the hon. member for Yorkton-Melville (Mr. Nystrom).

Mr. MacEachen: Mr. Speaker, I should like to rise on a point of order with respect to business of the House.

Mr. Speaker: Is the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen) seeking the floor on the regular Thursday question of House business?

Mr. MacEachen: Yes.

Mr. Speaker: The hon. member for Yorkton-Melville has given me notice of a question of privilege which I gather does not arise out of the proceedings today but out of previous proceedings. Therefore, perhaps it is appropriate to recognize the regular Thursday point of order on House business first and then hear the hon. member for Yorkton-Melville.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. MacEachen: Mr. Speaker, I should like to ask the President of the Privy Council what the business will be for the

remainder of the day. In the unlikely event that the House will be sitting tomorrow, would he consider the appropriateness of continuing with the budget debate until all outstanding motions or amendments are disposed of?

Mr. Baker (Nepean-Carleton): Mr. Speaker, I do not share the same pessimism as my hon. friend about our being here tomorrow. As a matter of fact I was going to inquire, if the light is so nice on that side, if we might experiment with the light on this side—

An hon. Member: Come over here.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): —so that we would have the advantage of lights on both sides of the House as we proceed toward Christmas next week.

I should like to indicate our intentions with respect to the legislative program into the balance of this week and next week. Tomorrow—

Some hon. Members: What about today?

Mr. Baker (Nepean-Carleton): Tomorrow it is our intention to call Bill C-20 for the one sitting day allotted under Standing Order 75C for Committee of the Whole stage. Beginning next week we will commence third reading of Bill C-20 and passage at all stages of the main estimates.

An hon. Member: What about today?

Mr. Knowles: Mr. Speaker, with respect to House business, I wonder if I may ask the President of the Privy Council if he plans to make any further statement to the House, either on statements by ministers or at some point, concerning the status of those income tax forms which we were told have been put in the mail. In view of the fact that I know of no one having received his income tax form, can the minister say whether there is any plan about that? Will he be making any statement to the House on that matter?

Mr. Baker (Nepean-Carleton): Mr. Speaker, certainly I will make some inquiries with respect to the position. If I had had some notice of the hon. member's intention to ask me that, I could have given the information. I will make some inquiries with respect to that matter and I will report back to him. Perhaps we can talk about that later.

• (1510)

Mr. Rose: Mr. Speaker, I wonder if I might ask a question of the President of the Privy Council in his capacity as government House leader. For some months now we have had a motion on the order paper for the creation of a Senate-Commons committee to inquire into nuclear energy. I wonder whether the House leader would be kind enough to give the House some indication as to when he might be calling that?

Mr. Baker (Nepean-Carleton): Mr. Speaker, there have been some discussions among the parties in respect of the appropriateness of the terms of reference. I know the hon. member for Mission-Port Moody has taken part in that discussion and has indeed written to me. We are taking this up and, as a matter of fact, a ministerial meeting is being scheduled for tomorrow to review the representations of the hon. gentleman. It is my intention, if we can settle the terms among us all so that they would be acceptable, to take that matter up as soon as the House returns in January.

[*Translation*]

Mr. Guay: Mr. Speaker, my question is addressed to the House leader. In view of the fact that we are going on with the regular business of the House, I would like to point out that motion No. 9 under my name and dealing with the re-establishment of Canadian merchant marine should normally be debated next Monday at five o'clock. I would like to know if the right honourable Prime Minister or the minister responsible will be present in the House to state his position in clear, unequivocal and specific terms, with respect to a Canadian merchant marine?

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, I know how important the hon. gentleman's question is to him and, indeed, to members on this side of the House. I want to assure him that there will be a person here to indicate clearly the government's position, which I think is already known to the hon. gentleman.

Mr. Speaker: The hon. member for Yorkton-Melville (Mr. Nystrom) on a question of privilege.

Mr. Nystrom: Mr. Speaker, I would like to stand the question of privilege until tomorrow, if I may, please.

Mr. Speaker: Order, please. There seems to be some particular subject which hon. members have a great desire to discuss today. I wonder if I might invite them to do so behind the curtains or in the corridor so we can hear the business that is on the floor of the House.

* * *

PRIVILEGE

MR. BUJOLD—PROGRAM HOSPITALITY CANADA—ALLEGED LACK OF INFORMATION ON GRANTING OF CONTRACT TO CP AIR

Hon. David MacDonald (Secretary of State and Minister of Communications): Mr. Speaker, it was drawn to my attention a few moments ago that on Tuesday the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Bujold) raised a question in respect of the operation of Open House Canada and its unfair utilization of Canadian Pacific Airlines as opposed to Air Canada.

This matter is somewhat complicated, Mr. Speaker, and I do not want to get into detail here on the floor of the House. I think it is perhaps fair to point out, however, that there is no positive pursuit of any policy in respect of Open House

Canada that favours one airline over another. Indeed, Open House Canada tries to achieve maximum effectiveness of both airlines.

There has been some problem during the course of the summer in respect of the central travel service of Air Canada, which I think is what led the member to believe there was some direct bias in favour of the direct travel service of Canadian Pacific. Just so the record can be clear, the member indicated some figures on Tuesday which would indicate a rather disproportionate share of the business being directed toward Canadian Pacific. The fact is that Canadian Pacific is not the only or the biggest carrier of Open House Canada participants. On a national basis I would have to report that in fact the groups using Air Canada do significantly outnumber those using Canadian Pacific. The hon. member referred specifically to five western cities, I think, where Canadian Pacific had been, indeed, more active, but on a total basis actually Air Canada has been more active in respect of the travel program of Open House Canada participants than anyone else.

I think that statement was needed just so there will be no thought that I had, even inadvertently, misled the member or the House.

ROUTINE PROCEEDINGS

[*English*]

CANADA NON-PROFIT CORPORATIONS ACT

MEASURE TO ESTABLISH

Hon. Walter Baker (for the Solicitor General and Minister of Consumer and Corporate Affairs) moved the first reading of Bill S-7 from the Senate, respecting Canadian non-profit corporations.

Motion agreed to and bill read the first time.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 456, 458, 463, 464, 474, 584 and 883.

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

[*Text*]

VETERANS AFFAIRS—CHARLOTTETOWN

Question No. 456—**Mr. Herbert:**

How many buildings are presently occupied by the Department of Veterans Affairs in Charlottetown, and what is the (a) name (b) address (c) number of square feet of space in each building?

Hon. Erik Nielsen (Minister of Public Works): Three buildings are presently occupied by the Department of Veterans Affairs in Charlottetown.

(a)	(b)	(c)
Florence McKay Building	Grafton Street	434 M^2
Dominion Public Building	Queen Street	1,887.7M^2
Heritage Canada Building	Great George Street	55.7M^2

Question No. 458—**Mr. Herbert:**

1. Were architects selected to prepare plans for the Department of Veterans Affairs building in Charlottetown, P.E.I. and, if so, who are they?

2. Has a suggested design been submitted and, if so, what was the architect's estimate of the cost of the building?

Hon. Erik Nielsen (Minister of Public Works):

(1) Yes, Consortium Designers Incorporated.

(2) A preliminary design was produced for site No. 9. No design work has yet been done for site No. 15 and no estimate of cost has been developed.

AGRICULTURAL PRODUCTS BOARD ACCOUNT

Question No. 463—**Mr. Herbert:**

In each of the past five years, what amount was transferred to the Agricultural Products Board account?

Hon. John Wise (Minister of Agriculture):

None. However, the amounts necessary to recoup the Agricultural Products Board account were:

1974-75	$ 97,744
1975-76	414,841
1976-77	1,121,930
1977-78	35,545
1978-79	107,109

AGRICULTURAL COMMODITIES STABILIZATION ACCOUNT

Question No. 464—**Mr. Herbert:**

In each of the past five years, what amount was transferred to the Agricultural Commodities Stabilization account?

Hon. John Wise (Minister of Agriculture):

None. However, the amounts necessary to recoup the Agricultural Commodities Stabilization account were:

1974-75	$297,573,589
1975-76	300,840,019
1976-77	261,866,142
1977-78	364,110,766
1978-79	318,562,968

Order Paper Questions

AGRICULTURAL PRODUCTS BOARD ACCOUNT

Question No. 474—**Mr. Herbert:**

As at March 31 in each of the past five years, what amount was outstanding in the accounts of Canada in respect of the Agricultural Products Board account?

Hon. John Wise (Minister of Agriculture): March 31, 1975, Nil; March 31, 1976, $227,600; March 31, 1977, Nil; March 31, 1978, Nil; March 31, 1979, $148,171.

NOTICE OF MOTION

Question No. 584—**Mr. Cossitt:**

Was notice of motion (papers) No. 13 of the fourth session of the Thirtieth Parliament, in the name of the honourable member for Leeds-Grenville, adopted by the House on March 22, 1979 and, if so (a) for what reason were the papers never produced either by tabling in the House or by making them available to the honourable member (b) will any action be taken by the government to rectify this situation?

Mrs. Diane Stratas (Parliamentary Secretary to Secretary of State): Yes. (a) They were not ready prior to March 29 when the House was dissolved. Beauchesne's Parliamentary Rules and Forms, 5th Edition, page 255 states that "A dissolution of the House immediately puts an end to all outstanding Orders of Returns". Consequently, work on the preparation of the papers ceased. (b) Yes, a copy has been made available to the hon. member.

AGRICULTURE—CONSTITUENCY OF PEMBINA

Question No. 883—**Mr. Elzinga:**

1. Since 1974, did the Department of Agriculture finance projects in the constituency of Pembina and, if so, in each case, what was the (a) name of the project (b) total cost (c) total contribution by the government?

2. Is the department planning projects in the near future and, if so, in each case, what is the (a) nature of the project (b) estimated amount to be spent by the government?

Hon. John Wise (Minister of Agriculture): 1. No. (a)-(c) None.

2. No. (a)-(b) None.

[*English*]

Mr. Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

[Mr. Wise.]

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Wednesday, December 12, 1979, consideration of the motion of Mr. Crosbie that this House approves in general the budgetary policy of the government; the amendment thereto of Mr. Gray (p. 2294) and the amendment to the amendment of Mr. Rae (p. 2304).

Mr. Dennis Dawson (Louis-Hébert): Mr. Speaker, I should like to complete the speech I started yesterday. I was pleased to hear the Minister of Employment and Immigration (Mr. Atkey) state a few moments ago, in answer to my hon. colleague, that he would announce this afternoon the specific measures the Progressive Conservative government intends to take. We have been waiting for the Tory promises for seven months now and I dare hope that there will be substantial and really significant measures for the unemployed in Canada. I see that the minister is smiling, and we shall all be here to listen carefully to what he has to say.

[*English*]

The Liberal government has in the past made enormous efforts to try and minimize youth unemployment, but I think it is our duty as members of Parliament to try to convince the present government that if we want the young people to believe in a strong Canada we must prove to them that we are preoccupied with their predicament.

I could talk about the numerous aspects of the problem, whether it be the fact that the economic costs involved are difficult to calculate, or comparing young unemployed who live with their parents with adults who have to support families. However, we must take into consideration that since students are not finding the opportunity to obtain jobs after graduation, some withdraw from the labour force and retreat into idleness. Other impacts arise from the frustration that is felt when a two or three or four-year course of study produces no job at the end, even a job which is marginally relevant. Still more problems arise when it is discovered that all but the most menial jobs require work experience, and one cannot get work experience without a job.

[*Translation*]

According to the traditional approach, it is more important to protect the jobs of breadwinners and it is still partly valid.

However, recent developments in our society tend to promote equal opportunities for all. A good example would be the women's lib movement. There may be cases where young people actually suffer from discrimination, but employers usually turn them down merely because of the structural factors mentioned previously. Obviously, although new entrants may have equal qualifications they will have more problems finding a job than older workers.

One way or another, we must admit that young people have a hard time entering the labour market. Such persistent alienation cannot be dismissed as harmless just because youth is a temporary stage of life, Mr. Speaker. Special programs have to be put in place to help young people enter the labour market provided these programs do not penalize other groups and do not set young people apart even more so than they are now. More practical arguments than merely providing equality of opportunity can be brought up to justify the creation of special youth employment programs. It is highly important to train young people so that they may take over responsible jobs. Disenchantment and frustration on being turned down when applying for a job can lead to a feeling of rejection that may affect young workers for a long time. Unemployment and instability prevent people from acquiring good working habits and tend to isolate them more and more from the labour force.

In certain cases, unemployment among the young leads to an increase in crime. That problem is especially felt in large American and Canadian cities where unemployment among the young results in an increase in the number of suicides, in violence, prostitution and drug consumption. After a while, it is very difficult to pull some young people away from their illegal activities. In some European countries, for example in Italy, there is fear that this type of unemployment will lead to an increase in violence and to anarchy. We could discuss high and low the youth problem, but I would like to deal with other subjects relating to the budget.

● (1520)

[*English*]

As I said in my speech yesterday, Mr. Speaker, there is nothing in this budget for the youth of Canada, nothing but repeated promises and vague solutions. No, what we have are measures that will create more unemployment and raise prices to a level that we have not seen since the years when we had Conservative governments, and you know what happened to those governments, Mr. Speaker.

[*Translation*]

What we have is a budget that will increase by approximately $380 a year the mean transportation and heating costs of the average Canadian family. And for the average Quebec dairy producer, that means an increase of almost $800 a year. Last April, when he was addressing the Quebec Chamber of Commerce, the leader of the Progressive Conservative Party (Mr. Clark) announced in the middle of the election campaign that he would increase the country's economic growth by 5 per cent, that he would reduce unemployment to 5 per cent and that he would bring the inflation rate down to 5 per cent. Mr. Speaker. However, in this budget the Tories foresee not a growth of 5 per cent but a mean growth of 3 per cent until 1985. And if that is what they anticipate, it will probably be less. For 1980, the government anticipates in its budgetary documents a real economic growth of only 1 per cent.

Instead of bringing the unemployment rate down to 5½ per cent by 1985, the Progressive Conservatives have chosen, as shown by their budget forecasts, to let it rise from 7.3 per cent this year to 8.3 per cent next year, and they do not seem intent on trying to achieve the present rate, even by 1985. Instead of reducing inflation to 5½ per cent, it is now certain that Conservative policies will increase the present rate of 9.3 per cent by more than 100 per cent in the next two years and that there will be a very slow decrease afterwards.

Before concluding my remarks, Mr. Speaker, there is another aspect of the problem to be considered, and that is the area of federal-provincial relations. For the past six months, the new government has been advocating a new era in federal-provincial relations, an era of consultation, of non-interference and of co-operation. With this budget, one can see the results achieved, Mr. Speaker. Several premiers, some of which are even Conservatives, are condemning the budget, while others, such as the British Columbia premier, say that his province is ignored by the provisions contained in the federal budget. As to Quebec, the situation is quite simple and is summed up by this newspaper headline:

[*English*]

"Budget will help PQ win votes: Parizeau". I quote:

Parizeau said yesterday that the measure makes no economic sense. Politically, it presents Quebec with a "remarkable opportunity" to show how federalism works against Quebec's interests—

Quebec says the gas tax hike will siphon $600 million out of the province, virtually cancelling the benefits Quebec draws from federal subsidies for imported oil.

[*Translation*]

Mr. Speaker, when the Prime Minister was asked to get involved in the referendum debate, we had the feeling he was going to do so on the federalist side. Unfortunately, with statements like those made by Mr. Parizeau, one can see that the separatist forces are more likely to benefit from the situation. With the measures contained in the budget, Mr. Speaker, the Progressive Conservative government succeeded in creating a common cause among separatists who were in the middle of a unity crisis. The Quebec minister of finance has stated that he intends to draw maximum benefit from this budget during the referendum period. This, Mr. Speaker, is not the kind of contribution we expected from the Prime Minister. We wanted some support for the federalist forces. For this and many other reasons, it seems obvious to me that all opposition members should do everything possible to defeat this government as soon as possible.

[*English*]

Mr. Bob Jarvis (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, as a new member may I say how proud I am to rise to give this, my first speech in support of the budget of the hon. Minister of Finance (Mr. Crosbie). For the first time in over a decade we have a budget, a finance minister and a government which has had the courage and fortitude to be honest and open with the

Canadian people. This budget detailed our problems, set forth the sacrifices needed to meet our problems head on, set the course to regain financial responsibility and charted the course to energy self-sufficiency. At the same time it acknowledged and met our obligation and responsibility to assist those in our society who, through infirmity, age or circumstances beyond their control, have been unable to cope with the policies of the past decade.

The past decade was a decade which saw massive unemployment—as high as one million people were unemployed at one point—uncontrolled inflation, over three years of double digit inflation, an unparalleled government spending binge which left Canadians with the highest per capita public debt in the industrialized world, a shattered currency and a balance of payments deficit; all of which has effectively mortgaged the earnings and expectations of an entire generation of Canadian youth.

That is the legacy of the Liberal government, the 1970s. This budget comes to grips with this legacy and holds out the challenge and work ahead of us for the 1980s. The Canadian people are not afraid of challenge, nor are they unprepared to pay off the Liberal debts of the 1970s. All that was required for Canadians was a challenge and a direction for us to follow. The hon. Minister of Finance has set the direction. Now it is up to us Canadians to meet the challenge, a challenge which constitutes our future.

This afternoon I intend to concentrate my remarks on the energy policy portion of the budget. However, I should first like to congratulate the hon. minister for the revisions to the Income Tax Act which will allow small unincorporated family businesses to claim as an expense salaries paid to the spouses. My riding of Willowdale, located in the north portion of Metropolitan Toronto, has 1,374 family businesses located within its boundaries. Most of these families live in Willowdale. Long hours, hard work and sacrifice to own a business has in the past been penalized by the Liberals. The role of the wife and mother in maintaining a family business has not been properly recognized prior to this budget. This change has been long overdue. It is a most welcome and appreciated change in Willowdale.

The hon. member for Windsor West (Mr. Gray), in responding to the budget address, gave a plea for a return to the 1970s. The thrust of his remarks was a return to overspending, to underproduction, to high debt, to low growth rates and to double digit inflation. Why not; that is all the hon. member for Windsor West understands. Those policies were his training ground and encompass the limits of his span of comprehension. Our government's energy policy as set out in the budget was referred to by the hon. member for Windsor West who said, as reported in *Hansard* at page 2267, that the budget provisions on energy are an—

> —aberration carrying the Canadian economy away from the path of growth and development it was on at the time the government changed on June 4.

First, I should explain to the hon. member that it was May 22, 1979.

[Mr. Jarvis.]

Let us look at the path we were on under the Liberals at the beginning of the seventies. In the 1970s they took Canada from an oil exporting country to an oil importing country. They took a country with almost unlimited and untapped resources and reduced the rate of search for new supply and the rate of research and development to a point where the production of light and medium crude oil is now at 1.2 million barrels per day. It is now forecast that the production of light and medium crude oil will fall to 750,000 barrels per day by 1985 and to 500,000 barrels per day by 1990 without new finds and new programs, of which they had none.

● (1530)

The Liberals stopped the pipeline on the Ontario-Quebec border and isolated parts of Quebec and the maritimes from Canada's energy resources. They took a country rich in resources and left it with a $2 billion deficit or outflow annually to buy oil from OPEC nations.

With the 1970s policy of the hon. member for Windsor West in place, by 1985 the cash outflow from Canada would increase from $2 billion to upwards of $8 billion to $10 billion—just to stand still, to buy OPEC oil to offset the declining production in this country as a result of their policies, and that does not even take into consideration the announced OPEC price increase today of $6 U.S. per barrel. That is what the Liberals have been advocating. They say there is no problem. Of course, from their limited perception there is no problem, because theirs was the perception of the ostrich with its head in the sand.

What are the true facts, Mr. Speaker? Canadians are entitled to know them. How much oil do we in fact produce today? How much oil do we in fact consume? What do we require? Where are we going and how are we going to get there? I should like to direct the balance of my address to the details of these facts for the Canadian people.

In 1978 Canadians produced approximately 1.6 million barrels of oil per day. At the same time, they consumed approximately 1.9 million barrels per day which left a shortfall of 300,000 barrels per day. Money was required in massive amounts to replace the shortfall of 300,000 barrels per day.

Consumption to date in 1979 has been variable, but forecasts have been made for the last quarter which show consumption of 2.06 million barrels per day, production of 1.82 million barrels per day and a shortfall of between 240,000 and 250,000 barrels of oil per day. This shortfall must be bought, Mr. Speaker.

Having isolated the maritimes and portions of Quebec from supply, we are forced to import approximately 600,000 barrels of oil per day to meet their needs. We bring in approximately 250,000 barrels per day to Quebec and 350,000 barrels per day to the maritimes. Thus we find ourselves dependent on foreign sources for 600,000 barrels of oil per day and with no capacity, as a result of Liberal policies, for moving our western supply east.

If we are to have energy self-sufficiency, if we are to have identity as a country, if we are to maintain our self-respect as

Canadians, it is absolutely essential that we embark on a program that would hold our consumption at two million barrels per day. To do this would mean we need a number of active programs. These programs include conservation, conversion to new sources of energy, use of other sources of energy including hydro development, a review of the entire nuclear power development industry in this country and turning to renewable sources of energy. This would include solar, biomass, wind and geothermal.

I should like to spend a few moments talking about conservation, Mr. Speaker. There are a number of ways to come to conservation. You can use moral suasion, you can use pricing, regulation, allocation or rationing. To date, Mr. Speaker, moral suasion has not worked in this country because the Canadian people have been led to believe by past Liberal governments that there was an unlimited supply of energy and that we could waste this resource at will. Of course, we just cannot, Mr. Speaker.

I should like to put on the record a figure which is very frightening and which flows directly from past Liberal policies. In his budget address on Tuesday night, the hon. Minister of Finance indicated that to date in Canada, consumption of gasoline has been rising at over 4 per cent per annum, whereas consumption in the United States has fallen by about 4 per cent per annum. The figures for October, which have just been released, indicate that consumption of gasoline in Canada went up by 5.5 per cent, and in the same period consumption in the United States fell by 8 per cent. We are not conserving. We are not using our resource properly and it is essential that we do.

In addition, Mr. Speaker, we have allowed our prices to fall below the cost of production. Time and time again we hear Liberals say that there is an unlimited supply of oil out west. Mr. Speaker, there is an almost unlimited supply of some types of oil, but not of light and medium crude oil which is the type of oil we have relied upon to date. If we are to supply our oil needs in the future, it will have to come from frontier oil, from heavy oil, from synthetic oil, from new finds off the east coast of Labrador, in the high north, the Beaufort Sea, the Arctic Islands, the Mackenzie Delta. Mr. Speaker, you do not find that oil for the cost that you found light and medium crude oil ten, five or eight years ago.

The Liberals have been continually telling the people in this country that there is lots of oil. What they should tell the people, who deserve to have the true facts, is that the light to medium crude oil is running out. It is this which is the cheap oil, but we do not have much of it left.

The price of oil has to go up to allow the entrepreneurs who look for this hard to find resource to get out into the high Arctic, to get off the east coast of Labrador, to look in the places where mankind has never looked before. It is in these areas that our true riches, our true resource base, lies and it is in these remote areas that Canadians will find energy self-sufficiency, not in the boardrooms of Liberal policy makers. At the same time, we must raise money in this country to teach and educate Canadians to use their resources more wisely and more efficiently.

We must make moneys available for conversion to new sources of energy and to assist those who, because of Liberal policies in the past decade, find themselves on fixed incomes and unable to protect their standard of living. We must make money available to these people so that they will be able to have heat and transportation in the next decade whilst maintaining a reasonable standard of living. This will require money from the federal government which will come from the increased price of oil.

I would point out, Mr. Speaker, that debate has raged in this country for weeks over a price increase of $4 per barrel, from $13.75, the present production price f.o.b. Toronto, to $4 above that, which would be $17.75 per barrel. Today the OPEC nations have effectively increased the price of oil on the world market by $6 U.S., or over $7 Canadian to about $28.50 or $29.00 Canadian per barrel. Who are the Liberals kidding when they say that we have lots of oil? The oil we have must be found and developed and brought on stream.

I should like to speak for a moment about the production of oil from the tar sands where there is a tremendous capacity. It takes approximately five years to build a tar sands plant or heavy oil plant. There are two such plants proposed in Canada at the present time. Each plant will require a working population of about 30,000 persons and will require 15,000 man-years of engineering during its construction period. The cost of each plant will vary from $5.5 billion in 1979 dollars to $6.5 billion. That means that $12 billion is required in the economy to pay for those plants. Canadians are not fools, Mr. Speaker. They know that money has to be raised and left in the hands of the private companies that build these expensive plants. These are time-consuming and very risky ventures because of the problems inherent in building in these remote areas of this country.

In addition to that, Mr. Speaker, we shall have to consider distributing our resources in a more equitable and proper manner. Why in heaven's name a government with any kind of sense at all would have stopped the energy distribution system at the Ontario-Quebec border is beyond me. That is what happened, however. It is now up to this government to find a way to move our resources to other areas of the country. We must move gas into Quebec and the maritimes, and we must find a way of distributing our energy resources on a more equitable basis. We must not leave one area of the country totally isolated and dependent upon foreign supplies in a very volatile and explosive international situation.

• (1540)

Another program that the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) referred to today in question period is the conversion of heating systems from oil to natural gas. There will be a retrofit program announced in due course to which he referred in question period today. We must convince and persuade Canadians that it is in their best

interests to change over to natural gas, which is in abundant supply.

The hon. member for Outremont (Mr. Lalonde) said it is a scandal that we are selling our resources of natural gas. This is not so at all. We have tremendous reserves of natural gas that were the result of exploration during the period 1975-78, and there has been no return whatsoever to the producers on the billions of dollars spent in finding that natural gas.

I would like to comment on our natural gas reserves for just a moment. In Canada we now produce 2.5 trillion cubic feet of natural gas per year. In Canada we use 1.5 trillion cubic feet of natural gas and we export the balance at the present time to the United States as part of our export program and our trades and swaps program to try to obtain more oil for this country.

We have tapped and proven reserves of 72 trillion cubic feet. In addition, we have proven and probable reserves in the high Arctic. We have proven reserves of about 15 trillion cubic feet and estimated or probable reserves at a 50 per cent recovery rate in the high Arctic of another 150 trillion cubic feet. We have now discovered tight gas with reserves of up to 400 trillion cubic feet. At the price to which oil and natural gas has now moved in Canada following the budget address of Tuesday night, upwards of 40 per cent to 50 per cent of this tight gas can be recovered. These reserves are located in the foothills of Alberta. We have natural gas for all of Canada's current needs and future needs, including all possible conversions from oil to natural gas that this country requires during this century.

Some hon. Members: Hear, hear!

Mr. Jarvis (Willowdale): We should all thank God that we have these reserves because if they were not there, just think of the mess we would have been in with the Liberal oil policy.

An hon. Member: Right on.

Mr. Jarvis (Willowdale): At the same time as this conversion program is taking place and Canadians are switching to natural gas, we will have to re-evaluate and reappraise our resources in hydro electricity. We will have to go back across this country to find out just where and how we can use hydro power.

There is a program now in Newfoundland in the lower Churchill area which is under study by the provincial and federal governments and which will hopefully bring more hydro power into the maritimes and Quebec grid. But we cannot stop there. We have to look at all of our capacities in this area.

Also, in the maritimes—we have to use our coal resources to produce electricity. A very scary fact, Mr. Speaker, is that if you go through the maritimes you will find that electricity is produced in the most inefficient and wasteful manner possible. For example, all the electricity in Prince Edward Island is produced by burning oil, not coal, not hydro, not other sources. We must look at the cost of converting all of the oil-fired electric plants in the maritimes to other sources of energy, which will include coal. It is the coal resources in the maritimes that will provide an energy base as soon as we work out the problems associated with the burning of coal and at the same time protect the environment. This must be a first priority.

In addition, we must reappraise and re-evaluate the nuclear question in Canada. Nuclear-produced electricity now provides about 3.5 per cent of the total energy generated in this country. We must look at that program and see whether or not it should be expanded, given always that in any nuclear expansion program we must find proper ways of maintaining and running these plants. At the same time we must find a usable, proper means of storing or disposing of the waste products from nuclear activity. The obligation that is incumbent upon us as a government is to find ways of doing this properly and within the Canadian context so that Canadian citizens understand that we are using our resources properly, effectively and safely at all times.

Some hon. Members: Hear, hear!

Mr. Jarvis (Willowdale): The future does not bode well for the world in terms of energy if we continue to use non-renewable resources.

While Canada is richly endowed, the balance of the world is not richly endowed. There is a world shortage of non-renewable energy or hydrocarbon sources. As I have said, Canada is well endowed but we do not stand alone or isolated from the balance of the world. We cannot build a wall around ourselves and say that we are not responsible for our fellowman. As human beings we are responsible for our fellow man and we must face up to that obligation. Accordingly, it is incumbent upon this government—this is one of the reasons that an energy bank has been announced— to find ways of using effectively, safely and properly the renewable energy sources with which this universe is endowed.

We cannot turn our heads from the biomass process, which is the reclaiming of energy from plant material. We must look closely at solar energy and see if we can effectively use this form of energy. This is one of the reasons that solar energy is being actively pursued in my department, the Department of Energy, Mines and Resources, and in other departments. We must also look at wind and the geothermal process. There are a number of programs in these areas that are in the experimental stage. However, they will require massive amounts of money.

If I could put it this way, Mr. Speaker, there is some good news and there is some bad news. In terms of renewable energy sources, the good news is that Canada is richly endowed. The bad news is that it is expensive to find means of using these sources. That is the down side. But Canadians are not fools. Canadians are not prepared to stick their heads in the sand any more. Canadians want to know that they are facing this challenge head on. That is why the budget of the Minister of Finance is acceptable to the people of this country today.

Some hon. Members: Hear, hear!

Mr. Jarvis (Willowdale): Mr. Speaker, there are many aspects of this whole matter, but I should like to come back to the issue that seems to pop up from the Liberals time and time again. It has to do with the 18 cents a gallon excise tax increase.

The Minister of Finance on Tuesday evening quoted the price of oil using 1954 dollars and bringing them forward to 1979. I should like to do this exercise slightly differently. I would like to point out to the hon. members of this House and to the Canadian people that if you use a constant dollar—and I shall pick the 1971 dollar—and if you take that 1971 dollar and eliminate inflation and look at what it would buy in 1949, and then bring it forward to 1979, you can get an accurate, graphic measurement of what has happened to the price of a gallon of gasoline.

Taking the month of September 1949 and using a constant dollar, gasoline in this country cost 68 cents per gallon. If you take the same 1971 constant dollar and projected it forward to September 1979, the cost of gasoline in this country would be 58 cents per gallon. It would have gone down 10 cents. As far as I know, gasoline is the only commodity that has gone down in price during this period.

I should now like to take the 18 cents excise tax and add it to the 58 cents. By doing that you come up with a price of 76 cents per gallon, which is still the cheapest price for gasoline in the industrialized world by far. The Americans are now toying with a proposal which will put the effective price as of the new year on their gasoline, in Canadian dollars and using imperial gallons, at over $2.10 per gallon. Yet the Liberals are still complaining over an 18-cent price increase.

The Canadian people understand that this government was left with massive deficits, over-spending and debts that have to be serviced out of the country and be paid off in time. At the same time they understand that there is a duty and an obligation on all of us to meet the challenge of the eighties and to become self-sufficient in energy.

• (1550)

I am very proud to be associated with this budget. I have no hesitation in saying that this budget is acceptable to the people of Willowdale. I have heard the rumblings. I have read the newspapers. I understand my friends across the floor think it would be a lot of fun to turf us out of office this evening. If that is their course, so be it. However, let me tell them that the people of Willowdale are prepared to re-elect this government with this budget.

[*Translation*]

Mr. Fabien Roy (Beauce): Mr. Speaker, we have to examine and vote on the budget the minister tabled in this House Tuesday night. We have, of course, to make an objective analysis of it because the decisions that will have to be made in the next hours, in the next days, could be critical in many respects. Mr. Speaker, when one has to examine the budget of a government, it is a bit like having to examine the budget of a business.

It is rather difficult to analyse a budget objectively if you do not have the whole picture of the situation. As far as I am concerned, I still have many things to learn but I have very seldom seen company directors examine their corporate budget without having in hand a comprehensive financial statement which will tell them where they actually stand, and by comparing it with previous financial statements, they can see exactly where they were and how far they have gone. This will tell them whether they are going in the right direction. Only then and not otherwise can you analyse fully and objectively a company budget. So I see here, in this Parliament of Canada, we are denied this important thing. We are not provided with any financial statement on the general situation in this country. We are provided with just a brief analysis, more of a political nature than not, instead of being provided with those broad indications, that financial statement, describing exactly where we stand so as to be able to determine in all objectivity what are the decisions that have to be made and how we must correct the situation so Canada can meet the challenges of the future.

Indeed, to be able to assess a budget properly, you have to examine the situation of the economy. The financial statement is obviously missing. The former government did not care much for that either. We have to look at the country and the various regions to be able to determine where the imbalances are. You have, of course, to look at the world and international situations because we have partners not only among nations but also trading partners. We also have to look at the government's financial situation. I can say, Mr. Speaker, that the government's financial situation is nothing to be happy about but I do not have time to make an analysis of all the decisions that have been made in the past which have led to this financial morass in which this country finds itself.

Let us simply recall an historic fact. I repeat, this is an historic fact. For 50 of the last 60 years, the country has been governed by the Liberals.

Some hon. Members: Hear, hear!

Mr. Roy (Beauce): I see people shouting "Hear, hear!" on the other side, and I believe they are Liberals. Mr. Speaker, is it any wonder because they have just shown their knowledge and ability, but their complete lack of understanding of the present situation.

Mr. Speaker, we have to outline a comprehensive policy. We need a program for the future. We need major directions. We need comprehensive plans. They only think of voting and of playing petty politics. Mr. Speaker, would you please call them back to order? I do not think that I have interrupted one of my colleagues since I came to this House. I have noted that it is always those who never have the courage to rise in this House to defend the interests of their constituents who keep interrupting me when I have the floor.

Mr. Roy (Laval): Mr. Speaker, I believe that I have often defended the interests of my constituents and I challenge the hon. member to show that I have spoken more often in the House than he did. I totally disagree with what he has just said.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please!

Mr. Roy (Beauce): Either the interventions of the hon. member were not relevant or he did not have any influence. Mr. Speaker, what is the state of our economy at the present time? We have an unacceptable level of unemployment. When a country like ours is constantly faced with such an unemployment rate, then all government action is hampered and public budgets are burdened with debts. Because of this, the government deprives itself of a few billion dollars every year when the unemployed ask only to work, be first class citizens and an asset to their families, their area, their province and their country. When we are unable to offer them this possibility, then something is wrong.

Mr. Speaker, we are faced with a record inflation rate. Some will argue of course that we are living in a global context. However, we should not forget that international problems as such do not exist. There are only national problems shifted to an international level. Decisions are not made on the international level, but on the national level. Each country should have enough fortitude to assume its responsibilities and take the necessary steps to have true leadership, the will for action and if the mechanisms fail, to improve them and give institutions the necessary instruments to make them effective and thus bring about results. Mr. Speaker, with respect to our dollar, we were supposed to save, in part at least, the Canadian economy, because we were going to maintain the oil price at 85 per cent of the Chicago rate and the dollar is worth 85 cents. Therefore, if my calculations are right this is equivalent to the value of the American dollar, so nothing has changed.

As far as energy is concerned, what is the government policy? What was the policy of the former government? Are our problems just recent or do they go back to months or years? What about projections? What has the new government done since May 22, when the voters defeated the former government and decided to elect a new government full of good will after having made many promises to give rise to great expectations among the people?

● (1600)

And where do we stand today, as far as energy is concerned? The government starts by reaching into the pockets of the taxpayers before announcing particular programs which remain to be finalized. And yet, our hon. colleagues who are now managing the affairs of our country, after such a long time spent in the opposition, should have had sufficient time to examine the records. In all that time you would think that they saw enough budgets to prepare their political platform. I suggest that they have been in power long enough and have had enough cabinet and committee meetings to be able to announce to the Canadian public at the same time as the budget, if not a few days before, their decision about what is to be expected. All the while the taxpayers are paying, the unemployment rate is high, inflation is rampant, the Canadian dollar is ailing, and the very important subject of energy policy is causing considerable concern to the Canadian public. They are still waiting.

Mr. Speaker, to solve unemployment they are looking for a magic formula, a single formula for Canada as a whole. However the rate is very high in the maritimes, somewhat less but still too high in Quebec, and lower still in other areas. But in fact, in this large country of ours, we have provincial governments that are capable of taking their responsibilities, capable of acting. And rather than infringing on their jurisdiction, we should give them the means to assume those responsibilities. In this way, instead of fighting those governments of whatever political creed, we would co-operate with them, whether they be Social Credit, Liberal—although there are none left—Conservative or NDP governments.

As far as inflation is concerned, there would be much to say. We questioned the Minister of Finance (Mr. Crosbie) in the House, asking why he agreed with the governor of the Bank of Canada who had announced a third increase in the interest rates. At the request of the opposition, the Committee on Finance, Trade and Economic Affairs held sessions, the governor of the Bank of Canada appeared, the Minister of Finance also appeared, and here is what the Minister of Finance said, as appears on page three of his statement:

> A third reason for present interest rate levels is the large and growing deficit in the current account of our balance of payments. That cannot be reduced quickly either, and as long as it continues it must be covered by an adequate flow of capital into Canada.

The minister went on to say:

> High interest rates counter inflation as they discourage excessive spending. As demand drops, businesses come under competitive pressure, and this helps to keep other costs and prices down.
>
> To the extent that there is a cause and effect relationship directly between interest rates and inflation, it is more accurate to say that inflation causes . . .

—he did not say is the main cause for—

> . . . it is more accurate to say that inflation causes higher interest rates than it is today the reverse.

What is the Minister of Finance announcing? Mr. Speaker, in the energy area the government will have to know that there are inequalities between regions, that the problems are different at that level and that there must be a stop to the siphoning off of huge amounts of money from certain regions for transfers to other regions. There will have to be some compensations, some new formulas, some answers in order to have an economic balance based on values, capabilities and resources which are available in the various regions and provinces which

make up Canada. Mr. Speaker, in the world we are entering a new era, characterized by a shortage of resources, and Canada is one of the biggest reservoirs of resources in the world. What are we doing to try to make Canadian resources benefit Canadians?

Do our huge resources contribute to create more jobs for Canadians? Do our resources contribute to lessen the pressures on the government budget to reduce taxes so that taxpayers take advantage of them? Is there a budgetary policy which would enable us to incur smaller deficits than we now have? To each of those three questions, Mr. Speaker, the answer is negative.

There is another factor in the industrial field throughout the world and it is the importance of semiconductors. We know quite well that it has now become the second largest industry in the United States. What is the position of Canada in that area? Those are some of the questions which remain unanswered. We have trading partners who are uncertain. And even after the budget speech, quite apart from the unbearable tax on fuel, there is no certainty. Even if there were a few adjustments, there is no more certainty than before. Why? Precisely because there is no comprehensive policy, there is no comprehensive plan. As for the fall in our growth, Mr. Speaker, it is a catastrophe.

Mr. Speaker, what we needed was a budget which would have helped us fight against unemployment and inflation, improve our deficit in the balance of payments and provide a true energy program. We expected incentives for large scale projects, which would have increased our chances of achieving our energy self-sufficiency. For instance, what did the budget say about the Bay of Fundy? Nothing at all. Eerily silent indeed it was about the north-south pipeline and the east-west pipeline. We were also expecting incentives for the manufacturing industry which would have improved the balance of payments so as to shore up that part of the commercial balance which represents the manufacturing sector.

Mr. Speaker, I have here quite eloquent charts for 1978 and 1979, but I would like to compare the months of September and October, 1979. While the value of our exports of finished products other than foodstuffs was roughly $15 billion in September, 1979, the value of our imports in the same field for the same month is $28.222 billion, which leaves us with a deficit of $13.1 billion. Did that improve in October? In October our exports, always in non-edible finished products, were of $17.166 billion and our imports in the same category were of $31.669 billion for a deficit of $14.5 billion for one month; for September and October the trading deficit for non-edible finished products increased by $1.5 billion. The Minister of Finance was strangely silent on this question which, by itself, would warrant an emergency debate in the House, emergency measures and an emergency program. Our problems are balance of payments problems and our huge budgetary deficits are caused by high unemployment rate. It is because of these deficits that we must bear such high interest rates which are close to being highway robbery. What was announced? We are given a provincial budget. Having debated nine budgets at the Quebec National Assembly, I knew that by provincial jurisdiction, by what authority is given to the provinces, they are limited to fiscal power, and freedom of action is determined by fiscal power. The speech given by the Minister of Finance was an exact replica of the budget speeches given by provincial finance ministers. Because he restricted himself exclusively to the fiscal power. When I made up my mind to run in a federal election, I assumed that in the Parliament of Canada we would be able to look into problems as a whole, that the main economic levers under the constitution were in Ottawa and that in Ottawa also were extraordinary tools which, if used wisely, could set the Canadian economy in motion again, alter the course of our destiny, and that with the new powers now available, the federal government, instead of using its spending power to invade areas under provincial jurisdiction and thus restrict even more the fiscal powers of the provinces, would effectively look toward the future and make sure that the provincial governments are its true partners.

Instead of that, the new government has chosen to pursue the policy initiated by the former government and invaded a fiscal area which until then, with a possible exception in 1920, had been left to the provinces. And these same people are now blaming the government. They had the nerve—I certainly could use more violent words, Mr. Speaker—to move this motion. That motion should read:

And that this House unreservedly condemns the government for its outright betrayal of its election promises—

Mr. Speaker, this House condemns the government for its budget which will place an unfair and unnecessary burden of higher gasoline prices, higher fuel oil prices, and higher taxes on middle and lower income Canadians. Yet, Mr. Speaker, a great deal of care has been taken, great subtleness displayed and even great caution exercized in this matter not to blame the government on a specific point, namely the 25-cent tax, because the former government, the official opposition now trying to defeat the present government at any cost in the hope of replacing it—does not want to commit itself to withdrawing this tax if it ever gets back into power. The opposite side will naturally be accused of having imposed it. Yet they do not want to commit themselves, they act very carefully, very cautiously, very skilfully because they actually do intend to keep it. Let us be frank about it. I did not hear a single member of the Liberal party state in this House he was committing himself to withdrawing it.

Mr. Speaker, it is quite interesting to go back in the past and study the content of the various statements made by the ministers. I am referring to *Hansard* for July 2, 1975, page 7409. Mr. Turner, who was then finance minister, was speaking about the 10-cent energy tax imposed by the former government, the present official opposition which today pre-

tends to be shocked. However, its members do not dare look at themselves in a mirror, they would be ashamed! Here is what the former finance minister, not the "blue" one but the "red" one, had to say:

It will also contribute significantly to energy conservation, an objective that I believe all Canadians support . . . To effect this objective, the special excise tax on gasoline—which is imposed at the manufacturer or importer level—will be refunded to all exempt users.

Some measures were announced in this regard. And, Mr. Speaker, if I go on reading, I see the then finance minister—I insist that he was a Liberal finance minister—said:

As I mentioned earlier, Mr. Speaker, the Progressive Conservative leader . . .

Because he was indeed attacking the official opposition—

. . . insisted that oil subsidies should not be funded through an excise tax on gasoline because it would be a source of grudges between eastern and western provinces.

● (1610)

But what is even more surprising—and here I think our Progressive Conservative colleagues will not applaud me, but perhaps the Liberals will—Mr. Stanfield, the then leader of the opposition, said, and I quote:

He recognizes that. So what does he do? He does not try to counter that. He sets out immediately to increase vastly the inflationary aspect of the increase in the cost of energy, recognizing that the increase in the price of oil and gas at the wellhead would be inflationary and would create some inflationary pressure . . . The minister said, however, that he could not give the House an estimate of how much gasoline would be conserved as a result.

The present minister did not do it either.

The ten cents tax—

It was ten cents at the time and they were mad, of course, as we would have been.

—will not aid the supply situation either. It will not encourage companies to go looking for oil or gas. It has nothing to do with easing the supply situation which the minister has always talked about in the past. When he was not blaming inflation or the weather or something that happened in the United States, he was emphasizing the importance of increasing supply in Canada. This ten cents per gallon tax on gasoline is not going to do anything to increase the supply of gasoline in Canada, and I am sure that the minister would not even make the argument that it might.

And further on, I am still quoting from the leader of the Progressive Conservative party, the then leader of the official opposition:

This ten-cent tax, being on a user basis, is very concentrated,—

It is strange how short our memory is.

—very visible, very stark in its effects on the consumer and taxpayer;—

That is a ten-cent tax, but they increase it to 25 cents.

—clearly its tendency will be to encourage the person on a wage or salary to push for a higher increase than might otherwise have been the case.

If a ten-cent tax prompts the taxpayers to ask for salary increases, how can a 25-cent tax not have the same effect? I should like to have an answer from the government side; since they have power, they must also have some knowledge.

[Mr. Roy (Beauce).]

It cannot have any other possible effect. This measure, being in no way conducive to restraint, will have a very clear and stark tendency in the opposite direction.

So the tax at the wholesale level is not just inflationary but it is also an increase in the cost of marketing the product.

A gasoline tax makes sense—

Listen to this one. This was said by the then leader of the opposition, and I am in complete agreement with him.

A gasoline tax makes sense as a road building tax in the hands of provinces. It makes sense if it is considered as a road user tax in the hands of provinces.

The Progressive Conservatives said this when they were in the opposition. They denounced a ten-cent tax, and now, five years later, when they are in power, they increase this tax to 25 cents. What logic! This is what we call consistency in politics. They follow the same old line and then wonder why taxpayers have all sorts of problems. There are many other things that I could quote, but since we shall not have the opportunity to bring up the subject again during the debate, I want to say that the motion introduced by the official opposition is inconsistent and insincere. It is hypocritical and aims only at deluding the population into believing that, after six months, they have seen enough to know exactly what to do.

Mr. Speaker, the truth must be told about the New Democratic Party. The NDP have also introduced a motion, not an amendment pure and simple, but a subamendment because our rules allow them to do so. For our part, we are not entitled to move an amendment or subamendment. Had we been able to do so and if the rules had allowed it, we would have proposed a subamendment and the three other parties would have joined forces against us because they refuse to strike at the root of evil and to tackle the basic problem.

And what does the New Democratic Party's motion say?

And this House unreservedly condemns the Government for its outright betrayal of its election promises to lower interest rates, to cut taxes, and to stimulate the growth of the Canadian economy, without a mandate from the Canadian people for such a reversal.

This is a non-confidence motion, no more and no less.

What is the New Democratic Party's proposal? What would they do, if they were the government, tomorrow morning?

Mr. Speaker, before I came to this House I always believed that the New Democratic Party was serious, but during the time I have been here, they have been attacking interest rates, inflation, unemployment, everything. But I still have to hear a positive proposal from them. Does that party believe only in carping instead of offering solutions? Frankly, this is rather disappointing. Fortunately our debates are televised, the people will be able to find out. I have not heard one single proposal from the New Democrats that would tell us what they would do if they were the government. Their approach is negative. They are physicians that know a disease when they see one, but are unable to cure it.

● (1620)

[*English*]

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. I regret to inform the hon. member that his allotted time has expired. In order for him to continue, he requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: No.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Since there is no unanimous consent, I recognize the hon. member for Thunder Bay-Nipigon (Mr. Andras).

An hon. Member: Let the hon. member for Beauce continue.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. I have recognized the hon. member for Thunder Bay-Nipigon because the time of the hon. member for Beauce has expired and there was no unanimous consent for him to continue. The hon. member for Rimouski (Mr. Allard) is rising on a point of order.

[*Translation*]

Mr. Ouellet: There has been unanimous consent.

Mr. Allard: Mr. Speaker, I rise on a point of order.

Mr. Acting Speaker (Mr. Scott, Victoria-Haliburton): The hon. member for Rimouski on a point of order.

Mr. Allard: Mr. Speaker, it is my understanding, when you indicated to the hon. member for Beauce that his time had expired, that apparently there was unanimous consent to let Mr. Roy conclude his remarks within two minutes.

Some hon. Members: Agreed.

[*English*]

The Acting Speaker (Mr. Scott, Victoria-Haliburton): I will ask the House again. Is it the pleasure of the House to allow the hon. member for Beauce to continue? Does he have unanimous consent to continue?

Some hon. Members: Agreed.

[*Translation*]

Mr. Roy (Beauce): Mr. Speaker, while I do not intend to take unfair advantage of this leave, I certainly would like, nevertheless, to deal with the essential points which in our opinion the House should seriously take into consideration, because we believe it is the only way to level up the Canadian economy and set our country on the road to progress and prosperity.

Here in Canada, the government has enormous means and extensive powers at its disposal, one of them being the central bank. The monetary policy does not come under provincial jurisdiction. It comes under federal jurisdiction. Where is this country's monetary policy? What means does the government intend to use concerning its potential and actual relations with its commercial partners, with the other countries? Tariffs are there to serve the purpose. Also, the government has all kinds of means at its disposal to pull us out of this economic stagnation. But, Mr. Speaker, we are caught in a vicious circle. The interest we have to pay each year on our national debt is in itself a factor which drags the country still further into debt. Do we intend to get out of it? Why is the management of our national debt not a responsibility of the Bank of Canada? Of course, that would involve amending our legislation, revamping our Bank Act in order to give the Canadian government the authority needed to stop this pyramidal indebtedness which is the cause of this absence of government policies, of the current rate of inflation, of unemployment and of high interest rates, for our budgetary deficit is so high that it paralyses any government action. And this, Mr. Speaker, at a time when we are told that increases, or rather deficits, are expected to reach $10 billion, and the cost of the interest of the national debt $12 billion within two years. May I close my speech, Mr. Speaker, with a quotation from the former prime minister who still sits in this House as opposition leader (Mr. Trudeau) and hon. member for Mount Royal. In an interview he gave *Fortune* magazine, this is what Mr. Trudeau had to say, and I quote:

> The worst bellyachers are the bankers. They have never had it so good as since I have been leader of the government. I am ashamed of it.

That is what the former prime minister said, the present opposition leader.

> They are growing much richer than the manufacturing sector, or the natural resources sector, or the whole of the service industries.

Mr. Trudeau then adds further that, while complaining about what they call the unwarranted interference of the government in business, the bankers are asking the government to amend the Bank Act in such a way as to better protect them against what competition they now have.

Mr. Speaker, President Roosevelt, whom I am going to quote for a second time to the House, said when the United States entered the war that if his country wanted to win the war it would have to demystify the monetary power. If Canada wants to meet the challenge of the future, it too will have to demystify monetary power.

Just as long as the political groups that lead the country refuse to do what is necessary for the central bank to play its true role, so that we can have a real monetary policy, so that the credit of the nation can be cashed in and accounted for in the interest of all Canadians, we will never know any results other than that, whether or not we hold elections, whether or not we go from the Grits to the Tories, and even adding the New Democrats, nothing will ever change. The question is fundamental, Mr. Speaker, and I invite my colleagues on both sides of the House to reflect on it if we are truly interested in the future of our people.

Mr. Fox: Mr. Speaker, I wonder whether the hon. member would permit me to ask him a short question to clarify his position? If the Chair is agreeable, I should ask the hon. member whether he is against the 25-cent a gallon excise tax or whether he is in favour of the maintenance of that excise tax provided it is transferred to the province of Quebec?

Mr. Roy (Beauce): Mr. Speaker, earlier I answered those questions from newsmen. I do not fear at all to express my opinion in the House. We are clearly and categorically against it and I thank the hon. member for allowing me another minute, as the increase from 7 cents to 25 cents on transportation fuels is an extremely important subject. We are fundamentally against it. However, I should like to know what the opposition intends to do and to propose, and whether they are prepared to discuss that tax? Of course, if it were to be changed, and it is not our responsibility, if the opposition agrees and intends to go on working in that direction if the government changes, we should have, of course, to ensure that the tax returns where it comes from, namely in the provinces, and it will be our responsibility.

[*English*]

Hon. Robert K. Andras (Thunder Bay-Nipigon): Mr. Speaker, I would be gratified if I thought I would get the same degree of attention from members in the House today as the previous speaker upon whose every word certain members were hanging, for reasons which, of course, escape some of us. I rather doubt that will happen. If it did, it would be for different reasons. But the mystery did not unfold. We really do not know where the hon. member and his party stand. I guess we will wait for that until later.

Even at the risk of giving up a little partisan turf in this debate, I must admit that I had been looking forward for the last couple of months with some hope and modest expectation to the budget. As a minister who has had responsibility for the Treasury Board and later for the board of economic development ministers, certainly I am aware of the developing problems over the last decade of controlling expenditures and having sufficient economic development in the country, which is the only way that expenditures of the government can be financed.

● (1630)

Especially as I was serving on the board of economic development ministers I became more and more convinced that the tools that were once developed by Keynes and by others, originally to rescue a world that was sunk in the morass of economic deprivation and moral despair, into which it was dragged by the famous or infamous excesses of Conservative orthodoxy in the thirties, and which later served this and other countries rather well during a period when economic progress was ever onward and upward, had finally outlived their usefulness, and we certainly needed something new and different.

I would say that if the Minister of Finance (Mr. Crosbie) had chosen to publish in his background papers to the budget the other night some of the details and figures of the record of the last two or three years of the previous government, it would have been convincing evidence that at the time of its defeat last May that government was already on the way to keeping expenditures within the bounds set by the rate of inflation, added to the rate of real growth, below the GNP nominal growth rate. There is no doubt about that.

Some hon. Members: Oh, oh!

Mr. Andras: Hon. members opposite can giggle over there, but if they look at the facts they will find that is true, and I am sure they would prefer to deal with truth than fancy.

Indeed, we were putting in place economic measures that I think were improving the economy. At any rate, unemployment rates had been receding during the past two years, and early in this year the inflation rate in Canada was at least three points below that of the United States.

Given our feeling, our conviction, that the correct economic measures to meet the new times were in place and working, my colleagues and I were somewhat distressed to see members of the present government, when seeking office, announce their set of notorious and, thank goodness, by now largely abandoned list of election promises. In that we saw an attempt by the Conservative government to grab power through the simple expediency of pushing past an electorate a platform specifically concocted to pass in its absurdity and in its irresponsibility all previous examples of folly perpetrated by the Tories or even, I think, of any other party that got elected in this country.

The election took place. We came back here. We waited for months and months and months and months for the new government to take office and get rolling. I certainly sighed with some relief, although with a considerable degree of concern about the cynicism inherent in his comments, when the Minister of Finance just stood up and said: "Of course, we accept the doctrine that nothing said by my party during the election campaign meant anything". As we listened to some of the other things they were saying we were rather glad that he went on to say, by implication, that any further senseless pronouncements by anybody, including the Prime Minister (Mr. Clark), his leader—anybody in the government—could equally be ignored.

We had some difficulty then over those months wondering what the new occupation of this new Conservative régime might be since it had abandoned all its promises in its platform enunciated during the election campaign. In any event, as I said, I came here the other evening to hear the Minister of Finance present a budget with some hope and some modest expectation. I can only say after hearing it and reading it over, and after looking at the documents, in most of my private sentiments I am bitterly disappointed.

Here is a government finally seizing the occasion in which to unveil its view, its 17-year long deliberation, about the Canadian economy in its first budget in 17 years, as the Minister of Finance told us the other night. This is a budget presenting to the expectant electorate of this country all the treasure of all its expertise and its experience and its hope about our national

future about which they had thought over the 17 years. They gave that precious gift they bore us the other night the title of "Achieve Our Potential Budget".

What is the vision they offered to us? As far as I can discern, in their desire to put it all out and to let it all hang out for the next four or five years on the records they are offering to this country, which already has too high an unemployment rate, a consistent, continuing and even higher unemployment rate.

An hon. Member: Lower than yours.

Mr. Andras: Oh, is that the case? Is that right? Let us just examine that for a moment. The projection of the Conservative government is to see unemployment, and they are aiming for it, at a rate of 8.3 per cent next year. What has been so far only the occasional monthly high around that figure they have now set out as a projection, their target, which becomes the norm lasting for the next two years. After that—

Some hon. Members: Oh, oh!

Mr. Andras: You can take your medicine now so things will improve later. The best thing you can look at in their five-year projection is that at the end of the five years, and for the last three years of that period, they are accepting 7.5 per cent unemployment as their target.

We have inflation on the one hand and unemployment on the other hand. One looks from that, having been disappointed, about unemployment, to what this great new plan of theirs is going to do for the cost of living and inflation. What do they promise us? Next year they promise 11 per cent and the following year 10.1 per cent. That is, of course, in the low range. Do not look at the high range of their forecast which is probably more likely to be the realization. Eventually, after five years, in 1983 or 1984, they say we are going to get down to 6 per cent, if you can believe them. Frankly, I say that anybody who would accept that kind of a forecast five years ahead, in the face of the international shocks that we face from time to time, is really very naive.

This new face and new vision of Canada, this new version of how to run the economy that they have promised to our confederation, has turned out to be a death mask. It is a face of a government obviously with a death wish, because I do not think the people of this country or the members of this House can very long permit the survival of a regime which can offer as its most optimistic scenario for the next five years a fate for this country that is worse than anything we have experienced in the recent past or, indeed, as bad as anything we have experienced in this country since the 1930s. That is their own projection. That is what they say when they set it all out there in all these documents that reveal their program for the future. They do not even keep it a secret. It is all in there and it is manifest in every page of the budget when you read it, Mr. Speaker. In fact, they are even increasing taxes on some cosmetics, risking probably the only chance they had to disguise the revised face of this grim Conservative party with its grim Conservative pessimism that they term reality.

Those dismal figures I have quoted from their own documents, the summary of the budget papers, are not really surprising when one looks at the economic doctrine and the techniques that they intend to employ in trying to improve this country's economy. They have two key hinges on which their policy hangs; one is to get the deficit down, with a long-term reduction in the federal deficit, and the other is the so-called energy self-sufficiency policy.

● (1640)

The government has been crying about how they will get the federal cash deficit down. The President of the Treasury Board (Mr. Stevens) is going around slashing, cutting, shouting, making speeches, but he accepts the projection made the other night that continuing increases in government expenditures will be higher than each of the last three years, a 10 per cent annual increase.

An hon. Member: But a lower deficit.

Mr. Andras: I am very glad the hon. member brought that up because I am going to come to that subject and indicate how it will be accomplished by this new government. The President of the Treasury Board accepts government expenditures increasing from $48 billion last year to $78 billion at the end of this five-year projection, a 60 per cent increase. This is the government's dramatic new policy while interest charges rise from about $7 billion a year to about $14 billion a year with higher inflation and unemployment, and real growth expected, even in the wildest of expectations, to be no higher than 3 per cent.

An hon. Member: It is all on your shoulders.

Mr. Andras: Listen to all this nonsense. On Tuesday night the Conservative party finally cut the umbilical cord and is off and flying—or not flying, but crashing on their own. Most of the press people in this country give them no more than seven months to whirl around saying, "What a tough job we have because of the previous government". From this point on the figures will be their figures. This plan is their plan and the plan which contains these projections to which I have referred.

An hon. Member: It will get the cash deficit down.

Mr. Andras: I am glad that the hon. gentleman brought that up.

Mr. Friesen: You cooked them often enough.

Mr. Andras: I am merely referring to the material, or the ammunition, which the government gave us the other night. The Conservative party has boasted that they would reduce the deficit from $10 billion to $4 billion. Their expenditures will go up $30 billion and their tax increases will go up by over $3 billion a year. But yet they still end up with a budgetary deficit of $9 billion.

Do hon. members know that the cash deficit reduction will come from an accidental accrual of pension funds which has

nothing to do with that government's policy? Let us not talk about fudging or cooking the books in that game. It is not a reduction in the cash deficit as a result of government expenditure restraint, but as a result of a massive increase in taxes. We all know upon whom the burden of those taxes will fall. The accrual of pension funds was a lucky break.

I do not think that any sophisticated analyst upon reading that document would argue that the government and the President of the Treasury Board are earning their kudos by being tough managers and balancing the books by restraint. Instead, they went in the opposite direction and raised taxes but had a lucky break with regard to pension funds.

The Conservative party neglected to mention in this budget one of the promises which it floated past the Canadian electorate in May, and that is the general tax cut of about $2 billion. There is no sign of it in this budget. With the increase in taxes of $3.5 billion next year, considering that the budgetary deficit will change hardly at all and that the cash deficit will come down by sheer accident as a result of those other cash flows, where is that extraordinary increase in taxes going? It is going into the fetish and priority demand of the Conservative caucus, the mortgage interest deductibility program.

Just a few days ago outside this House, the Minister of Finance said that the mortgage interest deductibility plan was not his priority, and that even though the rest of his party thinks that it is a pretty hot thing, he does not. But the minister came back into the House the next day and said that the mortgage plan was the greatest thing since sliced bread. The government is using closure, before the bill has even gone through committee, to indicate how much they think of that plan. It is a very bad misallocation of resources.

There is very little reference in this budget to international trade. I am glad to see that the Minister of State for International Trade (Mr. Wilson) is in the House today. The government wails about the balance of payments, the invisibles and so forth. The only thing that it has done is to export a lot of our natural gas. One would expect from the reputation of the big "C" Conservatives that they would be good at wheeling and dealing abroad, at getting contracts and sparking up the export effort of this country.

I read a speech by the Minister of State for International Trade the other day in which he boasted about a task force on the export policies of the federal government. The minister knows full well that that task force was put in place long before he assumed office. I hope that it works. I have no objection to the government's using these ideas and mechanisms and ensuring that they serve the purpose for which they were intended when we put them in place.

Let us talk about what has happened in the world of international trade. We have the timid trio of trade—the senator in the other place who could not make it on his own, the Minister of State for International Trade and the Minister of State for Small Businesses and Industry (Mr. Huntington). They are bad enough, but then we have the Minister of Energy, Mines and Resources (Mr. Hnatyshyn), who gets into the act or stays out of it, the Secretary of State for External Affairs (Miss MacDonald) and the Prime Minister, all of whom are making statements. We are now in a fundamental position where one of our most important problems and opportunities is that of solving our current account imbalance.

What is the record of this government in international affairs of this nature? They started off behind the eight ball by having blown millions, if not billions, of potential contracts and jobs in this country by their cynical suggestion of moving the Canadian embassy in Israel to Jerusalem. There is no question that it will take a great deal of work and a long, long time for Canada, because of this government, to recover any basis of negotiation in the Middle East that makes any sense whatsoever. By that stupid, immature, cynical, one, single vote-getting promise they made, they have done a great deal of damage and they know it.

The government talks a great deal about energy self-sufficiency in the 1980s and the 1990s. They are talking about a goal which is ten or 15 years away, and we need oil supplies now. Everyone will admit that there is a possible heating oil problem this winter.

Mr. Wilson: Where were you a few years ago?

Mr. Andras: Where was I a few years ago? Well, I will get into that with the minister. Let us take one precise example. Last spring, the former minister of energy went to Mexico and Venezuela. He went for two purposes. One was to shore up oil supplies and decrease our dependency on Middle Eastern oil for the short-term ahead, the next five to ten years.

Mr. Wilson: He went there to grandstand.

Mr. Andras: Hon. members may want to listen to this because they may wish to adjust their policy and take some constructive advice for a change. The former minister of energy went to Mexico to arrange a contract for 50,000 barrels of oil a day with delivery starting in 1980, and 100,000 barrels a day with delivery starting in 1981. The Mexican government was not all that eager to make such a commitment because they were not ready to mass distribute their oil supplies until they had the financial arrangements worked out. Because of the special relationship between Canada and Mexico, they agreed to make this commitment, and not at gouging prices.

The other purpose for going to these countries was to establish a framework for a reciprocal trade agreement with regard to Canadian exports. We are talking about $6 billion both ways in this contract. That is not a small sum. The framework was there. The agreement was initialled and negotiated with the President of Mexico and the former minister of energy, mines and resources. It had only to be ratified and implemented. The President of Mexico had been invited here for that purpose but his visit was understandably interrupted by the election.

• (1650)

A country like Mexico that is going to grow, that has a special affinity, respect, affection and a high priority for Canada-Mexico trade, was treated this way. My information is

that there has been no denial of this from across the floor. Since May 22 until a few days ago when we raised it in the House, the only communication this government had with the Mexican government was to send them a signal about the oil agreement, telling them to scratch out the word "Petro-Canada". There had been no formal contact with the President of Mexico to renew the invitation to him to come to Canada until a few days ago when we raised the matter in the House.

Mexico is a special trading partner of Canada. If that is not enough, on November 26 in Guanajuato, Mexico, a bilateral trade meeting between the Canadian Association for Latin American Trade and high level ministers of the Mexican government discussed trade between our two countries. The Mexicans considered this to be extremely significant. In spite of the insistence of the Canadian ambassador to Mexico and the Mexican ambassador to Canada, however, that we send one of our timid trio of trade to Mexico to help the Canadian delegation and to meet with the President of Mexico and his senior officials, those ministers said they were too busy to go. Instead, we sent the director general of the Department of Industry, Trade and Commerce. The Mexicans were insulted and offended.

This is just one of a series of inept performances by this government which is beginning to cool relations at a time when we are involved in negotiating a $6 billion exchange of trade, to say nothing of getting relief from our dependency on Middle East oil. The Mexicans like and respect us and are willing to deal with us.

Time will not permit me to go over the sad saga of similar gaffes and examples of ineptitude and indifference by this government in the area of international trade which is so important to us.

One of these days I shall put on record the performance of the Minister of State for International Trade with regard to international trade with Argentina. I know the problems with that contract, and because there was a loss it is doubly important that we capitalize on that very expensive lesson about the development of our nuclear technology. Before May, AECL had the inside track in Argentina but this government procrastinated. There was some disagreement between the Secretary of State for External Affairs and the Prime Minister and others about nuclear sales.

As a consequence, they did not make up their minds until they met in Jasper in August, although meetings in Argentina had been arranged and there was a deadline for the contract. I am told that the minister waited—I will accept any correction and I should like to hear about this from him some time—for ten days before he went to Mexico. They had expected two ministers, a senior minister and an inner cabinet minister, and I am told that the junior minister who arrived instead had a great deal of trouble getting an appointment with the janitors.

Mr. Wilson: That is not so.

Mr. Andras: Let us get it on the record, then. I have put down a request for the production of documents on the Mexican fiasco so I shall do the same thing with regard to the Argentinian contract.

The reputation this government is getting in the Middle East, Argentina, Venezuela, Mexico and, I am told, Japan, is shocking. Many Canadians would expect that the Conservatives might be able to do a job in this field.

I see my time is nearly up, Mr. Speaker, but I must say I have not seen anything in this budget that is on the right track. The government has a fetish about the reduction of the deficit, and, frankly, it has a commitment to objectives which I share. But, of course, I do not agree with their methods. They said they would accomplish everything by restraint but they have not. I think we are faced with the highest single increase in taxes since World War II. The taxes are regressive and oppressive and set Canadian against Canadian. I do not see how some hon. members opposite can live with their conscience and with this kind of budget. They should not try to tell sophisticated Canadians that they are balancing that budget and reducing cash requirements through tight expenditure control. They have accepted an increase in expenditures of $30 billion in five years, a 60 per cent increase. They are accepting a 10 per cent annual rate of increase in expenditures. They are playing games with their story about the budget reduction because actually their budgetary deficit comes down very little. After all these bitter pills they are asking us to swallow, this is the result.

It is sadly amusing, Mr. Speaker. The Minister of Finance has at least one thing going for him—he has a delightful wit but it is wearing thin, Mr. Speaker. After Tuesday night no one is laughing at that joker any more. In his speech he boasted that his great grandfather had presented a budget in Newfoundland 51 years ago. That takes us back to 1928, Mr. Speaker. Shortly after that, Canada had its most dismal experience of a Conservative regime through the thirties. I am also told that five years after the budget was presented, Newfoundland went bankrupt.

Mr. Speaker, this government has to straighten up and fly right very soon. There was tolerance in the country to let the new boys learn their job but the evidence we had the other night shows that tolerance to be fast disappearing. A great deal of damage can be done, Mr. Speaker, and I do not think this House of Commons has much choice about what should be done with this budget.

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, I am participating in this crucial debate today in my capacity as the minister responsible for employment policy in the present government. And I preface my remarks by saying frankly to this House that I am very much aware of the awesome problems that face the government in this field. They are awesome problems that have been left largely in neglect by our predecessors and they are crying out for direct and proper attention.

Today in Canada we have a double problem involving a paradox. We have an unacceptably high level of unemployment in general—no one disputes that—but at the same time

we have a shortage of workers with specific skills. This government intends to act to meet this challenge.

There is another challenge too, that of securing justice for those groups within the economy that have traditionally faced special problems in the job market—youth, women, native peoples, the handicapped and others. We intend to do something about that too.

[*Translation*]

Besides, it is clear that the demographic changes in our country and the necessity for our economy to adapt to the energy crisis and to the new physiognomy of international trade will provoke upheavals in the labour force and the labour market in coming years. Therefore, the government must adopt a flexible and balanced approach to take up these challenges.

[*English*]

The immediate problem of young Canadians seeking to establish themselves in a tight labour market has been at the forefront of our considerations in determining the nature and scale of our employment programs for 1980-81. Our concern stems from two main sources. First, youth suffer much more than their fair share of existing unemployment. For example, in November of this year, while youth made up about a quarter of the labour force, they also accounted for almost half of the total unemployment figure. In fact, of the number of Canadians who were looking for work, 15.4 per cent of those aged 15 to 19 and 10.7 per cent of those aged 20 to 24 were unemployed, compared with 5.3 per cent aged 25 and older. I am inclined to the view that these figures probably underestimate the problem because young people are perhaps more easily discouraged from looking for work when they sense it is difficult to find.

● (1700)

The second concern of the government stems from recognition of the importance that finding and keeping meaningful jobs has for the self-esteem and future labour market experience of young people.

[*Translation*]

It is well known that the first experiences of a worker have a determining influence on the rest of his active life and on his income level. The young people of the post-war baby boom now represent over a quarter of the labour force and during the years to come they will rapidly join the ranks of adult workers. For example, it is anticipated that in 1985 they will represent only 23 per cent of the labour force compared to over 26 per cent in 1980. Under these circumstances, it is particularly important that they now get the training and qualifications they will need to lead an active, significant and productive life as adults. Because above all, the government does not want to breed another generation of unemployment insurance and social welfare recipients. Our young people can do better than that, especially in a country as rich as ours in human and natural resources.

[Mr. Atkey.]

[*English*]

Mr. Speaker, although solid work experience in real jobs is important to all youth, the truly vital factor, especially for young people who have not had the advantage of higher education or formal skill training, is simply to land that first job. This can be critical to his or her ultimate success because it provides that all-important starting point. In that connection, I firmly believe that an authentic job, a real job, in the private sector will be more credible to potential employers than a job on a government make-work project.

Some hon. Members: Hear, hear!

Mr. Atkey: It is about those make-work projects that employers tend to be skeptical, if not downright negative.

We are also aware of the concern of parents for their children who are unable to find work or who drift between dead-end jobs and government support programs without learning to stand on their own feet. In fact, many parents feel that they have done everything possible in terms of educating their children and they ask themselves where they have failed or where they have gone wrong. Of course, the answer in most cases is that no blame can be attached to the parents. The problem has been the failure in the past to provide adequate incentives for the private sector to provide sufficient jobs. In the past, there have been a number of measures designed to alleviate youth unemployment. However, these measures, which existed in several federal departments, lacked a clear policy direction. The public was often confused by what appeared to be a hodge-podge of programs.

As announced in the Speech from the Throne, we will be establishing a youth employment secretariat to provide the direction that has been lacking in the past under the previous government. This secretariat will monitor existing programs and co-ordinate them to ensure that duplication is reduced and that they are meeting the real needs of Canadian youth. As an additional means to make sure that youth employment programs provide the best value for money invested in them, the youth employment secretariat will work to harmonize federal youth employment programs with those of the provinces. I might say there are many good programs in the provinces. One of the first tasks of this new secretariat will be to ensure co-ordination of temporary employment programs for the spring and summer of 1980 to accommodate the thousands of young students expected to come onto the labour market at that time.

Our commitment to youth, however, does not exclude other groups who face particular difficulties in the labour market and who do have a valid call on our energies and available resources.

The participation of women in the labour force is a matter which came up in the question period today, and I thank the hon. member opposite for raising it. This has been a problem which has been rising rapidly and continuously since the post-war period. Unfortunately, the trend of having enough jobs for women who want to get into the labour market as a permanent proposition is going to continue for some time.

Although this human resource is one of our strengths as a nation and of our economy, for too many years the talents and abilities of Canadian women have not been fully used. One measure of this is to be found in the fact that although women account for over 39 per cent of our labour force, they also make up about 47 per cent of our unemployed. Moreover, women frequently suffer from job segregation and low wages when they do start to work.

Such barriers are gradually being removed and my department is embarking now upon a major campaign to speed up the process. We are encouraging women to train for all kinds of jobs, including many which for too long have been regarded as male preserves. A good idea of the potential of this exercise can be seen at such projects as Syncrude in Fort McMurray, Alberta, where women in hard hats are an integral and essential part of the work force. That is the sort of thing we are going to see in this country.

Those of us who have had good fortune and good health too often forget not only the problems but the employment difficulties of those who are physically or mentally handicapped. These must be brought to the fore. We cannot continue to shunt occupationally handicapped persons to employment outside of the mainstream of Canadian life. The new programs must and will make provision for their employment in meaningful jobs in the private sector.

Although there are no accurate statistics which fully describe the labour market situation of Canadians of native ancestry, our experience clearly indicates that the problems they face are serious indeed. The disproportionately faster growth of the working age population of native youth, together with structural factors such as low levels of educational attainment, limited job skills and geographic isolation, contribute to all these problems.

I would like to emphasize the role that affirmative action can play in helping to ensure that women, natives and the physically disabled obtain a representative share of jobs within a company or organization. Affirmative action, which is a relatively new approach to this problem in Canada, involves an employer developing a comprehensive, results-oriented plan to remove those employment practices which act as a barrier to these groups but which are not work-related.

Already eight medium and large-sized Canadian firms have recently agreed to develop affirmative action plans with my department, and I understand another 12 agreements are under negotiation. This is all as a result of effective action by officials in Canada Employment and Immigration since June 4 who are working together with the private sector to achieve a worth-while objective.

In January, the government and cabinet will be reviewing the effectiveness of the present voluntary approach in terms of federal contractors; that is, people who want or already have contracts with the federal government. This review will be with a view to ensuring compliance with the affirmative action concept and ensuring that compliance is widespread. Whatever decision is taken by Cabinet in January, I can assure this House and the people of Canada that affirmative action to reduce systematic discrimination will be a major priority of this government and will be most vigorously pursued.

On Tuesday evening the Minister of Finance (Mr. Crosbie) indicated in his budget speech that my department will be launching a number of new initiatives to stimulate the creation of additional jobs and to help individual Canadians obtain meaningful and rewarding employment. I would like now to describe generally these initiatives and the principles upon which they are based.

● (1710)

It is, and must continue to be, the private sector which generates most of the real employment opportunities in this country. It accomplishes this as a by-product of producing the goods and services which people demand through their purchases. In other words, the priority objective is production of goods and services with a real economic value, rather than make-work job creation.

The aim of start/stop programs such as the local initiatives program, OFY and Canada Works, may well have had some validity in the early 1970s when unemployment was seen—wrongly, as it turned out—as a short-term phenomenon which could be treated almost entirely by temporary palliatives. The Liberal concept is to take a gob of money, throw it at job creation and somehow everything will be all right in the long run. To continue with an emphasis of this kind when it is obvious that short-term or easy solutions are not the answer to the problem of unemployment would be irresponsible. Such programs discourage the kind of mobility needed in the labour force and generate dependencies on government support programs in general. They also divert attention from the need to find more permanent solutions to chronic problems. I am convinced that our intention to move towards longer-term solutions by recognizing the primacy of the private sector when it comes to generating real and truly productive jobs is fully in accord with the preference of all Canadians for regular and secure jobs.

[*Translation*]

Far be it from me to suggest that the private sector alone is responsible for ensuring that there are enough jobs for all those who want and can work. It is indeed clearly the responsibility of the government to provide the required parameters, and to be the prime mover in the creation of jobs. All in all, what I am talking about is the necessity of real co-operation among government, employers and labour.

Mr. Speaker, over the last few months I was most impressed to see that the representatives of employers as well as labour and all levels of government have a very positive determination to combine forces to define the problems and work towards solutions. In such a spirit of co-operation, the government can and must act in at least three areas. First, we intend to help establish a social and economic climate conducive to the prosperity of the private sector and to help that sector take initiatives that will produce permanent jobs, as provided for by my colleague, the Minister of Finance (Mr. Crosbie) in his

budget. It is also an area where my department intends to make its contribution as I shall explain later on.

[*English*]

Secondly, Mr. Speaker, we will encourage the private sector to play its full role in employing people, whatever their sex, age, ethnic or cultural background. We will be doing this in complete realization of current and future social and demographic changes. Some examples are the increasing participation and rising expectations of some in the labour market, the aging of the baby boom generation, alterations in family size and structure, and the aspirations of native Canadians.

Finally, we will be helping individuals increase their employability in situations where they are willing to work but where lack of information, lack of funds or lack of opportunity prevents them from obtaining the training and experience they need. At the same time this will help employers get the skilled people they need. We must also recognize that there are some individuals so lacking in basic qualifications that they are not acceptable to employers even when economic conditions are buoyant. For such individuals, we intend to provide assistance which will allow them, in time, to make their own way in the labour market.

The key to resolving the employment problems of young Canadians and others who have difficulty obtaining employment is more jobs. And, as we all know, the expansion of the private sector is the key to creating more jobs. That is why working in partnership with the private sector is at the centre of this government's approach to our future expansion. It is also why I am today giving notice of a ways and means motion setting out the income tax changes necessary to support a major new program of private employment incentives. Pursuant to Standing Order 60 I wish to table a notice of ways and means motion, and I would ask you, Mr. Speaker, to designate an order of the day necessary for the consideration thereof. The incentive will be a tax credit of $80 per week for each eligible worker for a minimum of 13 weeks up to a maximum of one year. A work week must be a minimum of 35 hours subject to any collective agreement regarding a normal work week.

We hope to have the private employment incentives program in effect early in February, 1980. I hope that the motion will be considered by this House very soon after conclusion of the general budget debate. If the motion is accepted, it is my intention to introduce the necessary legislation.

The Acting Speaker (Mr. McCain): Order. Is it the pleasure of the House that the minister should table a motion?

Some hon. Members: Agreed.

Mr. Atkey: The basic intent of the legislation is to stimulate employment by allowing employers to claim the $80 weekly tax credit in return for providing jobs under certain conditions. In the event that an employer would not be able to use the tax credits in a given year, it would be possible to carry them forward for up to five years.

[Mr. Atkey.]

The two elements of the program will be concerned with, first, the incremental employment of youth, and second, with improving or maintaining the employability of people with hiring handicaps, particularly youth, natives, older workers, women re-entrants into the labour force and the disabled. These elements are to come into effect in early February, 1980. If the private sector responds as I anticipate, we will be able to place in private sector jobs before the next fiscal year draws to a close up to 105,000 unemployed young people.

Some hon. Members: Hear, hear!

Mr. Atkey: Of this total, 89,000 young people will be placed in new private sector jobs that did not exist before; an additional 16,000 young people with severe difficulties in obtaining continuing employment will also be placed in private sector jobs. On top of all this, some 15,000 older Canadians who have had such severe difficulties will also be placed in private sector jobs.

Whether we reach the placement ceilings under either the incremental element or the employability element will depend a great deal on the response we get from the leaders of business and industry. We will be appealing to them to join with us in an all-out effort to create employment opportunities for Canadians, and especially young Canadians.

In addition to forging a partnership with the private business and industrial sectors, we want to co-operate with the voluntary sector in creating jobs directly for youth. Although the voluntary sector has demonstrated a tremendous capacity to perform an invaluable service function, as witness their efforts in the case of the Indo-Chinese refugees, such organizations have been largely untapped as a potential source of concrete work experience for young men and women.

● (1720)

Through a new national youth service program I expect that about 14,000 young people will, by the end of the fiscal year 1980-81, be enlisted by the voluntary sector to render a service to their country, their province or their community rather than having to depend on unemployment insurance benefits or welfare. We should make special efforts to seek the active participation of women's groups in this program. The national youth service program is to be funded at a level of at least $70 million in the year 1980-81.

[*Translation*]

We especially want to help the young people who are really disadvantaged and who are in great need of assistance. We do not want to repeat some of the mistakes of the Opportunities for Youth and Local Initiatives programs where, in many cases, middle and upper class young people financed their own little projects with public funds without the country or the community being able to benefit from it. By obtaining the participation of recognized organizations which have already proven that they can bring their services to those most in need, we believe that the emphasis will be placed less on innovation for its own sake and more on better opportunities to implement

projects which will have long-term beneficial effects and will provide a valid job experience for young people.

[*English*]

The government will also be setting aside $50 million, obtained through reductions in some programs, to finance economic development projects in areas of high unemployment, a significant proportion to be directed to regional areas, primarily in eastern Canada. The specific projects are now under final review and details of the federal proposals, subject to further consultation with the provinces concerned, will be announced soon. They will include small craft harbours, fishing vessel assistance, fish-handling facilities and technological development in Quebec and the four Atlantic provinces.

Let me talk for a moment about the shortage of skilled labour in Canada. Immigration may be an appropriate response to assist the private sector when there is absolutely no other way to fill an immediate labour force need. But a much better and longer-term solution is to give high priority to the training of Canadians in the highly skilled occupations which are or will be in short supply.

Despite the need for restraint in other areas, this government will be maintaining the regular industrial and institutional skills training programs which have proven to be so valuable. In 1980-81 we shall be allocating about $610 million, plus up to $196 million in unemployment insurance benefits, to support industrial and institutional training. Moreover, this government will be increasing financial expenditures to help industry overcome critical trade skills shortages. The critical trade skills training initiatives will be funded at $20 million over the next fiscal year, double the amount provided by the previous government. Under this program the federal government will make financial support available to employers willing to train Canadians. For such employers the support will be for a maximum of two years or half the training time, whichever is less.

As with many programs, the success of this one depends on the willingness of employers, with the support of union leaders, to establish a training capability and to select workers for training. I have already indicated that there is a demonstrated willingness on the part of employers, the labour movement and governments to work together and plan for the future. A good example of this is the establishment in Ontario of a large number of local industrial training advisory committees during the past year. These groups are charged with identifying manpower problems and working toward their resolution at the local level. This is the type of initiative to which we intend to give out full support.

In keeping with the government's intention to ensure that key activities come back to this House at regular intervals to justify their continued need to exist, a sunset evaluation report on our new private employment incentives program will be laid before Parliament after two years. This means, in effect, that there will be the option to end the program after two years. Whether the program continues or not will depend on the results of the evaluation and on what Parliament feels should be done. In any case, it will lapse automatically after three years unless Parliament resolves to continue it for a further period of time.

I mentioned earlier that there are individuals who many employers are reluctant to employ. For such individuals the local employment assistance program is functioning successfully as a vehicle to increase their self-sufficiency. It has been shown that participation in a project funded by this program increases the employability and earnings of more than half the clients. A recent cost-benefit study of the program indicates that for every dollar invested Canada is getting over two dollars in return. That is why we are continuing this program. It is clear that the local employment assistance program is an extremely worth-while program which merits the expansion planned. This program will be a major element of my department's programs for native Canadians. More than half the program funds will be allocated in such a way as to encourage the development of long-term jobs in native communities.

By developing these programs and by ensuring that the major components will be subject to sunset review and lapsing clauses, we have maintained the flexibility which will be needed to shift the balance between programs, and the specific problems they address, as circumstances change. One of the things we can foresee now is that the labour force will "age" as we move into the 1980s. The "baby boom" generation will enter the adult age group, reflecting the birth rate decline which started in the 1960s. It will not be fully replaced by new youth of working age. The critical nature of the youth unemployment problem can be expected to ease as a result of these developments, as well as because of the programs we are initiating. As this occurs, it will be necessary from time to time to reassess the situation and possibly to shift the balance so as to direct emphasis to other priority areas.

As my colleague, the Minister of Finance said last evening, the eighties are not going to be easy years. The impact of major changes in the labour market in both the rate and nature of technological change and in the needs of Canadians as they go through the life cycle will generate substantial challenges. This government is ready to meet these challenges and I believe the measures I have just described will move us firmly in the right direction.

Above all, however, I would like to underline that although this government is prepared to take policy initiatives and back them up with dollars, the government cannot do the job alone. In the final analysis it is up to the entrepreneurs and businessmen of Canada from both large and small businesses to generate the economic activity which will open up employment opportunities. Our function as a government is to play a supportive role and help create a climate in which individual Canadians are willing to make the judgments and take the risks which will allow the real potential of our economy to be realized. I am sure all members will agree that given this country's combination of human and natural resources, our potential is considerable indeed.

[*Translation*]

Mr. Olivier: Mr. Speaker, would the hon. minister accept a question?

Mr. Fox: I rise on a point of order!

Mr. Olivier: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. McCain): The hon. member for Longueuil on a point of order.

Mr. Olivier: Mr. Speaker, could I ask a question of the hon. minister?

[*English*]

The Acting Speaker (Mr. McCain): The hon. member can put a question only with the unanimous consent of the House, since the minister's time has expired. Is there such consent?

Some hon. Members: Agreed.

[*Translation*]

Mr. Olivier: Could the minister tell me the full amount that he has set aside for job creation and the total number of jobs that he has created?

● (1730)

[*English*]

Mr. Atkey: Mr. Speaker, the program which was announced today is largely a program for the fiscal year 1980-81. The targets I gave you for the creation of jobs was some 105,000 jobs for young people, and an additional 15,000 jobs for persons who are not young persons but nevertheless handicapped in the total sense of having severe difficulties in obtaining continuing employment. On top of that there will be training positions for some 120,000 young people and many more training positions for older Canadians, the total number of which is not fully clear. On top of that—and I am repeating the contents of my speech—there will be 14,000 persons in the national youth service program. The total cost of our job-creation program is, in dollar terms, exactly the same amount of money provided by the previous government. I can assure the hon. member that for the same dollars we will be getting twice the value.

Some hon. Members: Hear, hear!

Mr. Hogan: Mr. Speaker, I rise on a point of order. I should like to ask the minister a brief question. Did he say that the Department of Employment and Immigration is now going to take over the small craft and harbours program entirely, or it is going to play the role that it played traditionally of supplementing the job that was done for the Department of Fisheries?

The Acting Speaker (Mr. McCain): Order, please. I should like to draw the attention of the House to the fact that this is not the question period and that this question, like the former one, can only be asked with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Atkey: Mr. Speaker, may I repeat this again. In the eastern alternatives employment program referred to by my colleague, the Minister of Finance, in the budget debate the other night, there is a sum of $50 million which has not been allocated in any specific way but which will include a number of projects, such as small craft and harbours. Those projects need not necessarily be funded directly by my department, but one of the principal criteria for their funding is that they be labour intensive.

Hon. Francis Fox (Blainville-Deux-Montagnes): Mr. Speaker, it is not every day that I have the pleasure of speaking following the Minister of Employment and Immigration (Mr. Atkey). In the past few weeks it seemed that I had always preceded him. But in this way I may in some way have the last word.

While it is a pleasure to be following him, it is also a major source of disappointment for me to have to speak in this budget debate following the type of announcements that the minister has just made. We have been waiting for a long time for the minister's employment strategy. In fact we have been waiting since June 4 when he was appointed. Since that time we have been treated to a number of speeches and, in spite of our repeated questioning of him in front of parliamentary committees, we have obtained no information from him. It seems that he has a lot more confidence in the various service clubs to which he speaks across the country, because what he told us today he revealed in great part to most of the service clubs.

We on this side of the House would have much appreciated it if the minister had had the courtesy to send us advance copies of his speech so that we could have had a look at it before he unveiled it in the House, and analysed it in greater detail. I will respond to some parts of the minister's speech, and other parts of it I will leave to my colleague, the critic for women's employment, the hon. member for York South-Weston (Mrs. Appolloni).

First of all, I would like to look, before considering the employment program which the minister put forward before the House, at the economic setting in which we are acting. The minister's department has a very special responsibility within the Government of Canada, one of stimulating employment in times when the macro-economic policies of the government are perhaps not working. If there is one thing that comes out clearly from the budget, it is that the macro-economic policies of the government are not working and they more than offset the type of job-creating opportunities that the minister brought forth tonight. In that sense I want to extend my sympathy to him, because he knows full well that in spite of the $7 million he will be spending in the job-creation field, he knows his colleague, the Minister of Finance (Mr. Crosbie), will destroy

more than 135,000 jobs between now and 1981. Those are not my figures, those are the figures of the Minister of Finance.

So what is the setting? We have had this government in office for six months now and the setting is one of a slowdown in the Canadian economy and a slowdown in the U.S. economy for which this government is not responsible, but where does the responsibility begin to try to offset in this country, by economic tools at their disposal, the effects of unemployment in Canada or of the U.S. recession? We have rising interest rates for which they now must take responsibility, we have slow growth, which is projected in the Minister of Finance's projections for the next five years, we have the U.S. recession on the horizon and, as a matter of fact, as the minister knows, cuts in his job-creation program since he came to office. That is the setting.

We must look at that setting first of all in connection with the promises that the minister's party made before coming to office, because they made a number of substantial promises. They had miracle solutions to the problems of the Canadian economy in the spring, but those budding promises in the spring have turned to the deadwood of winter even before the snow began to fall in this country.

What were they telling us in the months of April and May? They told us that unemployment could be reduced by 5.5 per cent in 1985. That is far from being the type of projection that the Minister of Finance tabled in the House the other evening during the course of his budget speech. In reality we are looking at 8.3 per cent unemployment by 1981. They spoke of creating 1.5 million jobs by 1985, but according to the Minister of Finance's predictions, they will be destroying 135,000 jobs before 1981. They spoke of a growth of 5 per cent in CNP by 1985, but now they are talking about zero growth in the economy for the second time in a number of years. They are talking about zero growth in a country like ours, with the potential we have in terms of human resources, in terms of natural resources, and in terms of our strategic position in the world community. They also spoke of a number of other initiatives.

They told us they would be reducing taxes by $2.5 billion. We all know that through the very regressive, unfair way of bringing in revenue to the coffers of the Government of Canada, they have decided to tax the people who needed the money most in these times of high inflation, people who own automobiles which consume gasoline and people who are working and who have to pay unemployment insurance premiums.

They will get about $2.8 billion out of the pockets of the Canadian car owner, about $800 million out of the pockets of employers and employees who are paying unemployment insurance premiums, and they have decided to push that user-pay concept to its extreme limit by telling people that in the future as soon as unemployed people obtain jobs, they will have to pay for all the services provided by employment agencies under the jurisdiction of the minister. The minister did not speak about that tonight. He put out a press release yesterday. I for one believe this is a scandalous situation where the Government of Canada is telling people that services will no longer be provided for them, that their cost is to be covered with money which accrues to individual workers and employees in this country.

When we add up those two or three figures, we see the government will be taking $3.5 billion out of the economy.

Some hon. Members: Shame!

Mr. Fox: Let us look at those projections in the budget brought down by the minister the other night. He spoke to us about increases in the unemployment rate which would go from 7.5 per cent this year to 8.3 per cent in 1980, and remain at 8.3 per cent in 1981. What does that mean in terms of people, because I think in this House we lose sight of the number of people who are actually involved in this type of process? At an average unemployment rate of 7.5 per cent, we are talking not in terms of percentage points but rather of some 850,000 Canadians who are seeking employment and cannot find it.

What did the government promise to do for Canadians in the years to come? The minister talks about the role of the private sector, but what will the government do to enhance the private sector, to let it expand so as to create the jobs that the minister talks about? The minister's colleague, the Minister of Finance, speaks of the rate of unemployment rising from 7.5 per cent to 8.3 per cent, which means it will rise from 850,000 unemployed this year to 963,000 unemployed Canadians in 1980, and to 986,000 by 1981.

An hon. Member: Unacceptable.

Mr. Fox: That is if the minister's projections are correct. They are succeeding in doing this at a time when the growth rate in the labour force is declining, that is, at a time when the growth rate is declining the over-all economic policies of this government are leading to an increase from 850,000 unemployed Canadians to 986,000, according to their own figures, in the short period of two years.

• (1740)

What are they promising in terms of inflation? Now they talk in terms of a rate from 11 per cent to 11.4 per cent by 1981. Indeed this is a novel way of looking at job creation in this country.

An hon. Member: We will have to change that.

Mr. Fox: My colleague is quite right. We do have to change that. When I look at some of the things the Minister of Finance said, and when I read his budget speech, I realize that he had a few positive things to say about the Canadian economy. He said that job creation has been impressive. He is not talking about his job creation. He is talking about the job creation by his predecessors in that portfolio. He said the following:

> Job creation has also been impressive. About 440,000 more people were employed in October, 1979, than in October, 1978.

I am not too sure if the colleagues of the hon. Minister of Employment and Immigration were quite as forthcoming in the last election campaign to mention the type of record levels of employment created in the country over the past few years by his predecessors.

In his budget the Minister of Finance said the following:

More than 135,000 of the new jobs were in the manufacturing sector.

Then he looks to the future, the future for which he and his colleague, the Minister of Employment and Immigration, are responsible. He said the following:

Our prospects for 1980 are clouded by the recession which now appears to be under way in the United States . . . This means that fewer jobs will be created in Canada in 1980 . . . and that our unemployment rate is likely to increase to about 8¼ per cent.

Well, that is the Minister of Finance. He is looking back and says that there has been a great record of employment creation in the country, not to mention that it was done under the previous administration. Then he looks forward, into the future. He is responsible. He has the economic tools in his hand. It is up to him to try to stimulate the economy in a period of time when interest rates prevent the private sector from doing so, in a period of time when the recession in the United States also prevents the private sector from doing so. But, what does he do? He takes about $3.5 billion out of the economy and puts some back, but reduces the general stimulation by about $750 million. What does that mean in general?

I know there are people looking at us out there. When they hear politicians discussing matters, I know they do not always take their word for the dire economic consequences which will come about. But I have gone over some of the comments which have been made about the economic policy of this government. This government has been in office for six months, and already it is bringing us to the brink of disaster to such an extent that members on both sides of the House feel it is about time the life of this government was brought to an end, so that we can get back to some sort of rational economic policy-making in this country.

Some hon. Members: Hear, hear!

Mr. Atkey: Oh, oh!

An hon. Member: Jerusalem will remember you.

Mr. Atkey: You will not be smiling at ten o'clock tonight.

Mr. Fox: I should like to quote to the Minister of Employment and Immigration from a newspaper which is published in his home town, the *Toronto Star*. It refers to his colleague's budget as "a totally misguided budget". Those are not my words. Those are the words of the *Toronto Star*. I am not making them up. They were in the *Toronto Star* today. It indicated:

Mr. Crosbie has come up with measures that are guaranteed to give us even less growth, higher inflation and more unemployment . . .

That is an indictment of the type of economic policy the minister is trying to support in the House. The minister responsible for employment supported his colleague during the budget debate for coming up with measures which will guarantee less growth, higher inflation, and more unemployment.

I stay in the hon. minister's home province of Ontario. I looked at what the three main political parties in his province had to say to him and his colleagues yesterday. I am referring to the Liberals, the NDP, and the Conservatives, his blood brothers. They all came to the conclusion that the budget the minister is defending might trigger a recession while fuelling inflation and unemployment. We are not saying that in this House for political partisan purposes. We are trying to give the minister an objective view of how his budget is perceived by the *Toronto Star* and the three main political parties in the province of Ontario.

The Quebec minister of finance is quoted in *The Gazette* this morning in Montreal, speaking particularly about the excise tax on gasoline, as saying that this measure makes no economic sense. I should like to quote from this morning's edition of *La Presse*.

[*Translation*]

Tax conservatism does not make any sense at a time when economic stagnation is expected for next year. He will step on the brakes precisely when the economy is braking much too hard.

[*English*]

The same theme is taken up in the French press in Montreal.

[*Translation*]

The theme is the same. The main dailies in this country, in both Ontario and Quebec, all make the same lecture. The *Toronto Star* speaks of an absolutely ridiculous budget. Commentators in *La Presse* say that the measures put forward by the Minister of Finance and I quote:

—globally make of this budget a tax hole that will be useless in giving new impetus to the economy and illusory in the fight against inflation.

Le Devoir said this morning, and I shall quote again, Mr. Speaker, because I want to prove this is not political narrow-mindedness on our part. These are objective, independent observers, who see the situation from the outside, who have come to the conclusion that the budget does not make any sense. I quote:

One must wonder if the time was really ripe to whip, energetically, a languishing economy whose state might worsen with the American recession.

That is their conclusion. So there! Governments in power, in Ontario as well as in Quebec, condemn the measures put forward by the colleague of the Minister of Employment and Immigration. The great dailies in this country, *Le Devoir*, *La Presse*, the *Toronto Star* all agree. One of the large investment dealers also reaches the same conclusion. I mean Wood Gundy, who says, and I quote:

[*English*]

Wood Gundy, the largest firm of investment dealers in Canada, came out with the following statement:

Fiscal Conservatism is triumphant and will bring Canadian growth in real terms to zero . . .

An hon. Member: That is true Conservatism, destroy Canada.

Mr. Atkey: Oh, oh!

Mr. Fox: I will finish the quote. I am sure the hon. minister is interested in hearing the end of the quote. In fact I will reread it: "Fiscal Conservatism"—I have trouble pronouncing those words because I do not particularly like them. It reads as follows:

Fiscal Conservatism is triumphant and will bring Canadian growth in real terms to zero or below in 1980.

Mr. Atkey: Wood Gundy liked the budget.

Mr. Fox: Well, if you like a budget which brings us to zero growth in 1980!

I should like to get back to the minister's basic premise in the speech which he made to the House this afternoon. It was the primacy of the private sector to the exclusion of the public sector. I think the minister is making a very serious mistake. We in this country do not simply need measures to encourage the private sector. We need a mix, and the minister knows it. In his heart he knows that we need a mix of policies.

We need temporary job-creation policies which can only be funded by public funds and which can be used effectively by local groups, such as municipalities and a number of groups that do not have the profit motive as their sole objective. Of course we need a number of measures which will incite the private sector to undertake job creation, but I tell the minister that fiscal policies which will lead to zero growth in the economy are not of a nature to lead industry to expand.

Now I should like to come to the minister's job-creation measures. Since the minister did not favour me with a copy of his speech, I had to make a few notes during the course of his speech. Of course he spoke about the primacy of the private sector and his program to incite job creation in the private sector through the use of a tax incentive, the main thrust of his program. I think the minister will agree with me on that. The main thrust of his program is to use tax incentives to create jobs in the private sector. I am not in disagreement with him. I think it is a good way to go, but I do not think it is the full answer to the problem. In doing so, he is really continuing along the lines of the Liberal job-creation program which was started last year when the previous government put $100 million into tax incentives to encourage the creation of jobs throughout the country.

● (1750)

The real problem in this country at the moment is not one of bringing young people into the labour force, the real problem at the moment is how the minister is going to prevent people from losing their jobs. What this government's policies have led to is plant closures and lay-offs right across the country. *The Globe and Mail* this morning mentions 3,600 workers of the St. Catharines Foundry and Engine Plant being laid off tomorrow. They are not the people the minister's $80 a week incentive program is going to help.

The point I am really trying to get across to the minister is that, in spite of his efforts to create something like 135,000 jobs in the short term, because of the general policies of this government they will be destroying more than that number of jobs over the next little while. We have all these lay-offs, and the minister knows as well as I that there have been a number in a number of areas right across the country. The job at the moment is really one of using existing capacity rather than how to increase it.

I really cannot understand how the minister's tax incentive program is going to help the young worker coming into the labour force in Windsor or in Ste. Thérèse, Quebec—how it is going to help him get a job with General Motors. They are laying off men right across the country. The Minister of State for International Trade (Mr. Wilson) was here earlier and he knows full well the state of the automobile industry in this country. It seems to me the government would do much better in trying to bring forward a fiscal framework that would encourage the creation and expansion of jobs rather than going at it the opposite way.

The minister is very proud of his program. He tells us now that he wants to do away basically with any job-creation program that relies on the public sector for job creation.

Mr. Atkey: That is not true.

Mr. Fox: That is certainly the main thrust of the minister's program. He has cut a number of programs.

Mr. Atkey: There is the national youth program.

Mr. Fox: Let us consider the national youth program. The minister tells us he is going to be creating something like 14,000 jobs with the national youth program. If I look at the document that was published by the minister's department in September, 1978, I see that there already is something that is called the Youth Job Corps which cost $50 million and which, according to these documents that originate with the minister's department, was to create something like 16,500 jobs. What is the minister talking about?

I know it is Christmas time and that the hon. minister has a temptation to take some of these programs that have been effective under past policies of his department and wrap them up in tinsel to go with the Christmas season, putting tags on them and calling them by different names. However, his national youth service corps which is going to cost $70 million to create 14,000 jobs does not look much different from this youth program that is already in existence and which cost $50 million to produce 16,500 jobs.

The minister has difficulty in holding back his comments on certain things. We have had examples of that over the course of the summer when he was talking about certain kinds of animals, and noises in the night. We on this side of the House all hope that behind the word "bark" lies some timbre, but up to now he has not shown that he really has any timbre at all. I really do not know what political advantage the minister finds in this process of trying to insult everybody in this society.

I have here an extract from the Montreal *Gazette* which quotes the minister as saying in Toronto, specifically in relation to the youth corps program, when asked how his proposals differ from the previous Liberal government's job corps, that participants would work for a year at minimum wages and create some services of lasting benefit. He then went on to say, and I am astounded that he would make this kind of comment, that the second difference is that the plan is not for middle class unemployed youths looking to coast along for a year, but for the chronically unemployed people. I think that is a crying shame.

We have $50 million of public funds being expended to create employment for 16,500 Canadian youths, and this minister instead of trying to improve the program and motivate the young people to do things which are of value to their communities, as they are in a number of areas in the country, goes out and insults them.

Just yesterday I received a letter from the minister's colleague, the Solicitor General and Minister of Consumer and Corporate Affairs (Mr. Lawrence), telling me what a great success the Youth Job Corps program has been. He gave me as an example some programs that have be funded in my own riding. Why does this minister find it necessary to go out and insult the youth of Canada? That is really beyond me. If he wants to help them obtain jobs then I am with him and I will support him. Of course I wish him luck and success in his job-creation programs. I must say that to date he has not impressed us very much in that regard.

During the course of the debate last week when we were talking about another program, the Canada Works program which the minister has promised to eliminate and take completely out of the spectrum of job-creation programs, he went out of his way, along with his parliamentary secretary, to come out with a number of high profile projects that were unsuccessful, failures. Once again, the minister's job is to try to refine and fine tune programs, and to eliminate projects that are not successful. His job is to come up with projects that are successful. There is not one member who sits on this side of the House who could not point out to the minister a couple of highly successful programs in his own riding.

There are a number of members here from New Brunswick and from Quebec, particularly from the Gaspé area, who can point to wharves having been built, arenas having been built and community centres having been built, all with the help of Canada Works Program money being put into the hands of municipalities. What the minister is doing today is telling these municipalities that in the future they can no longer count on federal funds to help them meet local objectives.

In that regard I disagree quite fundamentally with the minister. He is putting all his eggs into one basket, and that basket is the private sector. He should put a substantial part of his program and proposals in that area, and I agree with that. That he should eliminate the public sector from job-creation programs, and eliminate the Government of Canada from a presence in ridings across the country, I fundamentally disagree.

[Mr. Fox.]

[*Translation*]

Quite frankly, Mr. Speaker, we must conclude that after a few months in power this government has no idea of the directions in which to go when it comes to job creation and economic policy. What we have today is almost a joke, Mr. Speaker. Last Tuesday night, the Minister of Finance presented a budget in which he announced a whole series of measures whose sole effect will be to take an additional $3.5 billion from the pockets of consumers across the country, and policies which will directly contribute to the destruction in the Canadian economy of over 135,000 jobs within 18 months.

Today, the Minister of Employment and Immigration to ease the ridiculous and pointless policies announced by his colleague, the Minister of Finance, announced a job-creation program which will not even create the same number of jobs as his colleague destroyed. That is why, Mr. Speaker, the Minister of Finance was forced to indicate clearly in his budget of last Tuesday that despite all the measures that this government wants to take, the only effect between 1979 and 1981 will be an increase in the employment rate from 7.5 to 8.3 per cent.

An hon. Member: Economic activists—

[*English*]

Mr. Fox: The main problem with this budget and its lack of stimulus is that it will not be directed toward new hiring, or in the prevention of lay-offs. Only a Conservative budget could ensure rising unemployment at a time when the rate of growth in the labour force is declining. May I call it six o'clock, Mr. Speaker?

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. McCain): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-29, granting Her Majesty certain sums of money for the public service for the financial year ending March 31, 1980.

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

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Crosbie that this House approves in general the budgetary policy of the government, and the amendment thereto (Mr. Gray) (p. 2299), and the amendment to the amendment (Mr. Rae) (p. 2304).

Hon. Francis Fox (Blainville-Deux-Montagnes): Mr. Speaker, in the two or three minutes which are left to me I would like to wrap up and summarize my speech. I would very much have liked to have had the opportunity to continue to address my remarks to the Minister of Employment and Immigration (Mr. Atkey) who does not seem to be with us at the moment.

This government has been leading the nation for six months. In that short period of time, it has led Canada to the highest levels of interest rates in living memory. For six months this government has led unemployed Canadians to believe that they would be able to find a job under a Tory government. But the Conservative government has shown its true colours in the budget which the Minister of Finance (Mr. Crosbie) brought down on Tuesday night.

What the Conservatives are really leading this country to is an inflation rate of 11.4 per cent before 1981. They are leading this country to higher taxation imposed on those least able to pay it, and a much higher rate of unemployment. The budget which was tabled by the Minister of Finance indicates, in his own figures, that from a rate of unemployment of 7.5 per cent and with his leadership and his fiscal and monetary policies, he will take this country up to a level of 8.3 per cent unemployment by 1981. In human terms this means that, in spite of the announcement of the job-creation measures of the minister of employment today, we will proceed from a situation where we now have approximately 850,000 unemployed—men, women, youth and older people—to a situation where in 1981 we will have 986,000 unemployed. Those are the figures contained in the documents filed by the Minister of Finance.

[*Translation*]

So there, Mr. Speaker, after six months in power this is the only record of the Progressive Conservative government: the highest interest rates that members in this House have ever seen and an unemployment rate—as the result of measures put forward by the Minister of Finance who does not seem pleased that we already have such an unemployment rate—that will make it impossible for 850,000 Canadians to find a job. In addition to that figure, the policies of the minister unavoidably lead to the unemployment of 986,000 Canadians in 1980. I will end on those comments, Mr. Speaker. Such is the record of the government. It is time that we put an end to it and that we close the books.

[*English*]

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order. I regret to inform the hon. member that his time has expired. However, he may proceed with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, in this, my first speech before this House, I would be remiss if I did not begin with a tribute to my predecessor from the constituency of Prince Albert. For 26 years the Right Hon. John G. Diefenbaker represented my riding. The former Prime Minister dominated politics in our part of the country. That dominance eventually reached all of Canada. We may not have agreed with his politics or his position on many issues, but we could not dispute his agility as a politician, or his ability to catch the imagination of the nation right up to this Thirty-first Parliament.

Some hon. Members: Hear, hear!

Mr. Hovdebo: During his career I crossed Mr. Diefenbaker's path many times. As a boy, I met him with my father when he was my father's lawyer. As a university student I listened to him in mock parliament. As a professional educator and administrator, I was Mr. Diefenbaker's host when he, as Prime Minister, opened the town of Inuvik. I was his host again in 1965 when he presided at the opening of the John Diefenbaker Elementary School in the city of Prince Albert.

When I conceded defeat to Mr. Diefenbaker on May 22, he very generously wished me well by saying to his gathered supporters, "We may not be from the same party, but we are here for the same reason, because we believe in Canada".

Some hon. Members: Hear, hear!

Mr. Hovdebo: He said that the election process is a part of Canadian democracy. Although I did not often agree with the Chief, either politically or ideologically, I respected him. The Right Hon. John G. Diefenbaker served Prince Albert and Canada well. He believed in the strength of this Parliament and he trusted the parliamentary system. It is now my honour to represent Prince Albert. I will not betray that trust.

Prince Albert had other distinguished parliamentarians. First we claimed Sir Wilfred Laurier who, though he did not live there, was elected to represent that riding. Prince Albert was also represented for many years by the Right Hon. Mackenzie King. He moved there when he was defeated in Ontario. Prince Albert was then considered a safe Liberal seat.

• (2010)

An hon. Member: Those days are gone.

Mr. Hovdebo: Mr. King was defeated by the CCF in 1945 in a close election that hinged on the soldier vote. There is

many a veteran in Prince Albert who proudly proclaims that his vote sent Mr. King back east.

Mr. Speaker, I should like to say a few words about the constituency of Prince Albert. It is basically a rural constituency with 60 per cent of the voters living outside the city. It is an historic city, the oldest in Saskatchewan, situated approximately in the center of the constituency on the banks of the North Saskatchewan River in the parkland area of the province. It is a beautiful city in a beautiful setting, small enough to be friendly and large enough to provide facilities for the good life. Although forest products and northern development are now contributing considerably to the economy, Prince Albert is very closely connected to the agricultural communities which surround it. The constituency includes some of the best farm land in Canada, Domremy, where I was born, Birch Hills, Kinistino, Wakaw, Shellbrook; Blaine Lake—where Jack Horner was born—Debden, Rosthern and Waldheim.

Prince Albert is the gateway to the north of Saskatchewan, where you will find some of the best fishing in Canada. An international playground, it includes the Prince Albert National Park. That area also has tremendous possibilities for development.

After the Red River rebellion, Mr. Speaker, many of the Métis moved to Saskatchewan and settled on the southern branch of the river. The two Saskatchewan Rivers meet about 20 miles east of the city. The Métis settled in St. Louis, St. Laurent, and Batoche. Duck Lake, Carleton and Batoche were, of course, the sites of some of the battles of the Riel rebellion. Scattered throughout the riding are 12 Indian reserves, mostly Cree, and one Dakota Sioux.

The Indians of northern Saskatchewan are strong, prosperous, and well organized. They contribute a great deal to the communities of that area.

I could spend a great deal of time detailing the hopes and needs of the people of Prince Albert on an individual and group basis. For instance, the Indians would like better housing and more freedom to control their own destiny. They are hoping to have the Saskatchewan formula implemented in dealing with their land entitlement claims. I support all those hopes and needs, and encourage this government to proceed as quickly as possible to their fulfilment.

The farmers of Prince Albert are being squeezed by increasing costs and insufficient prices for their products. Fuel price increases and high interest rates are hurting them. Besides that, the whole industry is being squeezed by the inability to transport grain, and by the abandonment of rail lines which are necessary for the economic delivery of grain. The cow-calf industry may look good at the moment but it is still reeling from four bad years. Farmers need legislation which will allow them to survive. The survival of farms, as we know them in Saskatchewan, is the survival of a way of life.

In Prince Albert members of the Public Service Alliance are feeling insecure and uncared for. Morale is low and many positions are going unfilled, to the detriment of the effective work of whole departments. A policy needs to be articulated and implemented which the Public Service considers fair and equitable.

Labour is also feeling the pinch of interest rates and the general depression of the economy. Workers' purchasing power has been further cut by the increase in unemployment insurance premiums and increased costs of fuel. Construction workers are being laid off and look forward to a very dismal future brought on by the high mortgage rates which have curtailed housing starts.

Small businesses are also in need of protection and encouragement. I commend the Minister of Finance (Mr. Crosbie) on the long overdue move to allow the salaries paid to spouses to be deductible. That is some help, but will not overcome the other effects of the budget.

These are some of the groups of people in the constituency who have needs and hopes and look to this government to help fulfil those hopes. Instead what they got is this budget.

This budget does not deal with the real culprits in our system. It does not attempt to deal with inflation to any extent. The major factor in increasing costs now and in the future will be the interest rates being charged. Those interest rates are causing inflation, hardship, and bankruptcy. Let me be more explicit, Mr. Speaker.

During the recent election campaign in Prince Albert, I talked to many home owners who were worried about the effect of high interest rates on their mortgages. Their present rate on a mortgage is 10 per cent or less. Those rates are to be renegotiated, if you can call it that, up to 14¾ per cent or 15 per cent. On $40,000, 15 per cent means $500 interest. Many of their payments will be $500 per month before principal.

Let me be still more specific: one young couple with three children are planning to sell their home because their mortgage comes up for renewal this month. They cannot afford an increase. Their house will go on sale on a buyer's market, due to the sudden drop in the sale of houses. They are not even likely to be able to cash in their five-year equity. There are thousands of other young home owners just like them.

Most farmers on the prairies, regardless of the type of farming or even the size of the farms they operate, depend upon demand loans for operating at certain times of the year. The margin between cost of production and return from sales is very slim in many types of farm operations. The farmer has a choice of cutting back production or losing more money on a bigger operation. The extra 4 per cent to 5 per cent of interest on operational money will cut that margin still further, or may even eliminate it. If the losses go on long enough, the farmer will eventually be forced to sell. One more farmer will have left the industry. One more family will have been forced to change its way of life. One or two more people will be out looking for work that is not to be found.

Small businesses are very important to the economy of Prince Albert. I agree with a statement in the December 11 budget speech which says that "the small business sector is one of the great strengths of this country". Small businesses are good for Canada because they are usually Canadian-owned

and operated. Interest rates also have a devastating effect on small business. Again let me be more explicit. In Prince Albert last month, a dealer in carpets closed his shop. He had approximately $100,000 worth of carpets in stock. However, the interest on those carpets increased to the extent that he felt he could not afford to stay in business. There are thousands of stores like his. I predict a rash of bankruptcies among small businesses during the next year.

• (2020)

Interest rates have a domino effect. For example, a lumber mill closed a month ago at Meadow Lake just outside of my riding, which put approximately 100 men out of work. The mill closed down because it could not sell its lumber. The lumber yards quit buying lumber because the construction people stopped building houses. Orders for houses dropped drastically. The lumber yard laid off men because they were no longer needed. The house construction industry was not building houses because sales had dropped off. Again, men were being laid off because few houses were being built. Real estate people were having difficulty selling houses because mortgage rates were too high.

We all know the story of the battle that was lost for the want of a horseshoe nail. The analogy is clear, Mr. Speaker. The government may lose this battle because it has failed to deal with high interest rates.

Some hon. Members: Hear, hear!

Mr. Hovdebo: I have heard hon. members opposite say that mortgage rates are going down. But, down from where? Interest rates have moved up from 11 per cent to in excess of 15 per cent and then have moved back to 14.75 per cent. I do not call that a reduction.

I want to speak now about the farmer. The farmer has been dealt a triple blow by this budget and this government. First, interest rates were increased by this government. They were not lowered in the budget. However, I have already dealt with that point.

Prices are being increased for farm fuel at a rate of approximately 60 cents per gallon by the end of next year due to the artificial increase in the cost of crude. In addition, the farmer will be required to pay 25 cents per gallon tax on all fuel he buys. Granted he will receive a 10 cent rebate, but he still has to pay the full amount to get the fuel. I hope that the government will consider paying 16 per cent interest on the money that makes up that rebate because that is what the farmer will be paying for it.

Incidentally, this 15-cent tax will cost Canadian farmers approximately $170 million. The farmer is devastated by these extra costs. That is how this government fulfils its promise to protect the family farm. These kinds of costs heaped on farms that are already marginal will cause bankruptcy. The family farm is in danger.

Statistics Canada, that much beleaguered entity, indicated that the number of families living below the poverty line in Canada has increased by only 1 per cent. I stress the word "only" because the Statistics Canada report did so. Most of us are losing buying power through the effect of interest rates and inflation. But those who are on low or fixed incomes are hurting the most because they so easily slip below the poverty line.

It is a sad state when in a country as rich as Canada 700,000 families are living below the poverty line. Again, that figure is from Statistics Canada. This budget will increase that number by pushing up the cost of rent, fuel and other items. Meanwhile, corporate profits increased substantially during the last year, and this budget will not affect them. In fact it is likely to increase the profits of many companies. This budget will increase the number and speed by which people fall below the poverty line. Poverty is not an economic problem as much as it is a problem of lack of will and neglect on the part of the government.

During the last 100 years, people of the western world developed political democracy to a point where we pride ourselves on our freedom. But also during the last 100 years we have contradicted that by losing control of the economy. One hundred years ago, farmers, tradesmen, storekeepers and professionals owned and controlled the means by which they lived. However, the industrial revolution concentrated the machinery of production and of distribution in the hands of those who supplied the capital. While we won the right to vote, we lost control of the economy.

We are subjected to an almost continuous campaign to sell us on the idea of the free enterprise system. However, as Tommy Douglas put it in 1958, "The economic system under which we live is neither free nor enterprising".

We have heavy unemployment, a surplus of most staples and most manufactured goods, and if the free enterprise market system is working, then the cost of living and the price of retail goods should go down. This is the law of supply and demand. Instead, the cost of living continues to rise and retail costs continue to do likewise. The market system no longer works because most prices these days are set by agrcement based on the cost of production plus a fairly hefty profit. The prices are set by the producer in every industry except farming.

While we have become politically free, we have become economically enslaved. It is still true today that he who controls the means by which we live, controls me. Political power follows economic power. People who control the economy take steps to control the political nation, and I want to stress that point—people who control the economy take steps to control the political nation to protect their investment in the nation. When decisions made in this House favour corporations and when budgets favour those corporations, then we confirm that that statement is true. We confirm that corporations that control the economy are protecting their investment by controlling the political action of the government.

We hear much about the dangers of government control of the economy. What is the danger of a country in which corporations control the government? In Canada we have not only accepted the idea of the state being controlled by corpora-

tions, but we have even allowed the ownership of those corporations to be non-resident. Canada has more non-resident foreign ownership and non-resident control of its industry than all of the United States, western Europe and Japan together.

Some hon. Members: Hear, hear!

Mr. Hovdebo: That foreign ownership is in excess of $75 billion. The real value is much higher than that, and 80 per cent of it is American-owned.

For many years past and for the foreseeable future, unless this or succeeding governments turn it around, the continued non-resident control of the Canadian economy will come from funds generated in Canada from earnings here. We are cannibalistic. We generate funds and give them to foreign corporations to buy more of our economy. What is the present foreign ownership of some of Canadian industry? These figures are a year old. They own 63 per cent of manufacturing; 91 per cent of oil and gas industry; 88 per cent of electrical industry; and 99 per cent of the petroleum refining industry, though this may be down with the growth of PetroCan.

• (2030)

It is getting worse. Areas of Canada previously exempt are fast going foreign as well. The wholesale industry, the retail industry, the forest industry, and the agricultural products industry are all under attack. Even the funeral industry has begun to succumb. With present moves we are all likely to be buried by a foreign-owned corporation.

Most of the cream from our economy is being skimmed off the top and going to the United States. More than $500,000 an hour leaves Canada. That is $12 million a day, or more than $4 billion a year. No wonder we have a balance of payments problem. No wonder we are in economic trouble.

We must buy Canada back. If we fail, future Canadians will be working in relatively low paid, unsophisticated jobs in foreign-controlled companies, with limited choice, and heavier unemployment. The national debt will be self-perpetuating and backbreaking. Time is running out for our country. It is time we became masters in our own house. More and more money flows from our economy to New York where it is borrowed back by federal, provincial and municipal governments in Canada, at high interest rates.

We are told by the Minister of Finance that we have no alternative but to increase our interest rates. Why? Because we have to attract record amounts of foreign capital to help balance the outflow of money. That money which is leaving Canada for services, charges and profits, is needed here. Yet we have to pay high interest rates to borrow our money back. We have come to a sad state of affairs when money, the so-called medium of exchange, has become so great a power that it overshadows everything we do or hope to do. I suggest, Mr. Speaker, that this government might better use their time in devising a financial structure which Canadians control, than bringing in a budget which gouges the Canadian public. The devising of such a fiscal structure would put us in direct opposition to Bay Street and Wall Street. It would take courage on the part of the government, particularly this government, because they would be legislating against their friends.

This budget does not attempt even to tinker with the financial structure, and therefore cannot do anything about foreign ownership or inflation. Support of this budget is support of foreign ownership and a sell-out to the multinational corporations. It does nothing about high interest rates, and increases taxation by devious means.

Thank you, Mr. Speaker, for the opportunity of speaking to this House on this budget.

Some hon. Members: Hear, hear!

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, this is the second or third time in this House I have had the pleasure and the privilege of extending congratulations to a new member, on this occasion the new member for Prince Albert (Mr. Hovdebo), on his maiden speech in the House of Commons. I want to do that unstintingly and without reservation in the best traditions of this House.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I want him to know that, whether his time is long or short in this House, new or forever, there is no greater privilege than serving in this House of Commons, regardless of on what side of the House one sits. I am afraid he will be sitting on that side of the House for some time, if he sits at all, but I hope he enjoys it.

The hon. member said something in the course of his speech which I thought was most interesting and which none of us ought to forget. He said that Canadians were feeling the pinch. Canadians have been feeling the pinch of a lack of leadership in this country for 16 years.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I hope it does not take away from the sincerity of my greeting on his speech if I say to the hon. member that one of the problems in Canada is, that his party supported consistently the purveyors of that feeling of pinching in Canada.

There is no doubt that Canadian farmers are in a plight. There is no doubt that small businessmen are having some difficulty. Under the government that we defeated at the polls on May 22, 1979, and will again be defeated if we again go to the polls—

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): —that government caused more difficulties for small businessmen, farmers, who are the best small businessmen, the labour man, the public servant, and the man and woman on the street of this country than any other government in the history of Canada.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I do not want to accuse the hon. member for Prince Albert of shedding crocodile tears. I am sure he meant every word he said. He cried about the plight of the home owner who is plagued with high interest rates and property taxes. I want to remind him that it is his party that is taking part in the filibuster to deny that same home owner the property tax credit plan.

Some hon. Members: Shame!

Mr. Baker (Nepean-Carleton): He talked about the young couple he knew who had three children and were concerned about being able to keep their home. I remind him that there are constituencies in this country filled with people who want to keep their own homes. There are constituencies represented by members in this House, including members on the other side, who would like to have a home of their own. Because of their filibuster, these people will not have the advantage of Bill C-20. I want to serve notice now in this House of Commons that, given the opportunity over the course of the next week, the people of Canada are going to get that bill.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I have listened to the speeches of members of this House, talking about the great things they would do, particularly the Liberal party, for Canada. I have listened to them talking about the great things they would do if they were in office, the great things the Liberal party could do for Canada. Mr. Speaker, the party is so bereft of good fortune, good ideas and good principles that even the Crown Prince would not stand for its leadership!

● (2040)

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): I see the hon. member for Vancouver Centre (Mr. Phillips) is in his place—

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order. There is a great deal of noise in the chamber. I think the House and the Chair would be better served if we could allow the President of the Privy Council (Mr. Baker) to continue his speech with fewer interruptions.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Thank you, Mr. Speaker. I was coming to the hon. member for Vancouver Centre who made more press by saying he was not going to run for the leadership than anyone else. Mr. Speaker, the press welcomes a wise man! The party over there promised duty-free shops, and instead we got Sky Shops.

An hon. Member: Your first campaign speech!

Mr. Baker (Nepean-Carleton): I beg your pardon. The hon. member is new to this House and he can shout all he wishes. But I should like to listen to him if he gets a chance to speak in the debate, and perhaps it might be a good thing if he listened to what the Speaker said a few moments ago. The party over there is very fond of saying that the government under the present Prime Minister (Mr. Clark) has not kept any of its promises. Mr. Speaker, I want to deal with this budget in terms of the promises this party has kept.

An hon. Member: Then your speech will be short.

Mr. Baker (Nepean-Carleton): We made a number of tax-related commitments in the course of the election campaign. Those commitments included long-term tax contracts for firms investing in eastern Canada. The budget delivered on that promise. We indicated in the course of the campaign that we would make substantial capital gains tax relief available to farmers. The budget has delivered on that promise. We said we would give tax incentives to encourage the production in Canada of new vessels for the Atlantic fishery. The budget has delivered on that promise.

We said we wanted to deliver on another promise related to the idea that spouses who work legitimately in the businesses of their husbands are not chattels but are entitled to be treated as persons. We have delivered on that promise. We said we would begin to reduce the size of the federal deficit and of the federal cash requirement, and last night the Minister of Finance (Mr. Crosbie) began the delivery of that promise. We said there would be a marked improvement in the employment tax credit program so that we could begin to employ more young Canadians, and the Minister of Employment and Immigration (Mr. Atkey), following upon the Minister of Finance, has delivered on that promise.

We said as well that it was a good idea for Canadians to invest in their own society, in their own businesses and in their own country, and the budget produced tax measures to encourage investment in the common stock of Canadian corporations. We said it was high time we were honest with Canadians with respect to the prospects for the future, remembering that the hon. member for Saint-Maurice (Mr. Chrétien), when he was minister of finance, gave forecasts which only a fool would believe. We said it was time there was a five-year fiscal forecast of expected expenditures and revenues and that it was time to reduce budget secrecy. And we have delivered on that promise.

Mr. Speaker, we sat on the side of the House for some time and watched the government wallow in rhetoric for 16 years as they promised energy self-sufficiency for Canada—and failed to deliver. Sir, the tax measures and other measures in this budget are designed to implement the promise we made to Canadians that we would move toward energy self-sufficiency by 1990, and we intend to deliver that promise.

Once in a while I listen to the NDP. Their favourite word is "concern". They are concerned about this, they are concerned about that. The only thing they are not concerned about is consistency!

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): I will say though, that the hon. member for Prince Albert did not do that; he was, at least, straightforward in his maiden speech, and I compliment him on that. He was wrong, but straightforward. His friends in that group claim they are the purveyors of virtue, that they are the only repositories of virtue in this country. I want to point out to them, and to Canadians generally, that there are some worth-while social policies in this budget, policies they ought to support.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): We promised something else in this budget; there is a ways and means motion, through which we hope to deliver to Canadians a policy which will shelter lower and middle-income families, a refundable energy tax credit of $80 per adult and $30 per child a year, phased in over a period of two years.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): This party recognizes that any change in policy has an impact on some groups of Canadians, and the Minister of Finance, the compassionate man that he is, showed his concern about the little man in this country and has delivered on that promise as well.

Of course there are problems with respect to the impact, say, in Atlantic Canada, of higher energy prices. I don't think the people of Atlantic Canada are likely to forget that what caused this impact was not the Minister of Finance but 16 years of neglect by those on the other side. But in recognition of their need, we have provided for grants in the Atlantic region to compensate for the higher cost of electricity generation, grants which will hold down increases affecting families in that region. We want to deliver on that promise well.

We have provided tax incentives to increase job opportunities available to young people. The highest rate of unemployment among any class in Canada exists among young people. We cannot undo in six months the consequences of 16 years of neglect, but we have started.

We want to deliver to a parliamentary committee, which we have established, a paper which will be the basis for an examination of the whole question of charitable donations so that hopefully we can revitalize the voluntary sector. There are measures in this budget to stimulate investment, to stimulate growth, and to stimulate confidence. And for once, and thank God it's happened, there is a government in Ottawa ready to tackle the problems of the country.

I noted as well, in the course of the speeches by members of the Liberal party, the crocodile tears and the misconceptions which have been a burden on the *Hansard* record of this House. They are trying to tell Canadians now that they are the party of low energy prices, that the last thing in the world they would ever consider is that we should move toward world prices. We have all heard them.

[Mr. Baker (Nepean-Carleton).]

• (2050)

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. I want to appeal to members on all sides of the House to refrain please from making so much noise so that we can hear the President of the Privy Council (Mr. Baker).

Mr. Baker (Nepean-Carleton): I appreciate your intervention, Mr. Speaker, but I can understand that members on all sides of the House would shout and complain when they contemplate the record of 16 years of incompetence from the party on the other side. I was talking about the party that would aspire to leadership, the party that would aspire to plunge the country into a winter election. I want to remind them of what they said. They are trying to say to Canada today, and to Canadians, that they are the party of low energy prices, they are the party that does not want to move to world prices. If they think they can fool the Canadian people that that is the position they take, then they have less faith in the Canadian people than we have.

Mr. Breau: You fooled them.

Mr. Baker (Nepean-Carleton): One of the princes of the Liberal party, Donald Macdonald—we are not sure whether or not Donald is going to run—

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): There is at least one Crown Prince left, and this is what he said in his budget speech on May 25, 1976:

—the government—

That is the Liberal government—

—has recognized the necessity of allowing prices of oil and gas to rise at a measured pace toward world levels.

That is what they said.

Mr. Breau: What was the world price then?

Mr. Baker (Nepean-Carleton): World prices in 1976, but when it is convenient, something different in 1979. Remember the speeches that they made in the course of this debate? Donald Macdonald went on to say:

The need to encourage production and conservation and to ease the fiscal burden on government points toward larger and faster increases of energy prices.

This is the crowd who want Canadians to believe they stand up for the little man and low prices of energy. Of course they do not, except that it is convenient for them to attempt to mislead the Canadian people in 1979.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I want to talk again about consistency. There is another man practising law now, properly and appropriately, in the firm of McMillan Binch in Toronto. I do not blame him for practising law in that firm. He took a look at the rag-tag group over there and decided he could not lead them. There is nothing wrong with "Blue Eyes". This is what he said in his budget speech of June of 1975:

When international oil prices rose sharply in the fall of 1973, most countries, particularly those wholly or largely dependent on imported oil, allowed their domestic prices to reflect those fully prevailing in the world market. This is what normally occurs in Canada when the prices of internationally traded goods rise. There are good reasons for allowing this to happen. If a price for a commodity is kept lower in our open market than in international markets, this discourages domestic producers from increasing supplies and discourages consumers from economizing on the use of a scarce commodity.

Speaking of the Liberal government of that day, which is the Liberal opposition of this day, he said:

—it was never the intention of the government to maintain indefinitely the present regime of cheap energy in Canada, while the rest of the world was adjusting to the new realities.

He went on to say:

—we have no practical alternative to continuing a phased adjustment to higher energy prices. This is essential to provide for our future supplies and to conserve the use of this scarce resource.

The finance ministers in that government, at least with respect to the problem of energy and energy self-sufficiency, recognized in 1975 and 1976 that we could never again live in the same regime even though that party today thinks we can turn back the clock. We cannot. What has happened is that there was all the preaching about world prices but no action and, as a result, our exploration went down, our search for new resources went down, and we became captive of the nations that are not so friendly to us.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): As a result of the neglect of 16 years, Canada must now face up to the reality that is ours. If we want to become self-sufficient in energy, if we do not want to be hostage to misfortune, if we do not want to be subject to the whims of Arabian nations, of Venezuela and other nations, if, in the words of the hon. member for Prince Albert, we really want to be masters in our own house, then the Arabs will not do it, the Americans will not do it, but the Canadians will have to do it, and the Minister of Finance has pointed out the only way we can do it.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): There is not a person in Canada who wants to pay higher prices for anything. There is not a person in this House or anywhere else who wants to pay higher taxes. Canadians, I believe, are prepared to face up to the truth. I hope this Parliament is prepared to face up to the truth. Let there be no doubt about it from any party or any group in this House, that self-sufficiency by 1990 is our watchword.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): By this budget we have nailed our colours to the mast.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): It would be very easy to follow the example of other years, to let the deficit climb, to let us fall further and further into the morass of non self-sufficiency. I am proud to serve in the same cabinet with John Crosbie because he has challenged Canadians. He has more faith in Canada than that rag-tag, leaderless, unprincipled lot that wants to replace this government.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): It is the same crowd the country rejected in 1979.

An hon. Member: Talk about the budget.

Mr. Baker (Nepean-Carleton): The hon. member for Prince Albert said it was time to buy back Canada. He is right, it is time to buy back Canada.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): It is time we let all Canadians share in the resources of this nation. If we want to be self-sufficient, we have to pay for it. I have telegrams on my desk, and I have received telephone calls from all over Canada today. They are saying to us that this is the right direction for Canada—it is tough, but it is the right direction.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): They said, "It is time somebody took hold, and the Minister of Finance has taken hold, and thank God for that".

Garth Turner was writing in the Toronto *Sun* today and this is what he said, talking about this budget:

Sure, it's tough. It's what everyone is calling an "austerity" budget. It means most of us will be paying more for almost everything. It assumes the 1980s will be harsh, with higher inflation, more unemployment and slow economic growth. But through all of that, there's a note of realism here. It's nice to hear.

Some hon. Members: Hear, hear!

● (2100)

Mr. Baker (Nepean-Carleton): Particularly I point out to my friends in the NDP what the writer went on to say. He said:

The single most important thing we heard last night was that fiscal responsibility might, just might, return to Ottawa. Crosbie's pledge to reduce the federal deficit will have sweeping ramifications. It will lower inflation, and therefore reduce crushing interest rates. It will return capital to the private sector for the creation of jobs and the expansion of industry. That, in turn, will help Canada's trade picture and reduce our current accounts deficit with the rest of the world.

That is why I am proud to serve with the Minister of Finance in this cabinet.

Some hon. Members: Hear, hear!

An hon. Member: What about *The Toronto Sun*?

Mr. Reid: What about the *Star* and the *Globe*?

Mr. Baker (Nepean-Carleton): Perhaps members of this House should face up to what the people of Canada are facing. He added:

It's time to face up to economic realities, he said,... It's time to make the most of this country's opportunity. That can only come through energy self-sufficiency, reduced government spending, increased productivity and investment and an end to deficit financing.

That is the promise of this government.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): These are the things we have to do ourselves in Canada. No one else will do them for us. If the opposition parties do not understand that, then they have broken faith with Canadians.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Believe me, Canadians understand this challenge and Canadians are prepared to accept this challenge because they have faith in Canada, faith in its resources, faith in its people, and faith in its potential.

An hon. Member: Forty-three minutes to go.

Mr. Baker (Nepean-Carleton): If this party goes to the country, the country will have faith in this government.

Some hon. Members: Hear, hear!

Mr. Andras: Would the hon. President of the Privy Council (Mr. Baker) permit a very gentle, quick question?

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

Mr. Andras: I am wondering if the minister who just finished speaking would permit a question?

Mr. Deputy Speaker: I did not hear the hon. member because his microphone was not turned on.

Mr. Andras: Will the House or the minister permit a quick question, based upon his remarks of a few minutes ago?

Some hon. Members: Agreed.

Mr. Baker (Nepean-Carleton): Yes, Mr. Speaker.

Mr. Andras: The hon. minister has made many quotations from many documents. I wonder if he has seen the quotation of Dalton Camp which reads:

If the new government were a play just opened on Broadway, it would be shut down tomorrow for bad reviews.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Mr. Speaker, I saw that quotation. If the hon. gentleman and his colleagues want to put us down, go ahead.

Some hon. Members: Hear, hear!

Mr. Roger Simmons (Burin-St. George's): Mr. Speaker, my first words ought to be those of sincere thanks to Your Honour, members of the House and all who have been so kind and warm in receiving me here. Especially my thanks go to the hon. Leader of the Opposition (Mr. Trudeau), the opposition House leader, the whip, their staff, and all the others who have helped me to become oriented. Indeed, I extend a special thanks to the persons who are responsible for my being here, the voters of the district of Burin-St. George's.

Some hon. Members: Hear, hear!

Mr. Simmons: Especially I want to express to them my firm commitment that I shall do my very best to represent them in this Parliament adequately. I want to welcome my friend, the hon. member for Prince Albert (Mr. Hovdebo), who was elected on the same day as I and who, like I, succeeded a very great Canadian. As Your Honour will know, I succeed in my place here a very great Newfoundlander and a devoted Canadian, the Hon. Don Jamieson.

Some hon. Members: Hear, hear!

Mr. Simmons: It is rare indeed that a man with his combination of confidence, drive and energy is attracted to elected public life in this country. I am honoured to succeed him. I hasten to add that I shall not try to fill his shoes. What I intend to do is to try, to the very best of my ability, to make some contribution to the cause which brings all of us to the chamber. In saying that, of course I am aware that this, my first term here, may be historically brief, but not so my second term as a government member.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Simmons: Mr. Speaker, as you can see my French is extremely limited, but I intend to do something about it as soon as possible. That is why I have registered for French lessons this morning. So if you find it difficult to understand me in English, do not give up right away. In the near future, after hearing my newly acquired French, you will realize that my English is not so bad.

[*English*]

In my six years as a member of the Newfoundland House of Assembly, and in my many years of watching this Parliament, I saw something tonight which I have never before witnessed. First I saw my good friend, the hon. member for Prince Albert, make his maiden speech, and a good speech it was.

Some hon. Members: Hear, hear!

Mr. Simmons: Then I saw the unbelievable, and I wish the minister about whom I am to speak were in the chamber.

An hon. Member: He is never here.

Mr. Simmons: I saw the unbelievable tonight. I saw a minister of the Crown throw normal common courtesy and normal parliamentary decency out the window and launch a vicious attack on a new member, a brand new member.

Some hon. Members: Shame, shame!

Mr. Simmons: That member is not in my party, but since he has already spoken, I feel as the other fellow who was elected that same day, that I should come a bit to his defence for the despicable display of arrogance we saw a few moments ago.

An hon. Member: Good old St. George's.

Mr. Simmons: If the hon. member is going to say it, he should say it right: Burin-St. George's. Before the President of the Privy Council (Mr. Baker) gets too carried away about the promises he says the Torry government has kept, let me remind him of some promises. Mr. Speaker does not have to take my word for it; he can take the word of the very reputable *Toronto Sun*.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Simmons: "The Promises Go Down Drain". This is not my publication. This is *The Toronto Sun*, not exactly the voice of rural Newfoundland or rural Canada. It has not been known over the years as being a great proponent of things Liberal. I should like to refer to the version of *The Toronto Sun* for the benefit of the President of the Privy Council.

An hon. Member: He is not here.

Mr. Simmons: I realize he is not here. I saw him leave. I can well understand why he has to get out fast to go to certain other places, which we will not mention here.

An hon. Member: He is afraid of you.

• (2110)

Mr. Simmons: The promises go down the drain. Here is what *The Toronto Sun* said the day after this much lauded budget; this thing that has got the President of the Privy Council all worked up, giving him sheer jollies because it is so good, so magnificent, and so perfect. Here is the perfection. I will tell you all about it. Let *The Toronto Sun* tell you all about it. It says:

Income tax deductions for middle and low income families up to $300.

Reality, he hit us with five tax increases.

Promise:

Cutbacks in unemployment insurance rates.

Reality:

Crosbie increased UIC; increased premiums paid by workers.

I will not take the time since I get no commission for this to read it all. But let me refer to more realities, and quote from *The Toronto Sun*:

It will cost more to drive your car, heat your home, smoke and drink.

It will make life longer, at least it will seem a lot longer.

Another reality *The Toronto Sun* outlines:

We may well be self-sufficient in energy by 1991 but at $4.50 a barrel of oil by 1983 who will be able to afford to buy it?

An hon. Member: $4.50 a gallon.

Mr. Simmons: The paper says a barrel, but I am sure it meant a gallon. In Toronto everything is smaller, including the barrels. One more reality from the reputable *Toronto Sun* and I quote:

And nothing on income tax cuts for middle and low-income wage earners.

Shame! The minister across the way should be the very man to talk about consistency because he certainly will know about it. He preached and lectured us tonight about consistency, but he must have learned it from a book. I say to him, it took the Tories 16 years to get there. Enjoy it; enjoy it for another half hour. It will take the Tories another 16 years before the people of Canada forget what was in this budget.

Now that I have dispensed with the President of the Privy Council, let us come to something far some serious. I refer to the budget speech, because that is what I want to talk about tonight.

[*Translation*]

Mr. Deputy Speaker: The hon. member for Rimouski (Mr. Allard) on a point of order.

Mr. Allard: If the hon. member would allow me, I would like to ask him a question.

[*English*]

Mr. Deputy Speaker: Order, please. The hon. member is seeking permission to ask a question. Is the hon. member ready to accept a question?

Mr. Simmons: Thank you, Mr. Speaker. I understood that is what he had said, and I would be pleased at the end of my few remarks to entertain any questions.

I want to come to what is for me a very serious document. I want to say to my good friend, the hon. member for Sault Ste. Marie (Mr. Symes), that what I shall give, I hope, in this chamber tonight during my few remarks is not going to be so much the bias of a Newfoundlander, as he would suggest, but the concern of one Canadian who is not very pleased about what is in this document, and I suggest I perhaps would not feel much different were I from some other part of Canada, even from his own part of Ontario.

To understand this budget Canadians must first understand the man behind the budget. I wish he were here tonight, but that is not my choice, so in his absence I will proceed. I should perhaps take a little time to tell you and, through you, the people of Canada, something about the man who is our Minister of Finance (Mr. Crosbie), what makes him tick, and why he does not believe in Christmas. I have known him for years, even before it was my task, often pleasant, to shadow him when he was the Newfoundland minister of finance, and even before, I say to the misled member from St. John's, he showed clearly where his loyalties were when he cancelled, as the Newfoundland minister of finance—can you believe it—the mother's allowance!

Some hon. Members: Oh, oh!

Mr. Simmons: I know him, and I knew him even before he sat in my living room 11 years ago and invited me to join his team in his quest for leadership of his party, which at that time was Liberal. He did not win that quest, and that explains why he crossed the floor to the Tories. That, of course, does not explain why he crossed the floor to the Liberals and left his Tory grandfather in the first place.

The Minister of Finance took pains to tell us about his successive electoral victories. I want to talk to you about just two of them to make a point in relation to the budget. One election took place about two months after he had joined the Tory administration in Newfoundland and about three weeks after he had delivered his first budget in which he literally dwarfed Churchill's sweat, blood and tears speech of World War II. In that election the Minister of Finance got 74 per cent of the votes cast.

After having been three years as minister of finance he faced another election, after he had not quite delivered the Utopia he had promised. In that election he got a majority of 437, or 54 per cent of the votes. Not surprisingly, within a year he was running federally. It was a choice really of running or being run out of town. That is a demonstration of that bit of wisdom which says that if you are about to be run out of town get at the front of the crowd so it looks like they are having a parade in your honour!

Some hon. Members: Oh, oh!

Mr. Simmons: I promised I would tell you a few things about the Minister of Finance. He was the deputy mayor of St. John's. He was second to the mayor. He was the second man in Joe Smallwood's Liberal cabinet. He was the second man in Frank Moore's PC cabinet. He is now the second man in the Prime Minister's cabinet. Not that the Prime Minister (Mr. Clark) is the first man. The President of the Treasury Board (Mr. Stevens) is the first man. The Minister of Finance is doing today in this budget what he has done all his life. He is playing second fiddle. In this case the first fiddle is the President of the Treasury Board. I love poetry. "The Origin of The Term Second Fiddle" is a little piece I have. It is anonymous, but I have this little couplet here which states:

I am the dean, and this is Mrs. Liddell.
She is the first and I the second fiddle.

The dean is the Minister of Finance and the President of the Treasury Board is like Mrs. Liddell. The Minister of Finance is always the bridesmaid and never the bride, until one day the bridesmaid dreamed about being the bride, and then dreamed she was a bride, and then believed her dream!

Who wrote the budget speech? I do not mean who physically transcribed it, but who dictated the budget? Was it dictated by some of the ministers who do not sit here because they could not win themselves a seat? Was it the minister of small businesses, the minister of international trade and economic development, and the minister of industry, trade and commerce and whatever else? I will tell you how many portfolios he has. If you count all the junior ministers on that side who answer to him, you have fully half the Tory bench. Did he write the budget? If so, I cannot see the Minister of Finance reading it because those two guys, as I hear it, are not on very good terms these days. Did the President of the Treasury Board write the budget? Then again, how could the Minister of Finance read it because he and the minister responsible for the Treasury Board are not on particularly good terms these days either.

• (2120)

Or was it another minister who dictated this budget? Was it the senior minister from Alberta? No, I do not mean the Prime Minister, I mean the senior minister from Alberta, Mr. Lougheed. Who dictated this budget? That is the first question to which I would like to have an answer.

The Minister of Finance has stated his complete strategy on reducing the deficit. Let me tell you, Mr. Speaker, as one who knows, that he is not without experience in this matter, or at least in a related matter. When he was with the Tory opposition in Newfoundland in 1970 he said, as it is reported in the extract of *Hansard* which I have here, as an opposition member talking about the scandously high Newfoundland debt on that day which approached something in the order of $600 million or $700 million—he said, in part, and with humour, which is so much a part of him:

I have heard the premier saying—

He is talking about Premier Smallwood.

—I have heard him say, 'we will just roll over this money. This is no problem, we will roll it over'. The theme song of the government seems to be 'roll me over' with respect to the funded debt of this province.

Then he goes on to lament the size of the public debt of approximately $700 million. In truth, by the time this minister became the provincial minister of finance, those shockingly bad Liberals had put it up from about $700 million to fully $900 million. So his great crusade was to bring down this shockingly high public debt. Keep in mind that when he assumed the portfolio of finance, the debt was $900 million. When this provincial minister of finance left that portfolio two years later, it was $2 billion! This is the same man who, after great success in reducing the public debt in Newfoundland all the way down from $900 million to $2 billion—that is a long way down—and after solving our problems down there, has come up here to solve some of your problems, Mr. Speaker. He intends to reduce your deficit for you now, sir!

As one of my friends to my left said earlier this week, the government is having a bit of an experimental program in math, and do not be surprised if reduction means multiplying by two or 2.5 over the next three or four years, that is, if they have the chance to be the government that long, but that is not something we will have to deal with now. Clearly, the Minister of Finance has the experience, and I leave it to hon. members to decide whether it will be helpful in his present crusade to reduce the deficit. I have warned you, Mr. Speaker, not to hold your breath.

There is no doubt that this man has humour. He had it in the quote which I gave, and he has it now. Indeed, I would guess that of all those in this chamber tonight, I, more than

anyone else, have rolled in the aisles with his brand of wit and his paralysing invective. I will continue to do so because I like it. But I will tell you, Mr. Speaker, what I have discovered about his wit; it does not buy the groceries for the widow or the low income people across this country, on in my riding of Burin-St. George's!

As beautiful as the minister's wit is, it is a veneer, a façade, a style of bravado which is designed to conceal, hide, and distract. Humour is all right in its place, but if there is one thing the mourners in a funeral procession can do without, it is an undertaker who flashes a greasy grin on the way to the graveyard. I will leave it to my colleagues who are more expert in these matters, such as the hon. member and former minister of finance, the hon. member for Saint-Maurice (Mr. Chrétien) and our spokesman on finance—I will leave it to them to deal with the more technical aspects of this budget, if they ever get the opportunity to do so in this Parliament.

My immediate concern relates to those issues which have a money impact or a pocket book impact on the middle and low income Canadians in my riding and all across this nation. The 25 cents a gallon increase in automobile gas with another 12 cents increase over the next year, the 15 cents increase for fishermen with another 12 cents increase during the next year and the 12 cents extra for people on home heating fuel over the next year, are all bad. I hear the minister talk about the conservation argument. That may well apply in certain parts of urban Canada, but I do not know because I do not represent an urban riding. I will leave that to my colleagues.

How do you conserve fuel in a fishing boat? Do you go half way to the fishing grounds? It is very good to have a car pool in Montreal, Toronto or Vancouver, but can you imagine a boat pool? Can you imagine the boys saying in the morning, "Don't take your boat this morning, George; we will put all the fish in my boat". These people cannot go out on a corner and wait for the bus. They wait two weeks for a boat. We cannot tell them to conserve by taking public transport. They only transport they have is their automobile, if they live near or on a road, or their legs. The latter take little petro, but the cars and boats take a great deal of petro and they cannot conserve it. These people have to use it if they are going to do their work.

I am dismayed at what the government is doing with unemployment insurance premiums. I heard the hon. member for Calgary West (Mr. Hawkes) say in his speech yesterday that that is only the tip of the iceberg, and that it is only part of the full review. Why do they not tell us the full truth about what they have in mind? This budget is a Newfy joke because we in Newfoundland, like no others across this country, will bear the brunt of it, and from whom? One of the two men, including the Minister of Fisheries and Oceans (Mr. McGrath), in that administration upon whom we thought we could depend to put our case in government! They are two Newfoundlanders themselves, and to whom are they socking it most? The people of rural Newfoundland, rural Canada, and all parts of this country!

If that is what the Minister of Finance is prepared to do to his own people amongst whom he grew up, then I shudder to think what he is prepared to do to the people of Canada as a whole. Perhaps the most prophetic statement in this entire document is the one which occurs on page 20 where the Minister of Finance says:

> Fifty-one years ago my grandfather, Sir John Crosbie, delivered his fifth and final speech to the House of Assembly—

He went on to say:

> —they had vision, confidence and courage.

And he could have added, "and a formula for bankruptcy". Sir John Crosbie was a Tory, but not a turncoat. Sir John Crosbie was a Conservative, though not a rank opportunist. His pedigree is that of a Tory, and that is about the only thing he has in common with the present Minister of Finance. They were both Tories by nature and by ancestry.

Let me make one other comparison. There are similarities in the two positions of 1928 and today. In both cases it was each man's fifth budget. The present Minister of Finance delivered a budget to the city council of St. John's, three to the provincial government and one here, his last!

Some hon. Members: Hear, hear!

Mr. Simmons: And it, like the other ones, is a harbinger. It is a harbinger of things to come. It is a frightful message of how bad it will get if this crowd is allowed to run the government affairs of this country much longer.

Finally, and on a pleasant note, let me say that if we do not get home for Christmas—I feel certain that we will with the vote that is about to come—do not blame the Minister of Finance for all the nice things I have said about him. Blame the President of the Treasury Board who, believe it or not, lost his estimates in committee. Perhaps we should put him in charge of the Prime Minister's suitcases. Not only did he lose his estimates in committee, he has not yet managed to find the Atlantic provinces!

• (2130)

I said earlier, Mr. Speaker, that the Minister of Finance did not believe in Christmas. I owe it to the House to say why. He insists his birthday is not until January 30!

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Allard: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The hon. member for Rimouski on a point of order.

Mr. Allard: Mr. Speaker, first of all I want to congratulate the hon. member who has just spoken. He was quite eloquent, but he gloated over too many things. I should like to ask him whether he would have any remedy to apply were he sitting where Progressive Conservative party members are sitting now.

[*English*]

Mr. Deputy Speaker: Order, please. The hon. member for Burin-St. George's (Mr. Simmons) accepted a question and the question is being asked, if he wishes to answer it.

Mr. Simmons: Mr. Speaker, I reply to my hon. friend in English because my French is inadequate and I would appreciate it if he would repeat his question. I will get my little plug and put it in my ear. We are not technically oriented down my way and it takes a little time to get the plug in the ear.

[*Translation*]

Mr. Allard: Mr. Speaker, I am willing to start all over again. First of all, I should like to congratulate the hon. member on his eloquence. He speaks so well that it is a pleasure to listen to him. However, he gloated over a great many things, but if he were to speak on behalf of the Liberal Party of Canada, what solutions would he propose to solve the problems with which we are faced now? If he were sitting where the Progressive Conservatives are sitting now, what would he do? That is my question. If he is willing to answer it, fine.

[*English*]

Mr. Simmons: Mr. Speaker, I thank the hon. member for Rimouski (Mr. Allard) for the question. First of all, I would not sock it to the low and middle income earners. I would not raise unemployment insurance premiums. I would not make promises about income tax and then reverse them. If the hon. member wants my platform in any more detail, I will be delighted to meet him in the lobby and have a good chat.

Some hon. Members: Hear, hear!

Mr. Len Gustafson (Assiniboia): Mr. Speaker, it is a real privilege for me to rise in this House and make my speech at this very serious hour.

An hon. Member: The first and last.

Mr. Gustafson: The timing goes this way, and it is a good proverb—the first shall be last and the last shall not be first.

Mr. Speaker, I represent the people of the constituency of Assiniboia who are very serious people. They are very serious about the situation that faces us now. I represent a people who are a productive people, hard-working people. I do not stand before you tonight as a professional politician; I stand before you to represent a people who know what it is to work hard and to produce. We have seen the production of the hard working people eroded by the socialists who are now hard to discern on the opposite side of the House because the philosophy of the left camp has climbed into the other camp, under the leadership of the former government. It is hard, though, to discern just where that side of the House stands. I suggest to you, Mr. Speaker, that the people of Canada will decide—those hard working people whom we represent.

I should like to tell hon. members something about the constituency of Assiniboia, Mr. Speaker. It produces one-quarter of all the wheat grown in Saskatchewan. There are 1,000 square miles of coal at Willow Bunch, Saskatchewan. In the constituency there are 150 square miles of coal in the Estevan area which also has major oil fields, the Estevan oil field, the Weyburn oil field, the Goodwater oil field, and the Midale oil field. I know what it is to represent people who produce the goods, Mr. Speaker.

The people of Canada tonight are not happy with the flippant mood in this House. Canada is standing at the crossroads, the result of 16 years of government that did not well represent the hard working and productive population, those in the factories, on the farms, in small business. Those people do not think that this is a light matter. On May 22 they voted under conviction, and if we are called upon to go to the polls again, they will vote under conviction this time as well.

I rose to speak on the budget, Mr. Speaker, and I should like to say a few words on that subject. I am very pleased to stand in this House with men like the Prime Minister (Mr. Clark) who gave great leadership, and who will give great leadership.

Some hon. Members: Hear, hear!

Mr. Gustafson: I am pleased to stand in this House with men like the Minister of Finance (Mr. Crosbie) who brought us a good budget, a hard budget, but an honest one, and who will in days to come, God willing, bring us many more honourable budgets. In this very serious moment Canadians are looking for men of determination, men of good will, but men who are willing to do the hard thing and the right thing. In this budget the minister did the right thing.

Leaders and business across the country and in other fields have acknowledged that this budget is right for Canada at this time. I would challenge hon. members opposite that if they think this budget is not right in the minds of the people, let them ask the public of Canada.

Let me tell you what a productive people have done, Mr. Speaker. In the year 1900, 97 per cent of all the people in North America were engaged in agriculture. Today, less than 5 per cent are engaged in agriculture, but that 5 per cent is producing enough to feed all of North America and a good portion of the world.

What did the opposition accomplish in the field of energy, Mr. Speaker? Canada is a strong country. It can produce energy as it can produce food. These are two important commodities that we will hear a great deal about in the future—food and energy. What does the opposition do to bring into being and to help exploration and production in this country? In 1975 we were self-sufficient in oil. But today we are running far behind because there was a lack of vision, a lack to see the tremendous challenge to produce. What has our budget done? What has the Minister of Finance seen and this government seen in the few short days we have had in this House? We have seen the vision of where Canada can go in energy.

● (2140)

Some hon. Members: Hear, hear!

Mr. Gustafson: We can be self-sufficient by 1990 with this budget that the Minister of Finance has given us. We can be efficient. We can heat the homes of Canadians. We can put fuel in the tractors of Canadian farmers, and we can produce energy like we have produced food.

Some hon. Members: Hear, hear!

Mr. Gustafson: What did the budget say for the farmer? The budget of the Minister of Finance said that we will give some relief in the area of capital gains. I fought hard and long for this, with my colleagues from all across Canada.

Some hon. Members: Hear, hear!

Mr. Gustafson: This is a very positive and productive budget. What did this budget do for energy? It ensures relief for the low income families.

Some hon. Members: Hear, hear!

Mr. Gustafson: There will be exemptions for fuel on the farms. It will stimulate exploration, and supply this great country of ours with the tremendous benefits of being self-sufficient in oil. It is most important, ladies and gentlemen.

Some hon. Members: Hear, hear!

Mr. Gustafson: I would like to continue but time will not permit. However, in the few closing minutes that are left to me, I would like to impress hon. members with something of importance to the country of Canada tonight. A statement made some time ago said "The land is strong". I agree, the land is strong. Canada is strong. There is no better country in the world. I have had the opportunity to visit 35 countries in the world and there is none that equals Canada. It is the best country in the world.

Some hon. Members: Hear, hear!

Mr. Gustafson: Second, the people of Canada are strong. Canadians are a very strong people. Canadians are productive people. How did the opposition use that production? They wasted on the one hand and they have given away on the other hand. We have come through a decade of socialism. They were interested in giving away the hard-earned production of Canadian citizens.

Some hon. Members: Hear, hear!

Mr. Gustafson: What is the future of this country? The future of this country is to give incentives and to give the opportunity to these hard-working people to create wealth for this country. That will be a precedent that Canadians will be proud to hand to their children and their grandchildren.

Some hon. Members: Hear, hear!

Mr. Gustafson: I want to tell you further that the government you have today is strong. It is strong because men like the Minister of Finance and the Prime Minister and the men behind them are ready to stand up and do the right thing.

Some hon. Members: Hear, hear!

Mr. Gustafson: If we should be challenged at the polls in just a few minutes, the challenge, the cross-roads that the people of Canada will face is: are you willing to do the right thing right now?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

It being 9:45 p.m., it is my duty, pursuant to Section 6 of Standing Order 60, to interrupt the proceedings and put forthwith the question necessary to dispose of the amendment to the amendment now before the House.

The question is on the amendment to the amendment. Those in favour of the amendment to the amendment will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the amendment to the amendment (Mr. Rae) which was agreed to on the following division:

(*Division No. 8*)

YEAS

Messrs.

Allmand	de Jong	Hovdebo
Andras	Demers	Isabelle
(Thunder Bay-Nipigon)	Deniger	Ittinuar
Appolloni	Desmarais	Jewett (Miss)
(Mrs.)	Dion	Johnston
Axworthy	(Portneuf)	Kaplan
Baker	Dionne	Killens (Mrs.)
(Gander-Twillingate)	(Chicoutimi)	Knowles
Bégin (Miss)	Dionne	Lachance
Benjamin	(Northumberland-	Lajoie
Berger	Miramichi)	Lalonde
Blackburn	Duclos	Lamontagne
Blaikie	Dupont	Laniel
Blais	Dupras	Lapierre
Blaker	Duquet	Lapointe
Bockstael	Ethier	LeBlanc
Breau	Evans	Leduc
Broadbent	Faour	Lefebvre
Buchanan	Fleming	Lessard
Bujold	Flis	Loiselle
Bussières	Foster	Lumley
Caccia	Fox	MacEachen
Campbell	Fulton	MacGuigan
(LaSalle)	Gauthier	MacLaren
Chenier	(Ottawa-Vanier)	MacLellan
Chrétien	Gendron	Malépart
Comtois	Gourd	Maltais
Corbin	Gray	Marceau
Corriveau	Guay	Massé
Cousineau	Guilbault	McCauley
Cyr	Harquail	McRae
Daudlin	Herbert	Miller
Dawson	Hervieux-Payette (Mrs.)	Mitchell (Mrs.)
De Bané	Hogan	Munro
de Corneille	Hopkins	(Hamilton East)

Messrs.

Murphy	Prud'homme	Sauvé (Mrs.)
Nicholson (Miss)	Rae	Savard
Nystrom	Reid (Kenora-Rainy River)	Simmons
Ogle	Robinson (Burnaby)	Skelly
Olivier	Robinson (Etobicoke-Lakeshore)	Stollery
Orlikow	Rodriguez	Symes
Ostiguy	Rompkey	Tardif
Ouellet	Rooney	Tessier
Parent	Rose	Tousignant
Pelletier	Rossi	Trudeau
Penner	Roy (Laval)	Turner
Pepin	Sargeant	Veillette
Peters		Waddell
Phillips		Watson
Pinard		Whelan
Portelance		Yanakis—139

NAYS

Messrs.

Alexander	Forrestall	Lewis
Andre (Calgary Centre)	Fraleigh	MacDonald (Egmont)
Atkey	Fraser	MacDonald (Cardigan)
Baker (Nepean-Carleton)	Fretz	MacKay
Baldwin	Friesen	Malone
Beattie (Hamilton Mountain)	Froese	Mayer
Beatty (Wellington-Dufferin-Simcoe)	Gamble	Mazankowski
Binks	Gass	McCain
Blenkarn	Gilchrist	McCrossan
Bosley	Grafftey	McCuish
Bradley	Graham	McDermid
Brisco	Greenaway	McGrath
Cameron	Gurbin	McKenzie
Campbell (Sarnia)	Gustafson	McKinley
Clark (Yellowhead)	Haliburton	McKinnon
Clarke (Vancouver Quadra)	Halliday	McKnight
Coates	Hamilton (Swift Current-Maple Creek)	McLean
Cook	Hargrave	McMillan
Cooper	Hawkes	Mitges
Corbett	Hees	Munro (Esquimalt-Saanich)
Cossitt	Higson	Murta
Crombie	Hnatyshyn	Neil
Crosbie (St. John's West)	Holmes	Nickerson
Crosby (Halifax West)	Howie	Nielsen
Darling	Huntington	Nowlan
Dick	Janelle	Nylander
Dinsdale	Jarvis (Willowdale)	Oberle
Domm	Jarvis (Perth)	Paproski
Elliott	Jelinek	Patterson
Ellis	Jupp	Reid (St. Catharines)
Elzinga	Kempling	Reimer
Epp	Kilgour	Richardson (Humboldt-Lake Centre)
Fennell	King	Richardson (Beaches)
Ferguson	Korchinski	Ritchie (Dauphin)
Fish	Kushner	Ritchie (York East)
	Lambert (Edmonton West)	Roche
	Lane	Schellenberger
	La Salle	Scott (Hamilton-Wentworth)
	Lawrence	Scott (Victoria-Haliburton)

Messrs.

Siddon	Taylor (Cowichan-Malahat-The Islands)	Wakim
Speyer	Taylor (Bow River)	Wenman
Stevens	Thacker	Whittaker
Stewart	Thomson	Wightman
Stratas (Mrs.)	Towers	Wilson
	Vankoughnet	Wise
		Woolliams
		Yewchuk
		Yurko—133

● (2220)

Mr. Speaker: Order, please. I declare the amendment carried.

It being after ten o'clock, this House would ordinarily stand adjourned. I have an indication that the right hon. Prime Minister (Mr. Clark) wishes to gain the floor for the purpose of making a brief comment to the House. Since it is after the ordinary hour of adjournment, he could do so only with consent of the House. Is there such consent?

Some hon. Members: Agreed.

Right Hon. Joe Clark (Prime Minister): Mr. Speaker, I rise on a point of order. The government has lost a vote on a matter which we have no alternative but to regard as a question of confidence. I simply want to advise the House that I will be seeing His Excellency the Governor General tomorrow morning.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I have only two very brief things to say. The House will realize, I am sure, that it would have been most inappropriate for me to anticipate this decision in any way. Therefore I have not arranged and have no intention of making any arrangements for any hospitality.

Some hon. Members: Oh, oh!

An hon. Member: Why not?

Mr. Speaker: Hon. members would not have expected me to anticipate any result one way or the other, at least I hope so. Therefore, I will not, I repeat, not be in the usual environment after this sort of event.

The second is that this House stands adjourned until eleven o'clock tomorrow morning.

At 10.25 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, December 14, 1979

The House met at 11 a.m.

● (1105)

DISSOLUTION OF PARLIAMENT

[*English*]

Mr. Speaker: Order. I believe the right hon. Prime Minister (Mr. Clark) seeks the floor on a point of order.

Right Hon. Joe Clark (Prime Minister): Thank you, Mr. Speaker.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Clark: I rise on a point of order, Mr. Speaker. I would like to advise the House that I called on the Governor General this morning and, by proclamation under the Great Seal of Canada dated December 14, 1979, the present Parliament of Canada is dissolved. The date of the election is February 18, 1980.

[*English*]

Mr. Speaker, I would like to advise the House that I called on the Governor General this morning and, by proclamation under the Great Seal of Canada dated December 14, 1979, the present Parliament of Canada is dissolved. The date of the election is February 18, 1980.

Some hon. Members: Hear, hear!

The Thirty-first Parliament was dissolved on Friday, December 14, 1979, by proclamation of His Excellency the Governor General.